

Non-Financial Reporting

2022



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Sterne's profile

- Edito
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Cavaillon, July 7th 2023

As an industrial company operating in cutting-edge and highly technical sectors such as healthcare, industry, energy, and agri-food, **our company has a strong historical commitment to quality and continuous improvement, particularly in accordance with the ISO 9001-2015 and ISO 13485-2016 standards, covering all our activities.** This organizational approach has enabled us to achieve profitable and growing results for over 20 years.

However, a company is not limited to its expertise and financial figures. It is, above all, an entity embedded in the life of the community and which should seek to have a positive impact on its environment in the broadest sense, and this is what we strive to develop and emphasize within our organization.

As an economic actor within a local ecosystem, we are aware of our role and the impacts we can have. We firmly believe in our responsibility to our environment, our teams, and, more generally, our stakeholders (employees, customers, suppliers, partners). It is in this spirit that we wish to formalize our commitment to Corporate Social Responsibility (CSR).

In terms of social responsibility, we understand the importance of our teams, both women and men, in the company's success. Therefore, **we are committed to promoting a healthy and safe work environment that enhances the well-being of our employees.** We always ensure that our internal policies and practices reflect our values and promote a culture of respect, fairness, and diversity.

Regarding environmental responsibility, we are also aware of the impact of our industrial activities on the environment, and **we are committed to minimizing our ecological footprint** by implementing measures to reduce energy consumption, promote recycling, and adopt sustainable practices in our production processes and throughout the company.

In terms of ethic responsibility, as a company rooted in our local area and ecosystem, **we are committed to supporting our community and contributing to its development** by promoting local initiatives and partnerships with local stakeholders (education, cultural or sports associations, territorial attractiveness, economic development, etc.) to strengthen our positive impact on this social and economic environment.

The satisfaction of our employees, customers, and suppliers is at the heart of our approach. We commit to listening to and considering the expectations of these stakeholders to continually improve our products, services, and business relationships.

As a good corporate citizen, **we commit to publishing a statement of our non-financial performance,** demonstrating our transparency towards our stakeholders and our ecosystem. We will strive to be exemplary in our practices and to set up an example within our industry and its economic actors.

We will always ensure that our governance is transparent, responsible, and ethical. We will maintain a policy of collaborative and inclusive decision-making processes. Finally, we commit, and encourage our teams, to pursue a continuous improvement approach in terms of CSR (Corporate Social Responsibility), regularly assessing performance, setting ambitious goals, and implementing concrete actions to achieve them.

