



**SYNLAB 360°**  
ESG at SYNLAB

2020

# TABLE OF CONTENTS

## KEY HIGHLIGHTS

CEO STATEMENT	1
---------------	---

ABOUT <b>SYNLAB</b>	5
---------------------	---

1. Our history	8
2. Services	8
3. ESG as part of our strategy and culture	12

OUR FOCUSED <b>APPROACH TO ESG</b>	17
------------------------------------	----

1. Identifying our material ESG topics	18
2. Mapping our contribution to the SDGs	21
3. Defining our core ESG KPIs and goals	23

## OVERSIGHT AND RESPONSIBILITIES FOR ESG \_29

SYNLAB: <b>GREEN</b>	33
----------------------	----

1. Climate change	34
2. Environmental management & waste	36

SYNLAB: <b>CARE</b>	39
---------------------	----

1. The community	40
2. Our employees	46

SYNLAB: <b>CITIZENSHIP</b>	55
----------------------------	----

1. Ethics and integrity	56
2. Mechanisms for seeking advice & reporting of non-compliance	56
3. Regulatory compliance	57

4.	Anti-bribery and ensuring a level playing field	58
5.	Anti-money laundering	58
6.	Tax transparency	58
7.	Responsible supply chain management	59
8.	Risk management	60

## **STAKEHOLDER ENGAGEMENT** 63

1.	Our key stakeholders	64
2.	Advocacy	66

## **ESG PERFORMANCE DATA** 69

## **ABOUT THIS REPORT** 72



# KEY HIGHLIGHTS

SYNLAB Group, comprising the corporate companies legally affiliated with SYNLAB Limited (hereafter referred to as 'SYNLAB', 'SYNLAB Group', or the 'Group'), is a **leading medical diagnostics services provider in Europe**. Through our full range of innovative and reliable medical diagnostics, SYNLAB drives better healthcare outcomes for patients, practising doctors, and clinics.



**442**  
**LABORATORIES** IN  
**36 COUNTRIES**  
GLOBALLY



**24,000+**  
**HEADCOUNT**,<sup>1</sup>  
INCLUDING **1,200**  
**MEDICAL EXPERTS**



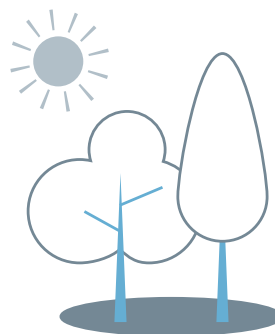
**>500**  
**MILLION TESTS** CARRIED OUT  
EVERY YEAR FOR **MORE THAN**  
**100 MILLION PATIENTS**<sup>2</sup>

<sup>1</sup> Equivalent to 20,000+ FTE.

<sup>2</sup> As reported by the local production systems (LIS).



**ADVANCED  
TESTING** CAPABILITIES  
THAT SUPPORT  
COUNTRIES IN THE **FIGHT  
AGAINST COVID-19**



COMMITTED TO  
**REDUCING** OUR  
**EMISSIONS** AND BEING  
A **CARBON NEUTRAL  
BUSINESS** BY 2025



**>50%**  
OF OUR LABORATORIES  
ACCREDITED TO THE  
**HIGHEST LOCAL QUALITY  
STANDARD**



**SYNLAB,  
LEADING  
MEDICAL  
DIAGNOSTICS  
PROVIDER.**

# CEO STATEMENT

The past year has been an important time to reflect on our role in society. In the context of a global pandemic, our mission of providing actionable diagnostic information for healthy lives and well-being for all is more relevant than ever.

Over the past months, we have learnt to adapt personally and professionally to a life in the midst of a pandemic. Our teams continue to work tirelessly to serve our patients and their medical diagnostics needs. We have accommodated the demand for SARS-CoV-2 (commonly referred to as COVID-19) testing while preparing for potential new infection surges and managing our regular activities. I am very grateful for the unwavering dedication and professionalism of all our staff. Their collective motivation and success underscores our vision on a daily basis. SYNLAB focuses on sustained and profitable growth whilst balancing the needs and expectations of our stakeholders. We recognise that **we can only be economically successful in the long-term if we also manage environmental,**

**social and governance (ESG)** issues. Moreover, we strongly believe in ESG as an opportunity to drive innovation and business transformation.

---

The broad range of our medical diagnostics services support global health systems.

---

Diagnostics help identify medical conditions early to drive better patient outcomes and healthcare savings. Diagnostics represent on average 2 - 3% of total healthcare spend, yet underpin approximately 70% of all diagnosis decisions.<sup>3</sup> This is why we have built our ESG strategy around accelerating access to high quality healthcare.

---

<sup>3</sup> Information provided by an International Management Consultancy.



The COVID-19 pandemic has reinforced the critical nature of diagnostic testing capabilities worldwide. Throughout 2020, we increased the availability of our testing capacities. We set up mobile test centres for screening in many countries and worked tirelessly to bring faster results to those in need. Over the course of the pandemic, we became one of the largest private providers of PCR-based COVID-19 testing in Europe. Our experts continue to provide advice and guidance to local authorities and the public.

I am proud of the medical leadership we demonstrate by being at the forefront of the implementation of COVID-19 testing in Europe and the rest of the world. SYNLAB has played an important role in testing and validating methodologies and processes. We set up and publicly distributed safe, and medically validated protocols for going back to work, promoting safe travel and speaking out against the incorrect use of certain tests (e.g. rapid antigen testing for certain use cases). Many organisations, companies, and institutions have since successfully implemented protective measures aligned with our advice, which permitted safe work and travel environments.

In these challenging times, we were also successful in other areas that support our ESG ambitions. We are proud to have been chosen to begin working with the UK National Health Service (NHS) trusts in south-east London in the coming years. This contract will provide the opportunity to transform the provision of laboratory diagnostics services to a significant population in south London, enabling a higher quality of care at a significantly lower cost to the NHS.

Our values of passion, accountability, and customer-centricity are the foundation of our ambition to provide high-quality medical diagnostics services. Customer-centricity in particular is central to our work. For example, we introduced new

sampling methods for COVID-19 testing after many people had experienced discomfort or pain during nasal tests. Our new non-invasive sampling methods use a mouthwash or saliva to complement conventional sampling as a gentle alternative. Innovation and medical excellence are also integral to our vision of leadership through excellence in service with reliable and high quality diagnostics. Our experts are committed to staying on top of cutting-edge research across all diagnostic disciplines. We have worked hard over the past year to understand how we can create the most value for all stakeholders touched by our business.

---

This report covers the topics that we consider important for our business in relation to the environment, the impact we have on our employees and communities, and the improvement of corporate citizenship through good governance.

---

We are excited about what is to come. In this report, you will read more about our priorities and new initiatives, such as our carbon-neutral ambition. This is our first ESG publication and we thank you for taking the time to read about the progress we are making and would much welcome your feedback.

I am confident that we will continue to demonstrate our best efforts and come out even stronger from these extraordinary times.

***Yours, Mathieu Floreani***



“ Our continuous effort, collaborative mindset, and passion prove our **medical leadership**. I am extremely proud to be part of this outstanding organisation.

*Mathieu Floreani, CEO SYNLAB Group*









## ABOUT **SYNLAB**

- 1. Our history \_\_\_\_\_ 8
- 2. Services \_\_\_\_\_ 8
- 3. ESG as part of our strategy and culture \_\_\_\_\_ 12



Austria | Belarus | Belgium | Brazil  
Colombia | Croatia | Cyprus  
Czech Republic | Denmark  
Ecuador | Estonia | Finland | France  
Germany | Ghana | Hungary  
Ireland | Italy | Lithuania | Mexico  
Nigeria | North Macedonia | Panama  
Peru | Poland | Portugal | Romania  
Slovakia | Slovenia | Spain | Sweden  
Switzerland | Turkey | Ukraine  
United Arab Emirates | United Kingdom<sup>1</sup>

---

<sup>1</sup> Source: Company information.

# OVERVIEW

SYNLAB is a leading medical diagnostics services provider in Europe, offering a full range of innovative and reliable medical diagnostics for patients, practising doctors, clinics, and the pharmaceutical industry. We benefit from a network of 442 laboratories and more than 1,600 sample collection points with direct patient and consumer contact in 36 countries. This includes our core markets of Germany, France, Italy and the United Kingdom. A number of megatrends are increasing the importance of our services in Europe, including an ageing population, prevalence of chronic diseases, and focus on disease prevention. SYNLAB proactively works with relevant authorities and leverages its diagnostics capabilities to support health authorities, governments, businesses, educational institutions, and sports associations.

Significant portions of the European clinical laboratory and medical diagnostics services market remain fragmented, and SYNLAB has been at the forefront of consolidation in Europe. SYNLAB adapts its global strategy to local market environments and benefits from pan-European support functions. Our market position and laboratory network allow us to benefit from advantageous procurement terms with our suppliers, including through Group-wide pan-European supply agreements for reagents.

Our revenue for the year ended December 31, 2020 was c. €2.6 billion, with an adjusted EBITDA of ~€685 million.

---

We are a market-leading private provider of medical diagnostics services in Europe and also offer testing services in Latin America, Africa and the Middle East.

---

We aim to expand the value that we bring to the medical community by focusing on the implementation of innovative laboratory medicine methods and specialist diagnostics competences. SYNLAB maintains additional laboratories in certain countries for veterinary medicine. Expert medical imaging centres in certain countries round off this services portfolio.

## 1. OUR HISTORY

SYNLAB was founded in 1998 by Dr. Bartl Wimmer, through the combination of four laboratories in Germany. Since its inception, SYNLAB has continued to develop its expertise in routine and speciality laboratory testing, consistently expanding its presence and services through acquisitions. We now operate 442 clinical laboratories.

The SYNLAB Group, as it is today, was formed when Labco (a clinical diagnostics service provider founded in France in 2004) and SYNLAB were acquired by Cinven (as majority shareholder), Novo Holdings, and OTPP in 2015. These businesses were subsequently integrated as a single group under the SYNLAB name.

From the formation of the SYNLAB Group in October 2015 through to December 31, 2020, SYNLAB has completed 110+ acquisitions of laboratories in more than 20 countries,<sup>2</sup> with a combined enterprise value of approximately €665 million.