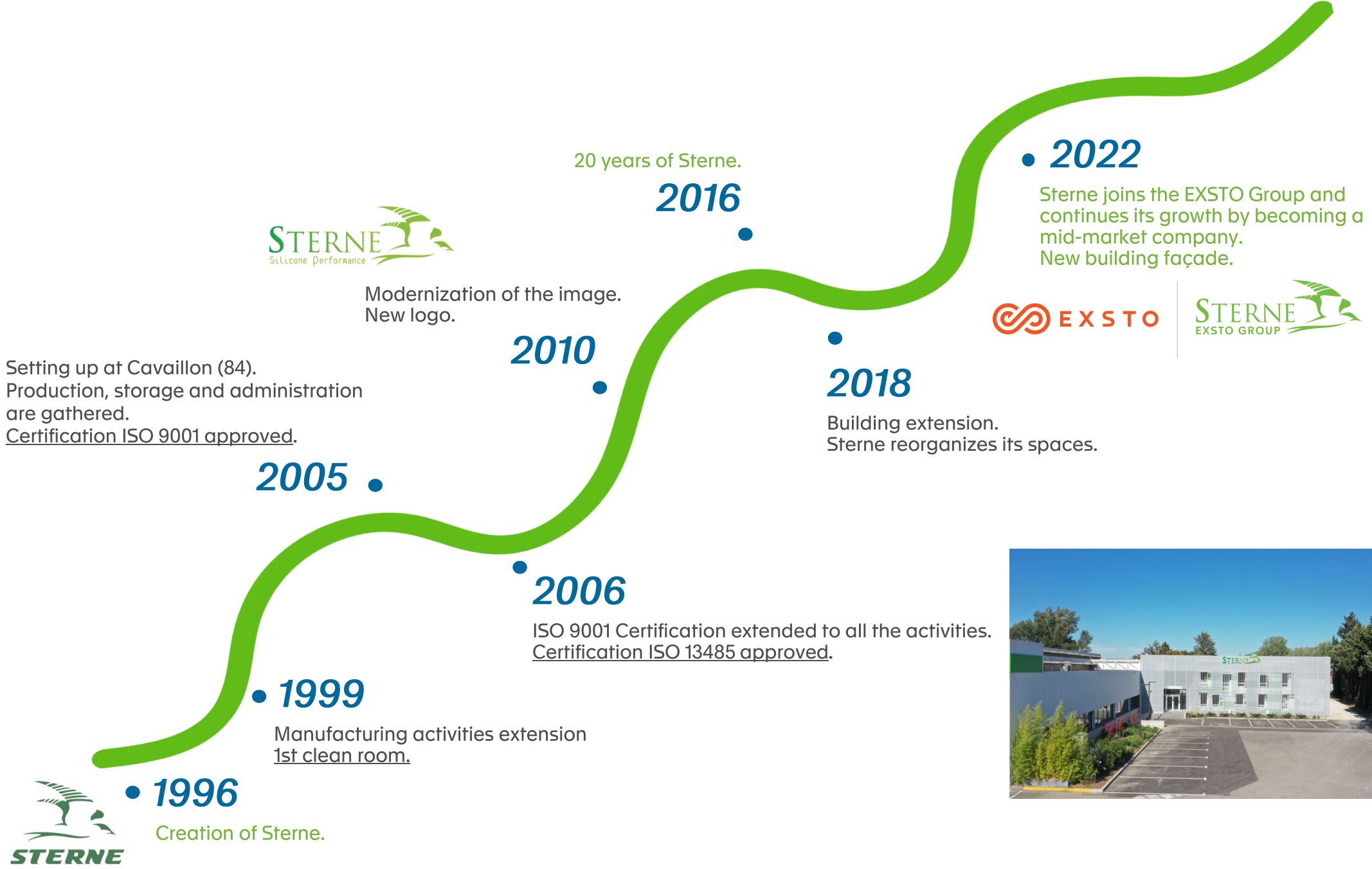
Together, we will continue to actively work towards being a responsible, respectful, and committed company.

Our purpose :
Provide innovation silicones solutions
to achieve responsible industrial performance

Céline LAGET
General Manager Sterne



Key moments



At a glance

Sterne : high performance elastomers
(silicones) solutions



2022 turnover

13.5M€

Incl. 51% in health business



35%

2022 turnover
generated by exports



67

Employees in 2022



4000m²

factory of which 700m² of
clean rooms ISO 6 / 7 / 8

Markets



Health



Transport



Energy



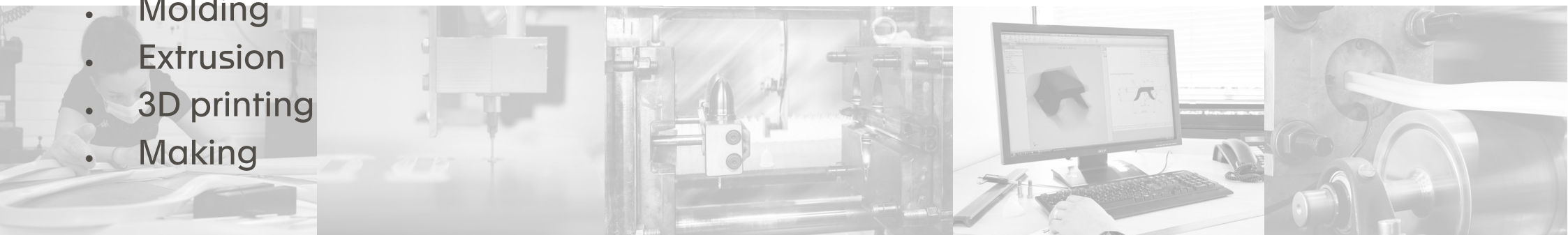
Industry

An organization centralized around a Quality System Management



A material expertise. Know-how.

- Counseling & Development
- Molding
- Extrusion
- 3D printing
- Making



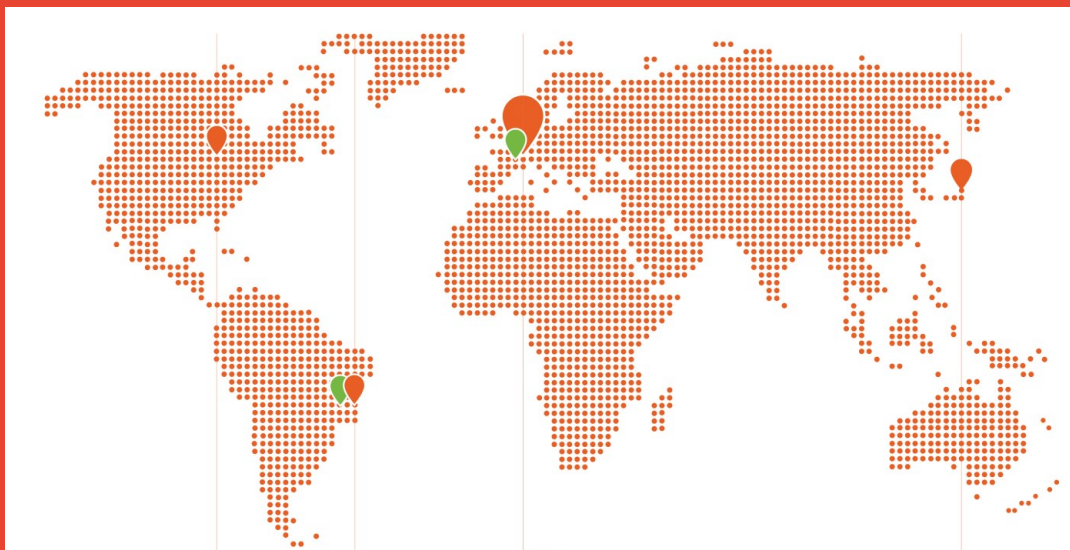
Dedicated environments

- Industrial
- 5 clean rooms
- Laboratory
- Machining
- UV



The Exsto Group : high performance technical polymer solutions.

Exsto around the world



Ann Arbor
USA (Exsto)

Itupeva
Brazil
(Exsto | Sterne)

Romans sur Isère, France
(Exsto Headquarters)
Hostun, France (Exsto)
Grigny, France (Exsto)
Cavaillon, France (Sterne)
San Lazzaro di Savena, Italy
(Exsto | Sterne)

Tokyo
Japan
(Exsto)

Markets



Health



Automotive



Subsea



Industry



2022 turnover

65.4M€



50%

2022 turnover
generated by exports



355

Employees in 2022



9 sites

Headquarters at Romans-
sur-Isère, France



Sustainable development

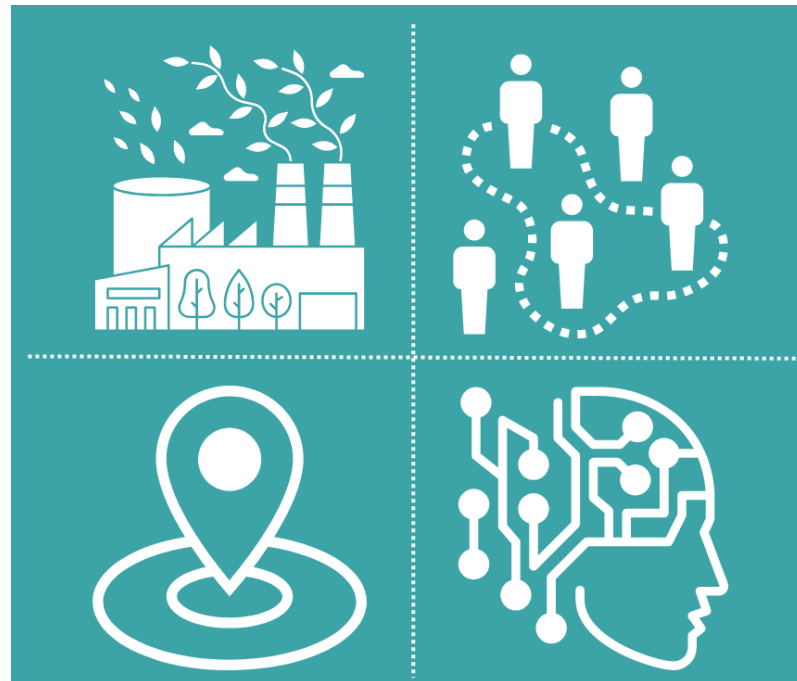
- Challenges and opportunities
- History of the CSR initiative
- Our purpose
- Our values
- Mission and vision

Challenges and opportunities

Striving for a better future, that is today's major challenge. A challenge to which each one of us can contribute. There is no good or bad action. Every action matters. **Positive Workplace's** audit enabled us to identify the CSR risks associated with our business.