---

<sup>2</sup> Excluding Analytics & Services (A&S) unit acquisitions.

<sup>3</sup> Information provided by an International Management Consultancy.

## 2. SERVICES

**Diagnostics support approximately 70% of medical treatments and decisions while only accounting for only about 2-3% of total medical spend.<sup>3</sup>**

---

SYNLAB provides a multidisciplinary approach for fast, high-quality, efficient and accurate diagnostics.

---

We carry out nearly 500 million tests annually to build a reliable understanding of everything from cholesterol to oncology. Following the divestment of our Analytics & Services business in December 2020, we are now fully focused on medical activities. Our diagnostic testing services (including a wide range of speciality and routine testing services using automated testing equipment) deliver results to prescribing doctors and patients. Through our laboratory doctors, we offer assistance with the interpretation of diagnostic results. The nature of our offerings vary according to the country and type of establishment.

Our services create a solid foundation for healthcare systems to support populations across the world.



Our seamlessly integrated approach covers all stages of an applicable disease, and thus help our patients and customers with the following services:

#### **Predispositions**

- ✓ To better understand risk factors and potential genetic predispositions to diseases

#### **Secondary Prevention**

- ✓ To help avoid unnecessary treatment and improve patient care

#### **Primary Prevention**

- ✓ To help avoid disease and prevent infections

#### **Treatment Control**

- ✓ To limit the risk of relapse and improve clinical management

#### **Advanced medical diagnostics**

- ✓ Services to patients
- ✓ Services to practitioners and hospitals
- ✓ Services to laboratories



## OUR APPROACH TO DIAGNOSTICS

Testing is generally organised in three phases: (i) the pre-analytical phase, which consists of collecting samples and delivering them to the clinical laboratory; (ii) the analytical phase, during which the test itself is carried out; and (iii) the post-analytical phase, during which test results are sent to the prescribing doctor and the patient while our laboratory doctors assist with interpreting the results.

1

### COLLECTION

**SYNLAB looks after patient samples, taking them to the lab.**

Before clinical testing is performed, samples from the patient are collected, identified and delivered to our analytical laboratories. Patient samples are logged by the health practitioner performing the extraction and labelled immediately with an identification number. Tests are subjected to quality control as well as technical and biological validation procedures.

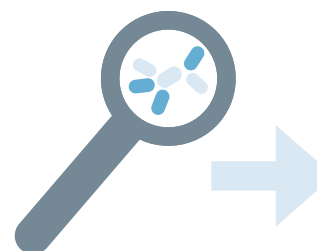


2

### ANALYSIS

**Most common tests are performed in regional laboratories. For specialist tests, we have state of the art Centres of Excellence like our Barcelona lab.**

Once the test request form has been entered into our IT systems and the samples have been collected, the tests are performed automatically (for most routine testing services) or by laboratory doctors or technicians (for most speciality testing services).

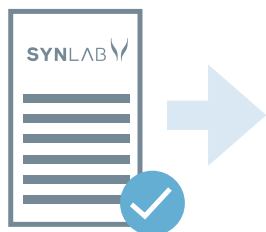


# 3

## DIAGNOSIS

**We provide personal consultation to help interpret results, creating a solid foundation to deliver effective treatment.**

As soon as test results are available, and technically and medically validated, they are shared with the practitioner, clinic or hospital. This depends upon the kind of testing services carried out, the type of equipment used, and the country in which the testing services are performed. SYNLAB runs telephone service centres to support its clients. In addition, our medical experts consult with practitioners, clinics, and hospitals once the results are provided to them.



### 3. ESG AS PART OF OUR STRATEGY AND CULTURE

At SYNLAB, we recognise that **we can only be successful in the long-term if we respect the environmental and social context in which we operate.**

Equally, the governance of our business is critical to the trust that our customers place in us, whether that is associated with the quality of our clinical work or protecting confidential personal information.

---

We understand that environmental, social and governance (ESG) issues are interconnected and can support financial and non-financial value creation.

---

In particular, the services we offer make a vital contribution to public health protection and improving lives.

SYNLAB is committed to providing innovative and sustainable solutions through our expertise and experience.

We aim to create positive outcomes with every test delivered through three areas of action:

- ✓ **SYNLAB: Green:** reducing the environmental impact of every test we deliver and supporting our global ambition of carbon neutrality and environmental protection.
- ✓ **SYNLAB: Care:** creating the greatest positive outcomes in the communities in which we work through innovative, high-quality diagnostics and empowering our diverse employees.
- ✓ **SYNLAB: Citizenship:** operating with the highest standards of governance and compliance in order to be a responsible corporate citizen.

**Our mission, vision and values reflect our ESG priorities:**

#### OUR MISSION

Provide actionable diagnostic information for healthy lives and well-being for all.

## OUR VISION

Leadership through excellence in service to all countries we operate in with reliable and high quality diagnostics.

## OUR VALUES

### PASSION

A mindset based on individual and collective entrepreneurial spirit, embedded in a culture of continuous improvement and a dedication to drive scientific innovation through research.

### ACCOUNTABILITY

A recognition of personal and corporate accountability based on strong governance and ethics, the value of a diverse and inclusive workforce in creating a thriving working environment, and promoting the well-being of our people and others that we work with.

### CUSTOMER CENTRICITY

At the heart of our work is the provision of value-adding services to clinics and patients, underpinned by a culture of high-quality delivery and reliability. We strive to design and implement safer services that are respectful of the environment. The development of ESG-inspired initiatives within the Group is one of the key pillars in our efforts to provide the highest quality of diagnostics services.





This vision is reflected in our “FOR YOU” programme, which was initiated as part of a strategy review in 2017/2018. “FOR YOU” puts our stakeholders at the centre of our business. With a strategic orientation that prioritises our customers as our primary stakeholder, we aim to understand their needs and requirements better in order to provide excellent diagnostics services. This contributes to the good health of our customers, patients, and society at large.

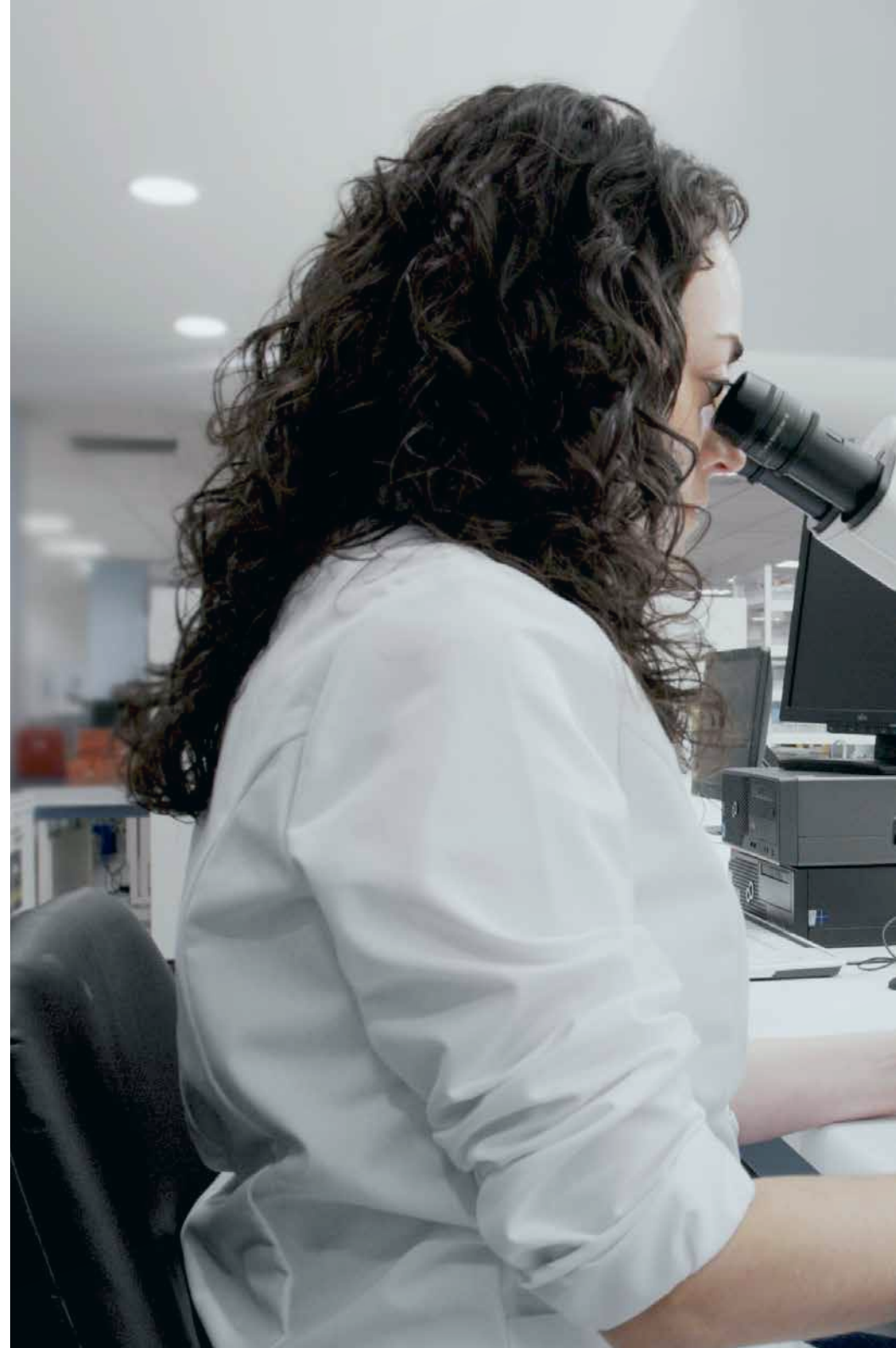
We aim to reach this objective by focusing on four strategic pillars:

1. Providing superior patient and clinical experience;
2. Ensuring operational excellence in our laboratories;
3. Empowering our employees; and
4. Deploying capital in an efficient manner to support our vision.

---

With this strategic orientation, SYNLAB seeks to provide excellent services combined with long-term, sustainable economic growth.