Facing climate change and the growing scarcity of resources, we must reduce as much as possible the impact of our silicone manufacturing activities on the environment by being a **responsible industry**.

- Climate, greenhouse gases and energy
- Waste management and Green office
- Eco-conception
- Travelling
- Sustainable Digital



Facing inequalities, we must promote **equal opportunities**, access to culture, to sports, to work for all. We must show dedication by supporting **local development**.

- Local relations
- Business ethics, GDPR
- Sustainable supply chain
- Customer satisfaction
- Dialogue with stakeholders
- Sustainable Communication and marketing

Facing professional risks, we must answer by being a **corporate citizen** that ensures of its employees' health and wellness.

- Teams satisfaction
- Workplace life quality
- Management
- Disability and Diversity
- Professional equality
- Health and Security at work

It is together that our actions will have the most powerful impact. We believe in **collective intelligence** and in the confidence in ethic business.

- Transparency of the situation
- Decision sharing
- Professional equality
- Compensation and shared value

The audit of Positive Workplace has also enabled us to highlight the actions we are already applying enable us to answer already to 4 of the Sustainable Development Goals of the « Pacte Act». The concerned goals are 3, 5, 8 and 9.



3

Ensure healthy lives and promote well-being for all at all ages

5

Achieve gender equality and empower all women and girls. Gender equality is not only a fundamental right to the person, it is also a base necessary to the construction of a pacific, prosperous and sustainable world.

8

An economic growth supported and shared can create progress, decent work for all and ameliorate living standard.

9

A sustainable industrialization that benefits everyone, combined with innovation and infrastructure, can unleash dynamic, competitive economic forces that generate jobs and income.

History of the CSR initiative

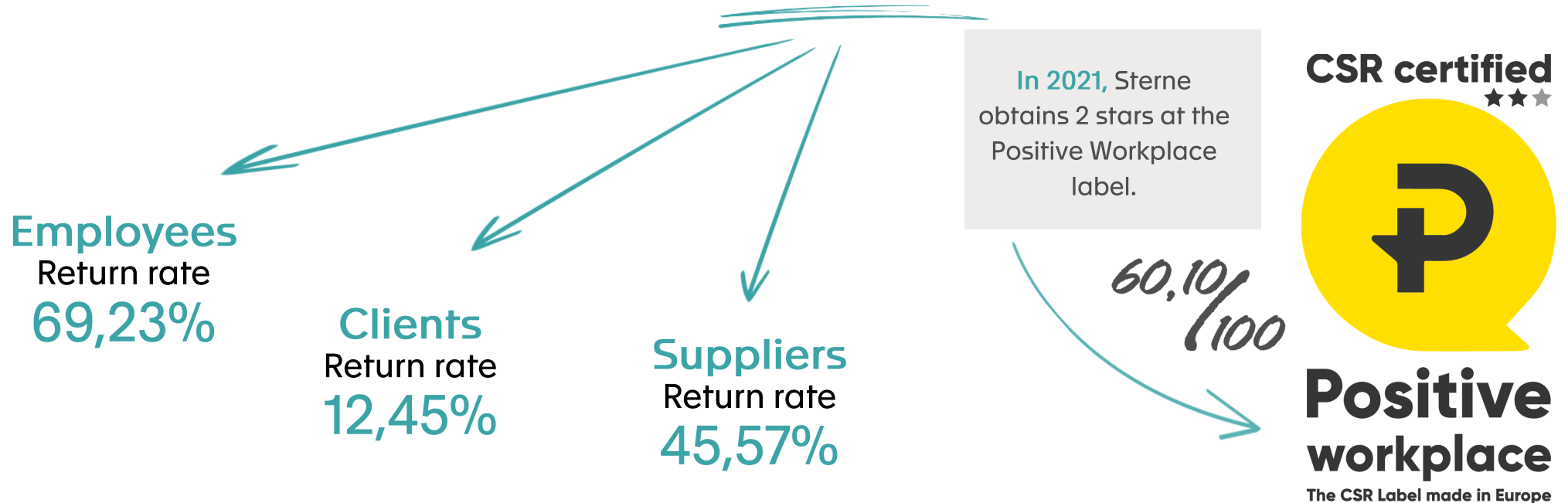
The Corporate Social Responsibility, a reality at Sterne since its creation in 1996.

Since its creation, the company Sterne loves to get involved in its local economic and social environment. Both in terms of culture as well as support in employment and training of students and people with disabilities.

As an industrial actor, the company has always shown its environmental conscientiousness by optimizing its production schedules, encouraging its employees to waste sorting, etc...

In 2021, more than ever involved in the very essence of these founding pillars, Sterne decides to formalize its CSR approach by participating in obtaining a CSR label. The choice fell on the Positive Workplace, a french label.

In this context, a CSR audit was carried out among the different stakeholders.



Our purpose

What helps new mums get back to living a full life again after giving birth thanks to smart pelvic floor training ? What make train travel more comfortable by absorbing vibrations and keeps you safe if there's a fire ? What keeps food fresh and tasty for chefs and foodlovers all over the world ? What helps our youngsters to lead a life free from care by protecting them from people who might mean them harm ? What keeps an artificial heart beating perfectly giving someone a whole new lease of life ?

Silicone.

With our clients, and for our clients, we design and manufacture silicone solutions that have a positive impact on everyone's life. Helping to meet tomorrow's challenges for a better world give sense to our work.

In 2022, Sterne, formulated its purpose ,fruit of a collective thought. It gives the guideline for a sustainable future.

« Provide innovative silicone solutions to achieve responsible industrial performance »

« **A collective commitment for a positive corporate culture thanks to the values we share.** »

Respect.

Respect is more than courtesy. It is the foundation of social peace in relationships between individuals. We are convinced that Respect must be the basis of all exchanges.

Accept everyone's difference and remove value judgments about others.

Skills to listen and promote support.

Work together in equity to enable everyone to blossom.

Respect must be mutual between all the stakeholders.

Collective Intelligence.

Collective Intelligence is the pooling of the individual intelligences.

Experience and good practices sharing help enhance reflection.

It increases a team's potential by strengthening the sense of belonging through listening and recognition.

Professionalism.

If the skill is the minimum standard, Professionalism is much more than a simple technical skill.

It is a combination of efficiency, performance, skill and attitude.

We are convinced that confidence is the basis of authentic and longlasting partnership, that is why as a silicone expert, we make it a point of honour to support each of our stakeholders with professionalism.



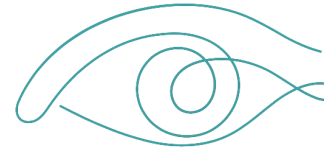
Our mission



Our business lies in tailor-made solutions.
We support each project from creation to marketing.
We design and manufacture products, articles, silicone devices that our clients need, giving a real meaning to our job
Beside a simple fonctionnal relationship with our stakeholders, we build partnerships over the long term with each one of our partners.

SUPPORT
tailor-made
give a meaning
PARTNERSHIP

Our vision



The company Sterne has built up a worldwide reputation on the industrial and health market. It is with conviction and pride that we promote our values and our social responsibility on our territory.
With an innovative, responsible and committed management system, we combine social cohesion with competitiveness in the elastomer market.

Perfecting performance

*« The quest for excellence
through innovation »*

Our objective : become a major actor in the silicone market.



A committed company

- **Governance** : Collective Intelligence
- **Ethic** : being a good corporate citizen
- **Corporate Philantropy** : promoting local development
- **Environment** : being a responsible industry

Collective intelligence

Collective Intelligence to serve performance.

To build the company's future founded on solid foundations, with collective intelligence as the common thread, **Sterne has set up an Executive Committee** in 2021. This circular operating mode is organized around a tightly-knit team, complementary and performant composed in 2022 of 9 members, the heads of the various departments of the company.

The Executive Committee meets several times a year to discuss the key points of the company's development. The decisions taken are neither arbitrary, neither one-sided. They are taken with the shared aim of helping the company to grow.