---





## EXECUTING A STRATEGY OF CUSTOMER CENTRIC MEDICAL EXCELLENCE





# 2

## OUR FOCUSED **APPROACH TO ESG**

1. Identifying our material ESG topics \_\_\_\_\_ 18
2. Mapping our contribution to the SDGs \_\_\_\_\_ 21
3. Defining our core ESG KPIs and goals \_\_\_\_\_ 23

# OUR FOCUSED **APPROACH TO ESG**

## 1. IDENTIFYING OUR MATERIAL ESG TOPICS

In 2020, our management team worked with external consultants to complete a preliminary materiality assessment. This process guided us to reflect on our most significant ESG risks and opportunities from both SYNLAB and our stakeholders' perspectives.

We consulted a variety of internal leaders to get a clear definition and prioritisation of these topics. We also looked to well-established sources such as the United Nations Sustainable Development Goals (SDGs) to consider relevant external perspectives. In subsequent assessments, we will seek and incorporate more external stakeholder perspectives, building on our foundational assessment.

**Our Material ESG Topics are divided into 3 main areas:**

- ✓ SYNLAB GREEN
- ✓ SYNLAB CARE
- ✓ SYNLAB CITIZENSHIP

## **SYNLAB: GREEN**

### CLIMATE CHANGE

The management of our direct and indirect greenhouse gas (GHG) emissions. This includes energy consumption and other GHG reduction initiatives.

Assessment and management of risks and opportunities associated with a changing climate and the transition to a low carbon economy, as part of overall alignment with the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosure (TCFD).

### WASTE

The appropriate disposal of operational and treated waste, fulfilling the Company's 'duty of care' obligations, as well as waste reduction initiatives.

### ENVIRONMENTAL MANAGEMENT

The management of the Company's operations and supply/distribution chains seeking to maintain regulatory compliance and minimise environmental impact.

## SYNLAB: CARE

### OCCUPATIONAL HEALTH & SAFETY

The management of workplace hazards affecting our employees' and on-site contractors' physical and mental health and well-being.

### DIVERSITY & EQUALITY

Equal treatment of all employees, regardless of age, gender, sexual identity, culture, race and ethnicity, or religion. This includes the creation of professional opportunities for vulnerable/under-represented groups.

### ACCESS TO HIGH QUALITY HEALTHCARE

Provision of high quality services while ensuring accessibility, fair pricing and ethically appropriate marketing. Our definition of high quality also includes client data security.

### EMPLOYEE EMPOWERMENT & WELL-BEING

Providing growth opportunities for a meaningful career while supporting a work-life balance.

### TALENT ATTRACTION

Retaining and winning talented new employees to support the innovation ambitions of the Company.

### RESEARCH & INNOVATION

Funding and advancing our research & innovation capabilities, as well as product quality management/certification.

### COMMUNITY IMPACT

Providing charitable contributions to tackle societal challenges.

## SYNLAB: CITIZENSHIP

### BUSINESS ETHICS

Governance based on the highest professional standards, including board diversity, competence and independence and sector-specific standards.

### REGULATORY COMPLIANCE

Compliance with applicable corporate laws, sector specific regulations, and environmental and health & safety regulation.

### TAX TRANSPARENCY

Compliance with applicable tax law and transparent disclosure.

### RESPONSIBLE SUPPLY CHAIN MANAGEMENT

Integration of environmental, occupational health & safety, and human rights matters in sourcing practices.





## 2. MAPPING OUR CONTRIBUTION TO THE SDGs

SYNLAB recognises and supports the Sustainable Development Goals (SDGs) as an important framework for our business.

In particular, SYNLAB has identified critical long-term trends that underpin our development that are reflected in the SDGs.

These include:

- ✓ Growth in the world's population;
- ✓ Difficulties in accessing healthcare;
- ✓ Impact of climate change on the demand for, and provision of, our services and supply chain; and
- ✓ Our responsibilities towards human rights and the assurance of a level playing field in business.

These trends continuously lead us to rethink the way we provide services and use resources in this new, more open and digital global economy.

Priority Sustainable Development Goals<sup>1</sup>



<sup>1</sup> The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, are a roadmap for action to address some of society's most pressing problems.

We have considered the SDGs in defining our ESG strategy and have prioritised five that we consider we can have the most impact on, with a primary focus on:



**SDG 3: Ensure healthy lives and promote well-being for all at all ages**

Our services play a particularly pivotal role in SDG 3.8:

- ✓ “Achieve universal health coverage, including financial risk protection, access to quality essential healthcare services and access to safe, effective, quality and affordable essential medicines and vaccines for all.”

We have also identified opportunities to contribute to:

- ✓ **SDG 5 (Gender Equality):** Through our principles of diversity and equality and equal professional opportunities for all, SYNLAB contributes to full and effective participation of women and equal opportunities for leadership at all levels of decision-making.
- ✓ **SDG 8 (Decent Work and Economic Growth):** SYNLAB plays an important role in creating occupational training and employment opportunities for all in the communities we operate in.
- ✓ **SDG 12 (Responsible Consumption and Production):** SYNLAB commits to substantially enhance efficiency in the use of resources, improving our environmental footprint through waste reduction, as well as the prevention of carbon intensive practices. We will work towards carbon neutrality throughout our global portfolio of operations.

- ✓ **SDG 13 (Climate Action):** Despite being a low emitting industry, we recognise that the development and use of our products and services emit greenhouse gases. Therefore, we have a role to play in meeting the climate ambitions outlined in the Paris Agreement.

## 3. DEFINING OUR CORE ESG KPIs AND GOALS

Following this review, we have set ESG ambition levels with clearly defined, measurable targets out to 2025. These goals have been designed to bring focus to our strategy and form an important foundation from which we can create new programmes and monitor progress. In addition to our material issues, these goals have been inspired by the work of our best-in-class peers and a number of frameworks such as the Sustainability Accounting Standards Board (SASB) and the Global Reporting Initiative (GRI).

---

These goals correspond to our most material topics and are central to our efforts, while reflecting our biggest opportunities to create an impact.

---

These goals will help steer our efforts in the coming years as we continue to develop our ESG strategy. This set of goals was developed in collaboration with subject matter experts and have been approved by our Board of Directors.

Our full suite of ESG goals<sup>2</sup> comprise:

## SYNLAB: GREEN

### Reducing our environmental footprint



#### CLIMATE CHANGE

*Become a carbon-neutral company and reduce our operational emissions year on year.*

- ✓ Reduce scope 1 and 2 CO<sub>2</sub>e emissions intensity (tonnes CO<sub>2</sub>e per million tests delivered) year on year and offset remaining unavoidable Group-wide emissions by 2025



#### WASTE REDUCTION

*Reduce the waste we generate per test.*

- ✓ Reduce our waste intensity (tonnes of waste per million tests delivered) year on year to 2025

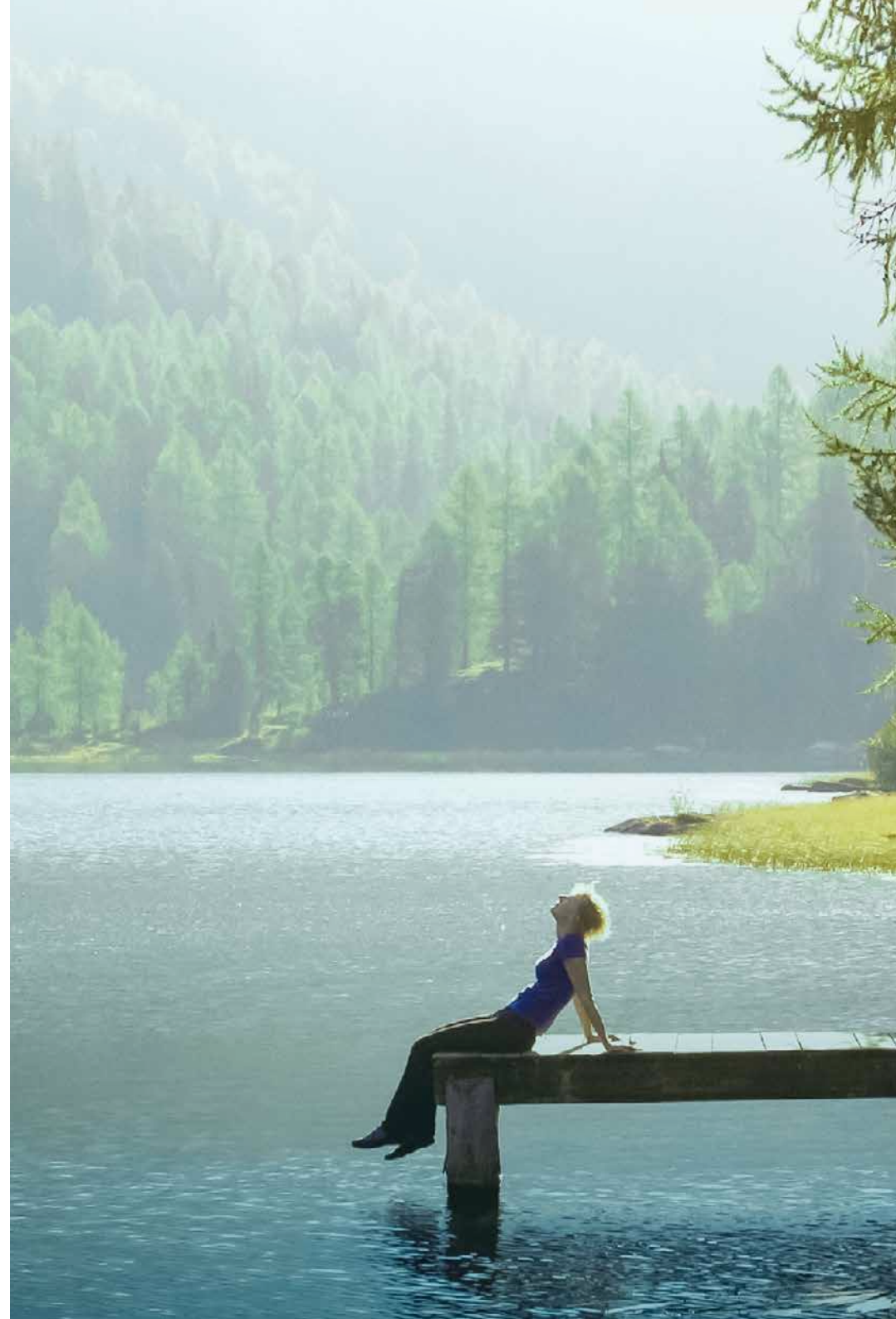


#### ENVIRONMENTAL MANAGEMENT

*Robust environmental management controls focused on our most material operations.*

- ✓ Certify 10% of Group laboratories to ISO 14001 or equivalent by 2025, with a focus on central labs

<sup>2</sup> All goals to refer to an operational baseline of 2020 and should be assessed on a same perimeter basis.