13.4%

% of employees members of the Management Board in 2022

33,3%

Percentage of women members of the Management Board in 2022



Karine BURLE



Céline LAGET



Lawrence LECOURT



Eric MARTINEZ



Karine MIGLIORINI



Dominique MILESI



Anthony PELLAFOL



Yannick PILLARD



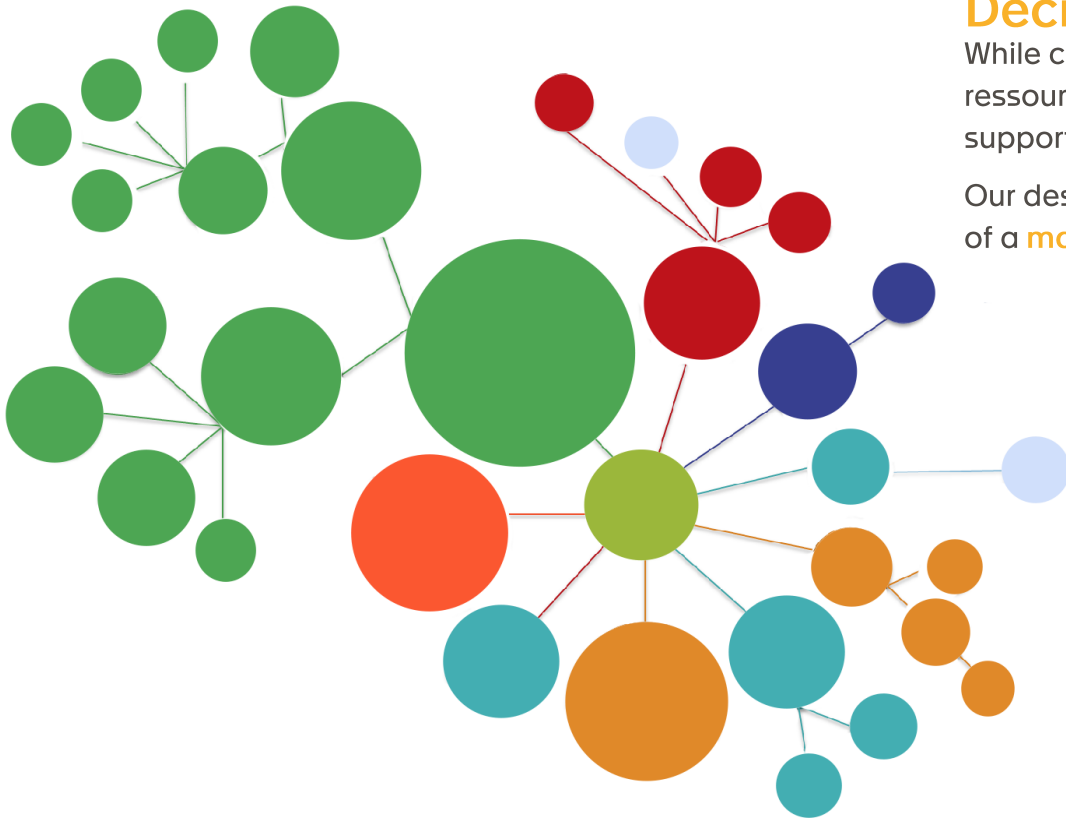
Vincent VELASQUE

The Quality Management System, parent structure of the internal organisation.

An archipelago organisation is based on the principle of a shared community. Respect for each other, mutual assistance, the ability to listen and the search for agreement are the fundamental determinants of relations between the various bodies in the archipelago.

Sterne's organisation is made up of 9 main departments: Production, Technical, R&D, Engineering, Administration, Supply Chain, Sales, Marketing/Communication and Management.

Each of these departments is directly linked to the QMS (Quality Management System), which defines all the procedures, processes and procedures required for the company to run smoothly.



Decision sharing

While collective intelligence makes it possible to capitalise on all the resources to reach greater objectives, it is essential that the approach is supported and supervised.

Our desire is to grow together. Through trainings and the implementation of a **management course**, we are deploying participative management.

Being a good citizen company

Optimal working conditions.

Our employees must be able to do their job in optimal conditions, whether it is work in terms of safety, health but also well-being. This continuously reaffirmed will leads Sterne to put in place action plans, whose repercussions will have a positive impact on all the stakeholders.

73%

Participation to the PSR survey in 2021

Health

Because our employees' health, but also their family's is important to us, we have made the choice to give priority to a **family health insurance**. thus, without any cost supplement, our employees can insure their family too.

Through the **Psycho-Social Risk survey**, we are carefully listening to our employees' feedback on their feelings, and we work to improve. Regularly, in parallèle, we carry out **satisfaction survey** to give a chance to each of our employees to express themselves if they wish.

Safety

Awareness and courses help developing and maintaining a « safety culture » by sharing knowledge, know-how and know how to be. **First Aid Worker courses** are organized to teach the life-saving gestures, essential in a company, furthermore industrial. **Gestures and Postures courses** are taught to our employees to preserve their health and avoid injuries.