## SYNLAB: CARE

Serving our employees and the communities we work in



### ACCESS TO HIGH QUALITY HEALTHCARE

*Create access to quality healthcare in all of the regions in which we operate, through the provision of the highest healthcare standards.*

- ✓ Certify over 80% of our laboratories to the appropriate local quality standard or ISO 15189 by 2025



### HEALTH & SAFETY

*Create a safety culture across SYNLAB that aims for zero harm to our employees and patients.*

- ✓ Reduce Lost Time Accident Frequency Rate (LTA-FR) year-on-year to 2025



### RESEARCH & INNOVATION

*Advance understanding of critical diagnostics issues.*

- ✓ Increase the number of research citations from SYNLAB researchers year-on-year to 2025



### EMPLOYEE EMPOWERMENT

*Support employee health, well-being and personal development to improve engagement for all employees.*

- ✓ Improve SYNLAB Dialogue employee engagement scores year-on-year to 2025



### COMMUNITY IMPACT

*Give back a portion of our profits to the communities that support us.*

- ✓ Establish a corporate Foundation with a sustainable funding mechanism



### DIVERSITY & EQUALITY

*Ensure zero tolerance for discrimination of any kind across SYNLAB and create meaningful opportunities for all.*

Achieve female representation of:

- ✓ Achieve female representation of 30% in Top Management team positions by 2023<sup>3</sup>
- ✓ Increase female representation year-on-year in Senior Management positions by 2023<sup>4</sup>
- ✓ By 2025, achieve overall 30% female representation within the Key Strategic Successors Pipeline for CEO management positions for all countries representing at least 5% of total Group Revenue<sup>5</sup>

## SYNLAB: CITIZENSHIP

### Continuing our focus on fair market practices



### RESPONSIBLE SUPPLY CHAIN MANAGEMENT

*Seek to ensure that all SYNLAB suppliers meet our environmental, social and governance standards.*

- ✓ Establish a Supplier ESG Charter for any new suppliers expected to represent more than 1% of overall Group procurement spend
- ✓ Complete ESG risk-specific due diligence assessments covering more than 50% of reagent supplier spend by 2023

<sup>3</sup> Top Management includes any of Supervisory Board, Board and Executive committee levels.

<sup>4</sup> Senior Management includes all C-level positions of each country (for example: CEO, CFO, COO etc.), excluding Executive Committee members.

<sup>5</sup> France, Germany, Italy, Iberia, UK, Switzerland (as of 2020).









3

**OVERSIGHT AND  
RESPONSIBILITIES**  
FOR ESG

# OVERSIGHT AND RESPONSIBILITIES

At SYNLAB, we are conscious that good governance is a prerequisite for responsible business conduct, effective management, and business performance. The Board of Directors of SYNLAB Limited (the “Board”) is responsible for certain key operational decisions. The Board is also entrusted with the ultimate direction of the Group, as well as the supervision and control of the Management. The principal functions of the Board are to debate and authorise the strategic orientation of the Group.

The Board has several delegated committees:

- ✓ Audit committee
- ✓ Remuneration committee
- ✓ Compliance committee
- ✓ Investment committee

The Board has overall accountability and is responsible for decision-making and risk mitigation with regards to ESG topics. On behalf of the Board, the Audit Committee’s responsibilities are to ensure effective reporting of ESG matters. The Board has approved a vision and strategy for ESG and the policies that underlie its implementation. The Executive Committee and the Group CEO handle the implementation of the approved policies and steer the in-

ternal groups that operationalise the programmes. The Executive Committee meets on a regular basis to provide direction on ESG matters. A dedicated ESG committee is also being developed to support our ESG strategy.

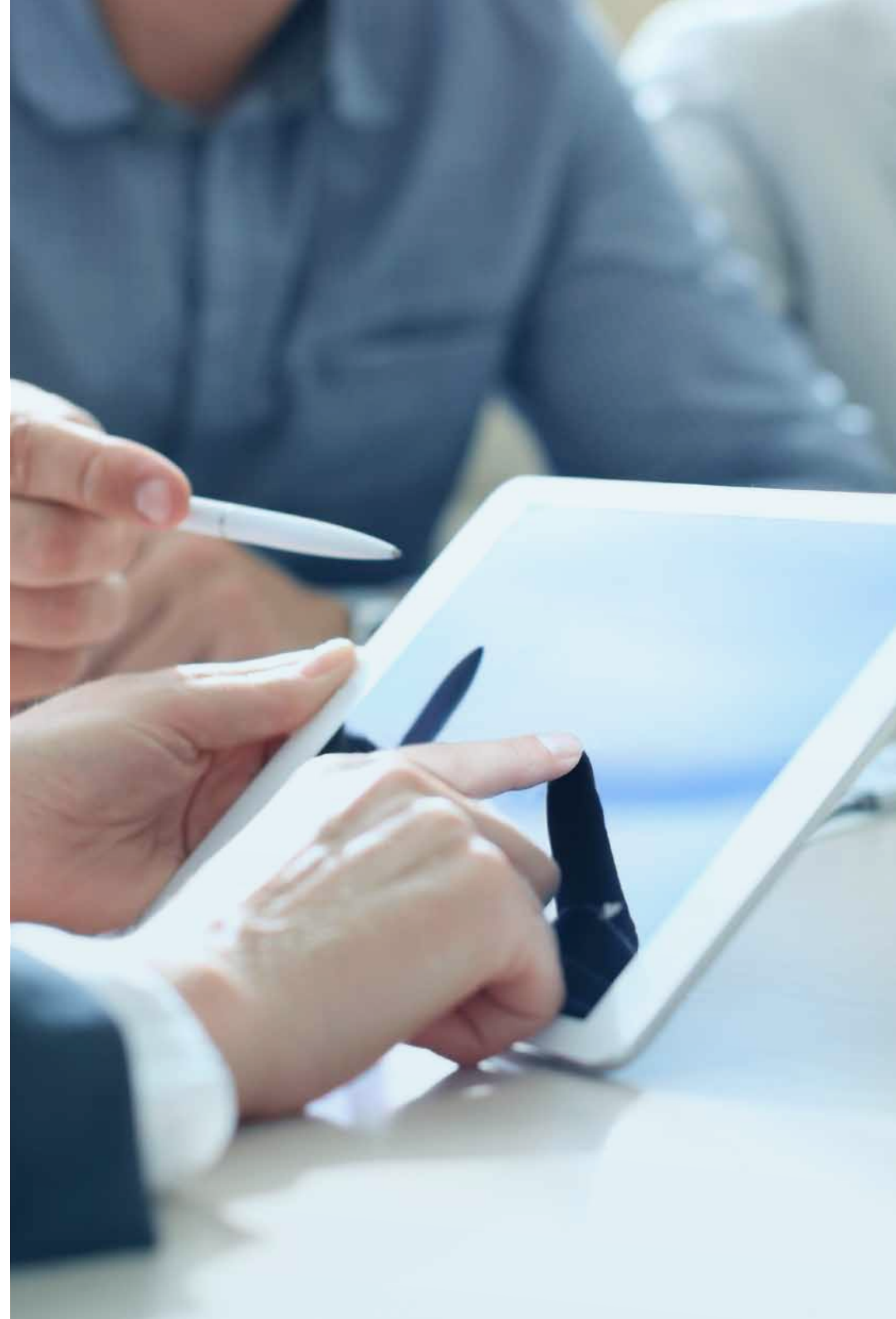
Group support functions support the management and implementation of our strategy:

- ✓ Governance issues relating to ethical conduct are monitored by the Legal & Compliance department;
- ✓ Recruitment, inclusiveness and labour relations fall under the responsibility of the HR department;
- ✓ Health & safety and environmental topics are managed by the Operations department;
- ✓ Purchasing is managed by the Procurement department;
- ✓ Community impact is managed by the Marketing & Communications department;
- ✓ Reporting and tax are managed by the Finance department.



During 2020, the Board has reviewed the progress of the work performed by the Company, together with external advisors to clarify and enhance the knowledge of ESG topics. The Board has also reviewed and approved the material issues and their definitions.

Overall, while the Group management guides the ESG strategy, its implementation and reporting is the responsibility of local management and CEOs. The Group provides guiding principles and standards, but all ESG policies must be implemented based on the unique context of each geography and its local requirements.







# 4



## SYNLAB: **GREEN**

1. Climate change \_\_\_\_\_ 34
2. Environmental management & waste \_\_\_\_\_ 36

# SYNLAB: GREEN

SYNLAB recognises that we have an important role to play in securing our shared environment for future generations. Our laboratories and operations have an environmental impact through the energy we use and the waste we generate. These issues will have an increasing impact on our business, especially considering the rise in environmental regulations in Europe. Through the Green Deal, Europe is setting the global agenda for sustainable growth. Regulations such as the Circular Economy Action Plan and the proposed Climate Law will increase requirements for how we manage and report our waste and emissions. We are committed to reducing our impact across our operations and empowering our employees to find new ways to make our diagnostics services more sustainable.

## 1. CLIMATE CHANGE

To support our contribution in the fight against climate change we have begun preliminary measurements across our sites of relevant emission sources (including consumption of electricity, natural gas and diesel used in transport). We are committed to undertaking a full assessment of our GHG emissions in 2021 to build a clearer picture of our current impact. We will then explore the feasibility of setting an appropriate science-based target against which we can

measure alignment to the Paris Agreement goals, i.e. limiting global warming to no more than 2 degrees Celcius, and aiming for a 1.5 degrees Celsius increase.

---

We are committing to reduce our emissions year-on-year and to offset our remaining Scope 1 and 2 emissions to be carbon-neutral by the end of the fiscal year 2025.<sup>1</sup>

---

The commitment will apply to all of our business operations in over 36 countries. Business groups within SYNLAB will be financially responsible for the cost of offsetting their carbon emissions. A carbon price will be applied to all business groups within SYNLAB for the carbon associated with patient centres, central labs, offices, and air travel. The carbon price charge-back model, which will be administered through the corporate finance department, is expected to incentivise carbon reduction through efficiency measures and to encourage the usage of renewable sources of energy. We will seek to purchase renewable energy and carbon offsets to achieve the carbon neutrality goal. Some regions have already begun transitioning to renewable energy, such as our Iberian business unit, which recently signed a contract for 100% renewable energy supply.

---

<sup>1</sup> Scope 1 refers to all direct emissions from the activities under our control. Scope 2 refers to indirect emissions from electricity purchased and used by SYNLAB.

## GREENHOUSE GAS EMISSIONS AND ENERGY CONSUMPTION DATA

Our absolute GHG emissions increased slightly (+0.94%) in 2020 compared to 2019. This comes during a year of significant growth in the volume of tests produced and revenues earned (with 30% more revenue than in 2019, for a similar emissions boundary). Throughout 2020, some pilot initiatives were implemented, namely the partial exchange vehicle fleets in Germany and Italy with more environment-friendly alternatives (LNG or electric/hybrid). We plan to continue expanding this initiative.

- ✓ Carbon emissions: 45,133 tonnes CO<sub>2</sub>e (2020)
- ✓ Average vehicle emission intensity: 6.2 tonnes of CO<sub>2</sub>e/vehicle (2020)



## 2. ENVIRONMENTAL MANAGEMENT & WASTE

SYNLAB is committed to contributing to the conservation of natural resources and ensuring sustainable development. To support our efforts in reducing our environmental footprint we have carried out a number of efforts including:

- ✓ Identifying and evaluating environmental aspects to reduce and minimise consumption, discharges, emissions and residues that may cause impacts on the environment to achieve sustainable development;
- ✓ Implementing environmental management systems based on the UNE EN-ISO 14001: 2004 standard;
- ✓ Compliance with applicable legal requirements;
- ✓ Establishing and reviewing environmental objectives and goals to carry out continuous improvement of the environmental management system;
- ✓ Determining the risks related to its environmental aspects, legal requirements and other organisational requirements; and
- ✓ Ensuring the Environmental Management Policy is known, understood and implemented at all levels in the organisation. The Environmental Management Policy aims to ensure a consistent standard of environmental behaviour across the Company in consideration of the purpose and context of our organisation. This policy includes our commitment to protect the environment and prevent pollution.

Our operations are subject to various licenses, authorisations, and regulations under EU, national and local laws. This includes regulations relating to the protection of the environment, including those governing the handling,

transportation and disposal of medical samples and biological, infectious and hazardous waste. In particular, we need to ensure that samples or other items that may qualify as waste from care activities and carry a risk of infection are disposed of. We collaborate with our external service providers to ensure compliance with these standards.

We complete thorough evaluations of environmental risks across the full life cycle of our services. In all SYNLAB laboratories, water, light and gas indicators are monitored and reported monthly, analysing possible deviations to find opportunities for more efficient use of resources. This process is periodically reviewed, including whenever there is a change in activities, procedures and/or facilities.

### WASTE DATA

Due to the COVID-19 mass testing and the provision of personal protective equipment (PPE) for our employees, our waste increased by 13.9% in 2020 compared to 2019. However, due to the significant increase in revenues, we achieved a drop in the waste intensity of 0.6 tonnes per million € of revenue in 2020 compared to 2019. We are also starting pilot projects to reduce paper consumption through the increased use of digital tools both for internal and external processes (for example SAP roll-out implementation and the SYNLAB Access APP for patient results delivery).

- ✓ Waste produced: 6,696 tonnes (2020)
- ✓ Waste intensity: 2.6 tonnes of waste per million € of revenue (2020)











# 5

## SYNLAB: **CARE**

- 1. The community \_\_\_\_\_ 40
- 2. Our employees \_\_\_\_\_ 46

# SYNLAB: CARE

SYNLAB is committed to ensuring that our work improves the lives of our customers, patients and employees. Providing the communities we serve with access to the highest quality healthcare is the cornerstone of our business and one of our strongest ways to create an impact. This means ensuring that our services are both effective, accessible and meet the highest standards of quality and safety.

## 1. THE COMMUNITY

### ACCESS TO HIGH-QUALITY HEALTHCARE

Customer centricity is central to our philosophy. Our doctors and professional teams work tirelessly to provide a fast, safe and quality centred service. We work hard to ensure that our services are accessible in the geographies in which we operate. Most of the Group's hospital laboratories have 24-hour availability, 365 days a year. In many geographies, patients can have procedures at home and are able to make appointments online or by telephone. Once the results are finalised, doctors and patients can receive alerts (via SMS, email or our Access App), collect the results in person, or print them through our secure website; most of these results are available the same day.

SYNLAB also supports physicians with quick and easy access to the results,

enhancing diagnostics interpretation and confidence. We also offer software solutions that facilitate medical diagnosis and SYNLAB's professional team is available to assist when needed.

### QUALITY SYSTEMS

Establishing appropriate quality standards is a key pillar in serving our customers. Our clinical testing services supply healthcare professionals with information to help them diagnose and prescribe medical or other treatments to their patients. SYNLAB has implemented robust quality control mechanisms, which seek to minimise errors. Potential risks include misidentifying or inaccurately labelling samples or compromising the integrity of samples, as well as errors caused by testing machines or reagents. All of these factors pose possible risks for patients. In addition, claims and litigation against us may result in our liability for any harm or adverse effects associated with our services. These damages could have a material and adverse effect on our business, such as negative impacts on our reputation, operations, or financial position. With that in mind, we work diligently to ensure that robust testing quality control is a daily practice in our labs. We use reliable internal and external controls to ensure that the most accurate testing results are given to each patient. To standardise and regulate our commitment to quality control, we have also adopted region-specific generally accepted quality management systems, and in certain cases, recognised certification/accreditation processes, across our network of labs. The following graphic sets out information related to our laboratories by geography as at the end of 2020 and their quality certifications/accreditations:



**UK | Total number of labs: 7**

**Laboratory Quality**

- ✓ ISO 17025: 1
- ✓ ISO 15189: 6

**GERMANY | Total number of labs: 84**

**Quality Management**

- ✓ ISO 9001: 2

**Laboratory Quality**

- ✓ ISO 17025: 6
- ✓ ISO 15189: 69

**FRANCE | Total number of labs: 67**

**Laboratory Quality**

- ✓ ISO 15189: 67

**ITALY | Total number of labs: 9**

**Quality Management**

- ✓ ISO 9001: 9

**Health & Safety**

- ✓ ISO 45001: 2

**IBERIA | Total number of labs: 64**

**Quality Management**

- ✓ ISO 9001: 56

**Laboratory Quality**

- ✓ ISO 15189: 4

**Environmental Management**

- ✓ ISO 14001: 3

**OTHER COUNTRIES**

**Total number of labs: 211**

**Quality Management**

- ✓ ISO 9001: 43

**Laboratory Quality**

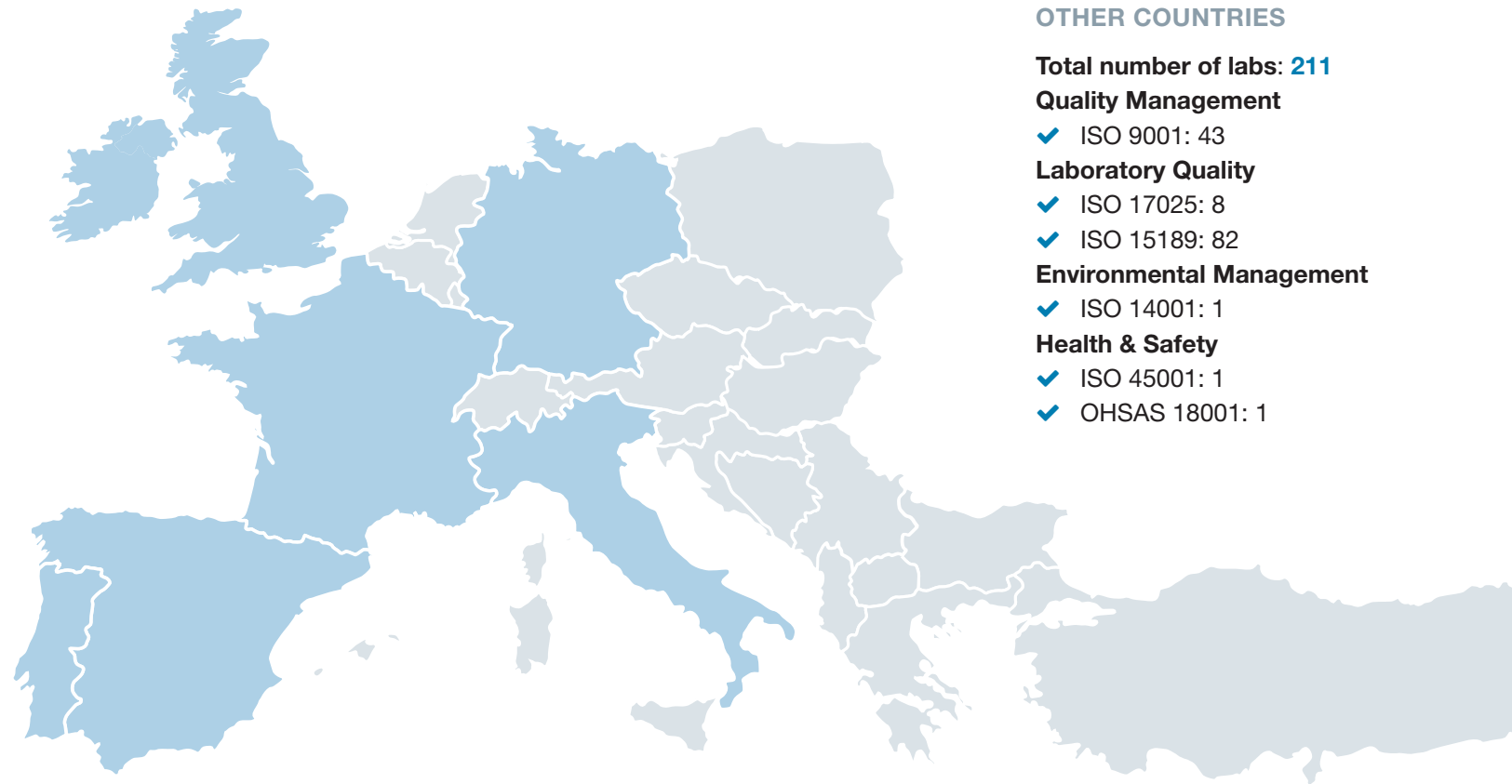
- ✓ ISO 17025: 8
- ✓ ISO 15189: 82

**Environmental Management**

- ✓ ISO 14001: 1

**Health & Safety**

- ✓ ISO 45001: 1
- ✓ OHSAS 18001: 1



**INCREASE  
FROM  
2019**

**2020**

+6

+7

+28

110

15

228

4

3

1

Quality  
Management  
ISO 9001

Laboratory  
Quality  
ISO 17025

Laboratory  
Quality  
ISO 15189

Environmental  
Management  
ISO 14001

Health  
& Safety  
ISO 45001

Health  
& Safety  
OHSAS 18001

## DATA PRIVACY & SECURITY

The privacy of stakeholder data is a matter of utmost importance to us. In compliance with European (e.g. the EU General Data Protection Regulation) and local jurisdictional data protection laws, we have established our own policies on privacy and data protection. This policy provides information about the reasons and purposes behind processing of personal data from patients, employees, suppliers, business partners, and other parties.