In order to smoothen the exchanges and for a better follow-up, we have made the choice to design a « **safety referent** ». His role is to make sure that these courses are accessible to all, and to maintain contact.

0.19%

Work accident severity rate in 2022



3.95%

Absenteeism rate in
2022

Well-being at work

The well-being at work concept is more than the notions of physical and mental health. It's the satisfaction and self-fulfilment feeling in work, but also through work.

Sterne's employees follow a **Quality of Relationships at work course**, a course whose objective is to give the keys for better quality exchange : learn to identify a conflict context, understand its causes, and finally learn how to disarm conflict in order to maintaining a negative climate. These courses are given by **mediation professionnals**.

Employees receive **Restaurant tickets**, 60 % paid by the company.

The **break room** available to employees has been totally renovated in 2022 and designed by a specialist. Spacious, full of light, it has 2 refrigerators, 2 micro-wave ovens, tables, reusable crockery, a dish-washer and coffee machines. Relaxing spaces (armchairs, baby-foot) and a outside terrace complete the whole.



Support, listen, exchange

The SEC (**social and economic committee**) gathers the staff representative instances, staff delegates, work council and hygiene, safety and work conditions committee. Its mission is to support and represent employees.

Learn to know each other outside work context helps to build team cohesion and strengthen bonds. **Friendly moments** are organized : entertainment outings, company birthday celebration, teambuilding sessions, snacks...

The equality of chances, for all.

At Sterne, we are convinced that diversity and inclusion are competitive assets. By diversity, we mean the variety of human profile that can be found in society, without discrimination on the basis of profile, gender, age, cultural origins, beliefs, disability, ...etc

fête de la Science

FORINDUSTRIE
L'UNIVERS EXTRAORDINAIRE

Youth

Youth is our future. It is our duty to awaken their vocation. By welcoming **trainees** for several days or months, we wish to give them a chance to discover the variety of jobs available in the industry market, and break down taboos and preconceived ideas. Nothing better than a real experience pour make your own opinion. We also open our doors to **schools classes**. And for the young people who don't come to us, we go to them by participating to **forums and events**.

Disability

Since its creation, Sterne has always ensured that its doors were open to people with disabilities through **partnerships with local Supported Employment Establishments and Services**.

Sterne **shares its experience** by participating to conferences, awareness campaigns and testimonials.

When the situation requires it, Sterne does not hesitate to adapt the workstation.

12%

Employees with disability in 2022



Jobseekers and seniors

In **partnership with the unemployment offices** we open the doors of our company to jobseekers and seniors in retraining through visits. This way, they can discover the variety of industrial jobs, and judge by themselves that this diversity is a reality in the industry market.

Promoting local development

Solidarity is a strength.

The development of a territory never happens by itself. It is the result of local players, whether they are economical, cultural, sports..., by supporting local entities and by showing the example through sharing knowledge and values.

A committed governance

Céline Laget, GM of Sterne, is a woman with values, very involved in local life as Chair of the Education and Forward Studies Committee of the Vaucluse Chamber of Commerce and Industry, a member of the Polyvia plastics processing union, a member of the Terres de Vaucluse Initiatives platform and a member of APM (Management). Lawrence Lecourt, Quality Manager at Sterne, is member the Regulatory Quality in the Medical sector community with Polyvia.

Support through sponsorship

Sterne is committed to supporting local organization who share common values such as the respect, the solidarity, the sharing, the youth... For example, Sterne supports **cultural places, music festivals** but also **rugby** clubs.

17

organization supported in 2022

68 500€

paid-up in 2022

Being a responsible industry

The future of our planet. All concerned.



Fighting against global warming has become a major issue today. It is now that each one of us must act. And it is all together that we will take up the challenge.

Raising awareness and sharing experience

If everyone can take action at their own level, it is our responsibility to raise awareness to this cause among all our stakeholders. Encourage our employees to the good practices such as waste recycling, turning off the lights when leaving a room, turning off or lowering the heat/A.C. when opening the window, preferring carpooling when possible... By the means of our internal communication channels, we regularly disseminate messages in this sens. We also share our experience with a wider audience via social networks and newsletters.

Setting the example

Sterne is very concerned of the impact of its business on the global warming, and has set up a number of actions to limit it : **waste recycling** , **renovation of façades** of the offices to reduce energy consumption, replacement of the lightbulbs by **LEDS**, set up of **charging stations** for electric vehicles, move towards **dematerialisation** with the implementation of the MES (Manufacturing Execution System), develop less energy demanding silicone transformation (UV)...