In addition, we take our responsibility towards storing and processing data on our IT systems very seriously. Potential data breaches or system failures can have real life impacts for the patients who rely on our diagnosis. We are introducing policies to ensure that the data is encrypted and secure, and we work closely with a network of external partners to neutralise any potential cyber security risks.

---

We have policies in place to ensure that the data is encrypted and secure, and we work closely with a network of external partners to neutralise any potential cyber security risks.

---

In 2020 we created a new position: the Chief Information Security Officer (CISO) of SYNLAB Group. This position focuses on identifying cybersecurity and IT compliance risks as they may impact our strategic, operational, and financial performance.

## COMPLAINT SYSTEMS, COMPLAINTS RECEIVED AND THEIR RESOLUTION

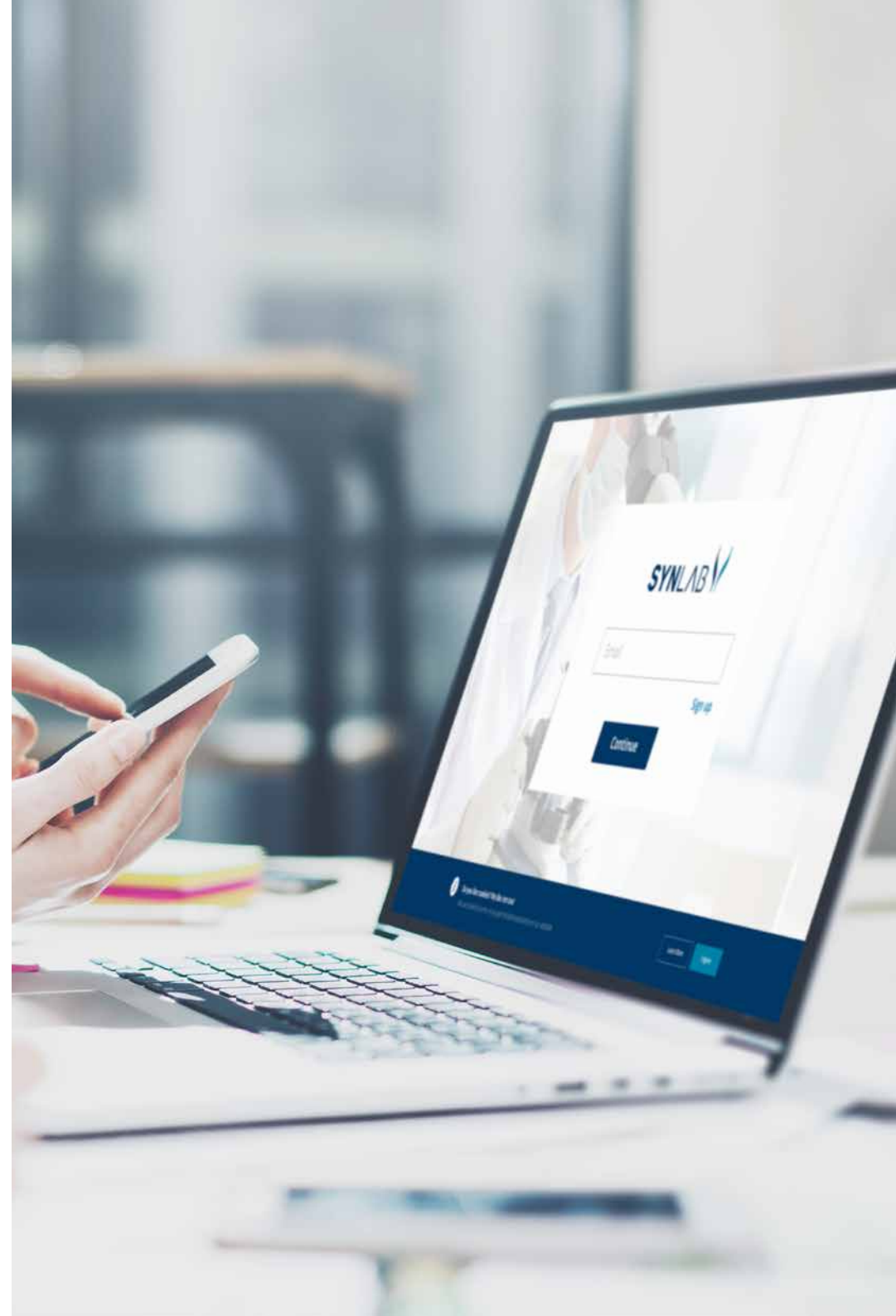
Formal systems are in place to ensure that complaints from clients or health-care professionals are dealt with promptly and meaningfully. When a claim or complaint is submitted, we begin a formal investigation to identify the cause and prevent its recurrence. This research may involve multiple departments or even suppliers and/or subcontractors. The effectiveness of these controls and actions are reviewed by our Executive Committee on an annual basis. **We are proud to say, that in 2020 there were no significant complaints or claims.**

## RESEARCH & INNOVATION

Innovation is a key pillar of our customer-centric culture. Given the cost-effective role played by diagnostic services in medical treatments and decisions, our focus on research and innovation makes a significant contribution to the overall resilience of the healthcare systems in the countries in which we operate. This year, COVID-19 has highlighted the impact of our innovation. Since the beginning of February 2020, we have been at the cutting edge of testing methodologies in Europe and the world. To respond to the fact that many people experience discomfort or even pain during a swabbing, we implemented new non-invasive sampling methods based either on mouthwash or a saliva sample. Throughout the pandemic, we played a crucial role in testing and validating methodologies and processes, helping organisations develop medically validated protocols for returning to work, travelling safely, and providing essential testing services.

We also regard the digitalisation of our processes as an essential step towards improving our patients experience and accessibility, internal efficiencies, and our environmental footprint. This also enables us to deliver high-quality diagnostics faster and more efficiently. Our close collaboration with university research departments and the pharmaceutical industry enables us to stay ahead of the innovation curve, make new test methods available to our patients and customers, and to diagnose diseases better, earlier, and faster.

We are committed to cutting-edge research across all diagnostic disciplines. Through our annual Medical Innovation Awards, we recognise our employees who strive for scientific advancement.

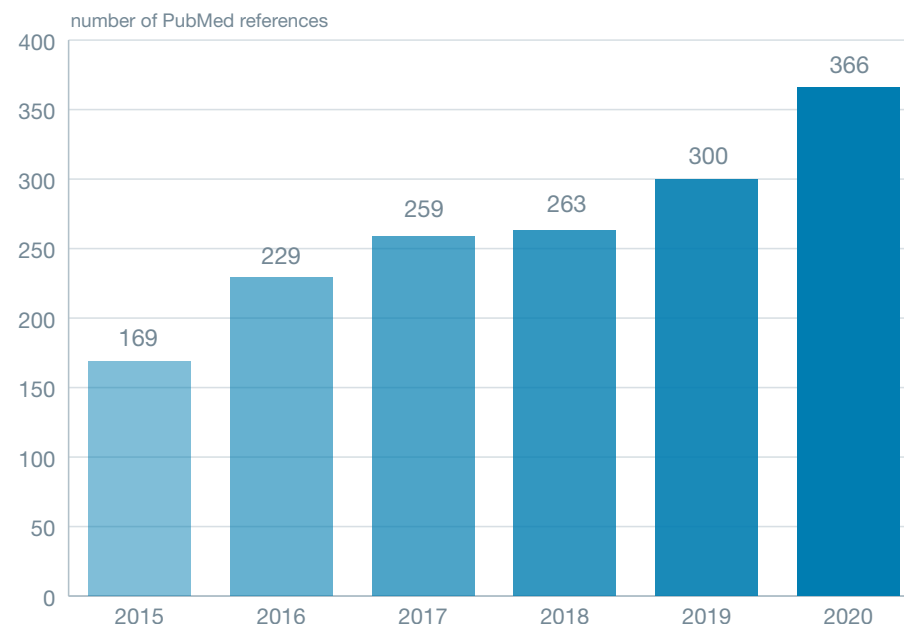


Our SYNLAB Virtual Congress last July honoured our 2020 winners. The expert jury decided to recognise six winners for advancing research in the following categories:

1. Young Scientist winner for applying machine-learning algorithms to blood analysis;
2. Laboratory Science winner for using genomics to understand disease resistance;
3. Laboratory Science runner up for their work applying molecular methods to antibiotic resistance;
4. Oncology winner for their research into the relationship between thyroid hormones and tumour progression;
5. Oncology runner up for their work in improving the diagnostic accuracy for breast cancer; and
6. Neurology winner for their work in improving blood and urine testing capabilities for drugs

Congratulations to all our winners and those that were nominated for these awards.

Testimony to our commitment to research and innovation is the significant contribution SYNLAB makes to medical research and publications. In 2020 alone, we received more than 360 references on the PubMed website.<sup>1</sup> We have continued to grow the number of registered publications with more than double the volume in 2020 compared to 2015.



Number of SYNLAB and subsidiaries PubMed references, 2015 - 2020

<sup>1</sup> PubMed is a leading interface for accessing biomedical and life sciences journal articles and related content.



## COMMUNITY ENGAGEMENT

Our impact on communities extends beyond the services we provide. We aim to measure the community investment made through our own efforts as well as those of our employees that donate their individual time to support causes.

These projects are developed and delivered by our local offices, since they are able to better understand and respond to the specific needs of their communities.

A broad range of projects have been delivered this year including direct donations to charities such as SOS Children's Villages, provision of free health-care services such as physiotherapy and imaging to communities in need, and support for charities like the UK's Trussel Trust foodbank during mental health awareness week.

This year, much of our support has been directly linked to helping communities tackle the impact of the pandemic. In Estonia for example, our SYNLAB teams provided mattresses and critical technologies to support care homes for the elderly.

In addition, this year we have committed to setting up a corporate foundation that will provide a more effective means for us to give back to the communities that support us. We have already started work to define its governance structure and purpose, which will be further refined in 2021.

### COMMUNITY ENGAGEMENT DATA

Local community investment in 2020: €163,072



## 2. OUR EMPLOYEES

Creating and maintaining a supportive environment for our employees that fosters high performance and recognises internal motivation is a high priority for SYNLAB. This is reflected in the HR pillar of our corporate strategy, which aims to empower and engage our employees.

---

Our values – Passion, Accountability and Customer Centricity – are key to how we think, plan, and act with our employees.

---

Throughout 2020, the Management has implemented and incentivised a culture of “town hall meetings” to improve transparency and facilitate feedback from employees. During the year, we held dozens of these meetings with global and local management. This has involved thousands of employees and created a two-way engagement, which has increased the sense of belonging during the COVID-19 pandemic.

### EMPLOYEE ENGAGEMENT

Ensuring we have empowered and engaged employees is key to our success. People development is a key focus area for our HR team with sponsorship from the Executive Committee. Regular surveys allow employees to voice their opinions. In 2018, we launched our pilot engagement survey, called the SYNLAB Dialogue.

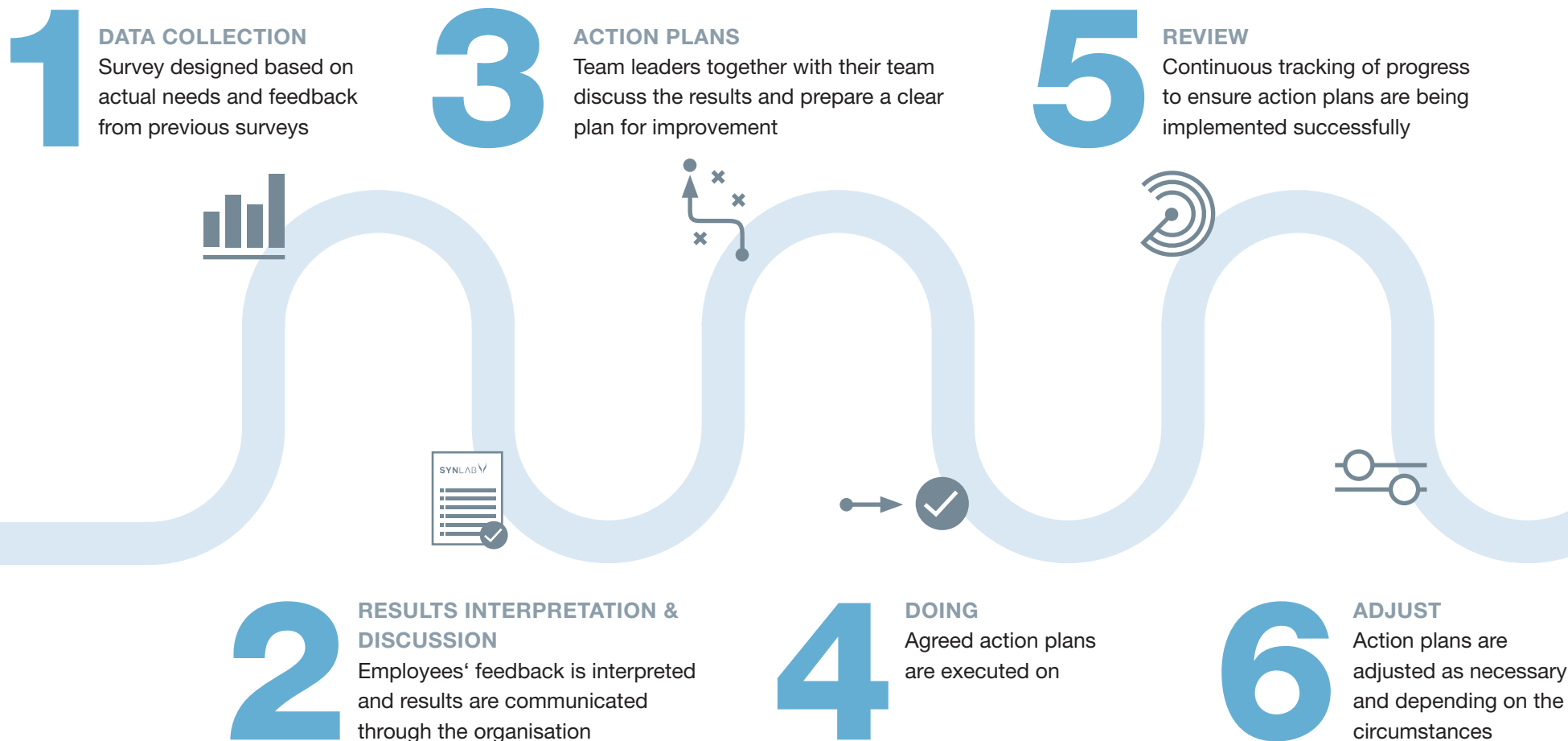
We expect to launch the first global survey in 2021.<sup>2</sup> The survey focuses on various areas of work, from senior leadership to enabling infrastructure. The results are analysed by demographics, functional area and role before being shared with employees. Following the survey, we act wherever possible to respond to the feedback received. This initiative is vital in building our understanding of employees’ level of engagement. Through this survey, we are aiming to spotlight areas that need to be addressed locally and globally to ensure our colleagues are engaged and empowered. Our HR strategy is focused on understanding how we can provide the best experiences for our employees and in turn, the customers they serve.

---

<sup>2</sup> The pilot survey covered all SYNLAB territories except Brazil, Egypt, Lebanon, Morocco, and Mexico.



## SYNLAB DIALOGUE





In addition, SYNLAB has global initiatives focused on employee engagement. These initiatives include the implementation of performance and training measures such as the SYNLAB Campus. This internal learning academy targets a wide variety of learning options from traditional skills training to our 'Management Development' programme. We also aim to support a healthy work environment that enables our employees to achieve a fulfilling work-life balance.

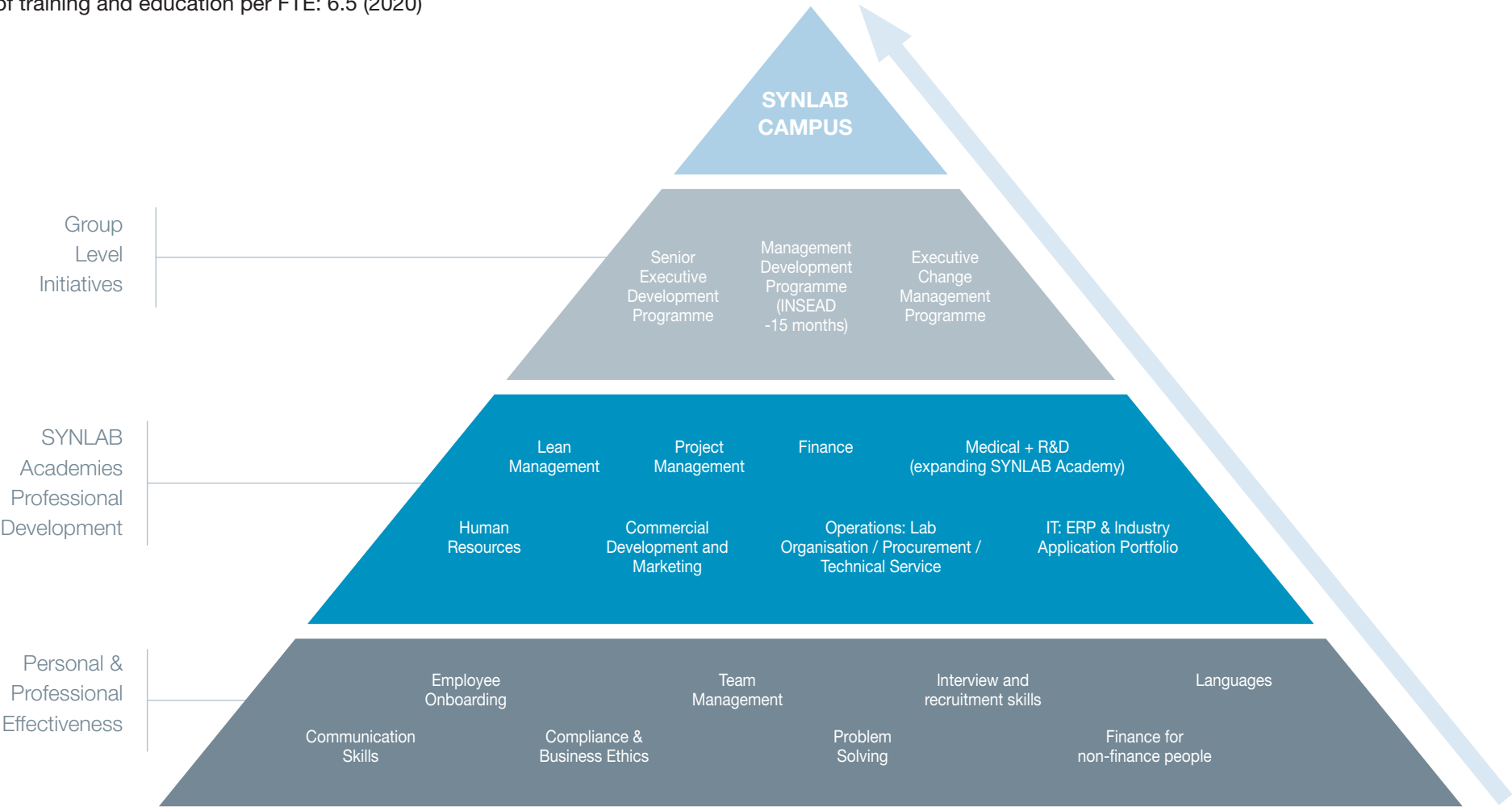
Ensuring our colleagues are comfortable achieving the requirements of their current role and monitoring their readiness to take on more responsibility is embedded in our 'Performance & Talent' management process. This activity provides us with an understanding of employee development needs on both an individual and organisational level and helps us develop our internal succession pipeline.