7 tons

of paper/carboards
recycled in 2022

Look towards the future....

If our 2* Positive Workplace labelling has enabled us to formalise our CSR approach, it has also allowed us to become aware of the efforts that we must make regarding CSR.

We will continue to act for a better world.

This Non-Financial Reporting 2022 is for us a state of play. We will be able to fix more precise objectives when we will have an overview over several years.

For 2025, we aim to get 3 stars at the label Positive Workplace with setting up of new actions and the amelioration of the ones already in place.



Appendices

KPI's table

THEMES	STERNE INDICATORS	2022	2023	FIXED GOALS
Transparency of the financial situation				
	• Group Turnover	55 M€		
	• Sterne Turnover	13,5 M€		
<hr/>				
Decision sharing				
	• % employees members of the Executive Committee	13.64%		
<hr/>				
Professional equality				
	• % of women members of the management boards	4.54%		
	• % of women managers	4.54%		
<hr/>				
Rémuneration and value-sharing				
	• Amount of profit-sharing bonus	264 798 €		
	• % of employees benefiting	88.89%		

THEMES	STERNE INDICATORS	2022	2023	FIXED GOALS
Life quality at work				
	• Permanent contract staff		66	
	• Number of permanent contract departure		6	
	• Number of permanent contract arrival		15	
	• Absenteeism rate		3.95%	
	• Turnover rate		18.42%	
<hr/>				
Management				
	• Total training hours during the year		488.5	
	• Average number of training hours per person per year		7.63	
	• % turnover for training		0.16%	
	• % internal mobility (promotion coef and/or post title)		13.64%	
	• % of trained employees		74.24%	
<hr/>				
Disability and diversity				
	• % employees with disability		12.12%	
	• Average number of portage contract on site		7.64	
	• Number of reclassification since the creation of the company		1	
	• % of employees more than 50yrs old		27.27%	
	• % of employees less than 26 yrs old		6.06%	
	• % apprenticeship and professionalisation contract		9.09%	
	• Employees average age per gender		Women 41.66 Men 42.88	

THEMES	STERNE INDICATORS	2022	2023	FIXED GOALS
Professionnal equality				
	• % of women	40.91%		
	• % women manager	4.54%		
	• % women members of the Executive Committee	33.33%		30% of women in the executive committees of our holdings by 2030 - France Invest Parity Chart
	• % women members of decision boards	4.54%		
	• Pay gap woman/man	Incalculable		
	• Individual pay rises differential	25/35		
	• Equality Index woman/man	incalculable		
Health and safety at work				
	• Number of work-related accident	2		Goal 0 accident
	• Number of work-related accident with medical leave	2		
	• Number of occupational illness	0		
	• Frequency rate	18.54%		
	• Severity rate	0.19%		
	• % of first-aid worker	18.18%		
	• % of person trained to Gestures and Postures	31.82%		

THEMES	STERNE INDICATORS	2022	2023	FIXED GOALS
Sponsorship, school relations, local employment and industry development				
	• Number of cultural, sports and social organizations supported		17	
	• % turnover dedicated to sponsorship		0.6%	
	• Amount allocated to sponsorship actions		68 500 €	
Business ethic & GDPR				
	• Total number of penalty for non compliance to the laws and regulations		0	
Sustainable purchasing				
	• % europeans suppliers		14%	
	• % french suppliers		86%	
	• % local suppliers (50km radius)		20%	
Clients satisfaction				
	• Client non-quality rate		0.185%	

THEMES	STERNE INDICATORS	2022	2023	FIXED GOALS
Climate, GSE and energy				
	<ul style="list-style-type: none"> Energy consumption in KWh/years 	955 MWh		
Waste management and Green office				
	<ul style="list-style-type: none"> Proportion of cardboard waste in production 	6.44 T		
	<ul style="list-style-type: none"> Total weight of waste in production 	66.57 T		
	<ul style="list-style-type: none"> Amount of dangerous waste 	4.84 T		
	<ul style="list-style-type: none"> Amount of ordinary industrial waste 	54,33 T		
	<ul style="list-style-type: none"> Weight of the papers/cardboards waste 	636 kg		
	<ul style="list-style-type: none"> Weight of the cups waste 	169kg		
	<ul style="list-style-type: none"> Weight of the coffee capsules waste 	130kg		