EMPLOYEE TRAINING DATA

Hours of training and education completed: 123,396 (2020)

Hours of training and education per FTE: 6.5 (2020)



## TALENT ATTRACTION AND RETENTION

The company's success depends heavily on employing and retaining qualified, skilled and experienced colleagues at all levels and functional business areas. These colleagues must be able to maintain and enhance our reputation by providing services in accordance with our standards. Our individual labs take the lead in their own recruitment strategies. Based on the spirit of the Code of Conduct of fair and equal treatment for all, selections are made based solely on experience and the needs of the position. Our unbiased recruitment is introduced to all employees upon employment, and reinforced frequently. The details of unbiased hiring are embedded in our Global Equality, Diversity and Inclusion policy. These measures are assessed against local factors to ensure they cover local differences.

These recruitment efforts are supported by our efforts to develop potential talents within the organisation. This is achieved through our numerous training initiatives such as the SYNLAB Campus.

### TALENT ATTRACTION DATA

Total number of new hires: 6,396 (2020)

NEW HIRES IN 2020 BY JOB LEVEL			
TOP MANAGEMENT	MANAGEMENT	TEAM LEADERS	TEAM MEMBERS
0.05%	0.54%	1.51%	97.90%

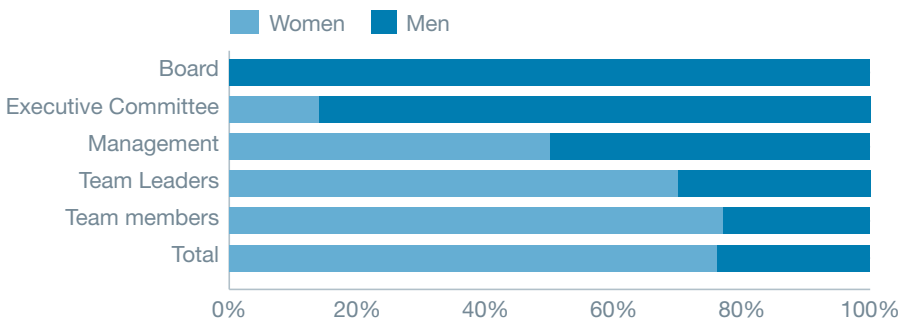
## DIVERSITY & EQUALITY

Our organisational culture embraces diversity and equality. At SYNLAB, we provide professional opportunities to all and we strongly believe that building on our diverse workforce will enrich our organisation, improving our capability to address the health needs of our customers across the market. Through our corporate policies and principles, we aim to ensure the fair and appropriate treatment of people within the Company. The principles of equal opportunities, non-discrimination, respect, and diversity, support the selection, hiring and employment of personnel. Key to this is embracing our employees' diverse backgrounds, experience and alternative ways of working. We aim to ensure that our HR processes are designed to encourage everyone with an interest in SYNLAB to apply, work, and thrive with us.

The Group-wide SYNLAB Code of Conduct supports this culture of diversity. This code outlines our zero-tolerance principle towards any form of discrimination, including gender, nationality, cultural background, religion, race and ethnicity, gender (and gender identity), disability, marital status, parental status, sexual orientation, age or any other circumstance. Fundamental to our Code of Conduct is the belief that the management of human resources and relations between employees must be grounded in rigorous respect for the dignity of people, rejecting any form of physical, psychological, moral or authority abuse, as well as any other conduct that could offend individual rights. Our approach will also be codified in our upcoming Global Equality, Diversity and Inclusion policy that will set out each employee's responsibility towards diversity and equality.

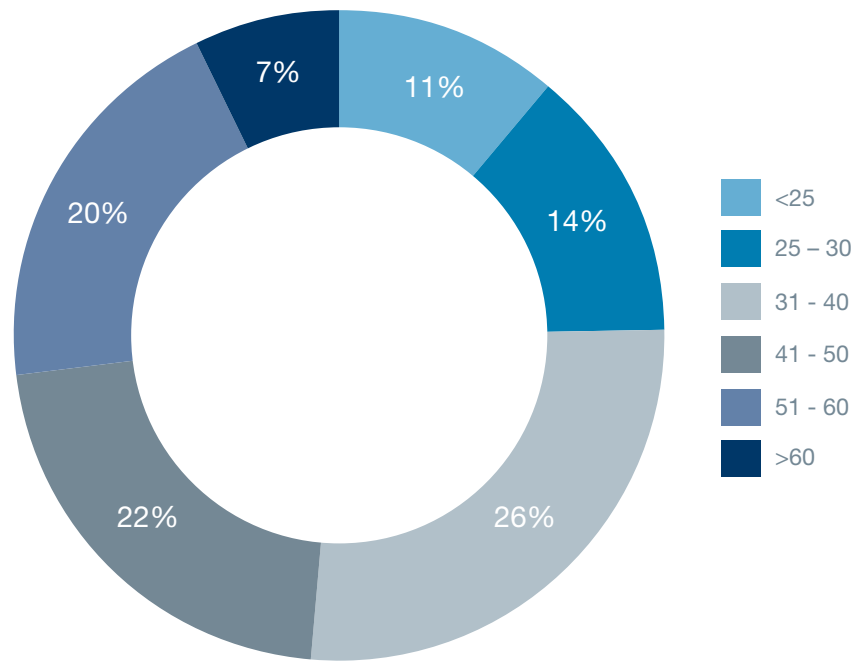
In alignment with this approach, we monitor diversity across different levels of the organisation. We aim to continue to increase the diversity of our teams at all levels of the organisation, including Top Management. We have set the following female representation goals:

- ✓ Achieve female representation of 30% in Top Management team positions by 2023<sup>3</sup>
- ✓ Increase female representation year-on-year in Senior Management positions by 2023<sup>4</sup>
- ✓ By 2025, achieve overall 30% female representation within the Key Strategic Successors Pipeline for country CEO Management positions for all countries representing at least 5% of total Group Revenue.<sup>5</sup>



Graph: Total number and distribution of employees by gender (2020)<sup>6</sup>

The below chart also provides a breakdown of the diversity of SYNLAB employees by age.



Graph: Distribution of employees by age (2020)

<sup>3</sup> Top Management includes any of Supervisory Board, Board and Executive committee levels.  
<sup>4</sup> Senior Management includes all C-level positions of each country (for example: CEO, CFO, COO etc.), excluding Executive Committee members.  
<sup>5</sup> France, Germany, Italy, Iberia, UK, Switzerland (as of 2020).  
<sup>6</sup> Board refers to our Board of Directors. Executive Committee refers to Group C-Suite and the CEOs of our largest countries; Management refers to the C-Suite of each country (excluding the Executive Committee) and their management teams.

Any report of infringement of these rights will trigger an investigation. In 2020, we received a number of grievances related to issues such as alleged employee disputes, unlawful termination, harassment and bullying. We treat all grievances seriously and objectively. We take action immediately according to our established procedure, with Human Resources on hand to support mediation, investigation, and ensuring that all disciplinary procedures are carried out appropriately. We keep track of all reported grievances that can be directly discussed with appropriate compliance officers, managers, HR managers or direct managers, depending on the preference provided by the impacted colleague.

**Number of employee grievances received: 35 (2020)**

## OCCUPATIONAL HEALTH & SAFETY

Workplace safety is critical for our clinical laboratory-based employees, who may be exposed to various biological risks such as blood-borne pathogens (such as HIV and hepatitis B). Medical and molecular imaging also present specific risks arising from the possible exposure of our staff to radiation. A range of workplace and practice controls are implemented, including the use of protective clothing and personal protective equipment (PPE), training, health screening, vaccinations and other measures designed to minimise exposure to, and the transmission of, blood-borne pathogens or pathogens borne by other medical samples.

SYNLAB has its own prevention and safety guidance, led at Group-level, whilst seeking to ensure compliance with relevant local regulations. This guidance covers developing risk assessment and preventions plans for occupational health and safety, industrial hygiene, ergonomics and applied psychosociology, as well as implementing emergency response measures. These emergency response measures are developed and co-ordinated by local Management, who respond to the requirements of regulators in each geography.

Health & safety is the responsibility of the Group COO and our Operations teams. However, health & safety is managed by our regional CEOs and lab managers to allow a more effective response towards local risks and requirements. Each site has dedicated Safety Officers, who ensure that working environments are safe and compliant with relevant local regulations.

SYNLAB is committed to supporting a healthy lifestyle for our employees by providing information and support. This includes health screening (unrelated to their line of work), and offering resources for physical activity, healthy nutrition, and quitting smoking. We have found that these activities have a positive impact on long-term sickness rates. Employees are also often given the option of accessing medical examinations, according to the specific protocols defined for their jobs.

### HEALTH & SAFETY DATA

Lost-time accident frequency rate (per 1,000 FTE): 10 (2020)





# 6

## SYNLAB: **CITIZENSHIP**

1. Ethics and integrity	56
2. Mechanisms for seeking advice & reporting of non-compliance	56
3. Regulatory compliance	57
4. Anti-bribery and ensuring a level playing field	58
5. Anti-money laundering	58
6. Tax transparency	58
7. Responsible supply chain management	59
8. Risk management	60

# SYNLAB: CITIZENSHIP

## 1. ETHICS AND INTEGRITY

Our Code of Conduct sets out clear standards for all company members (employees, contractors and sub-contractors). The Code of Conduct reflects the beliefs and values of the SYNLAB Group. It is an expression of the common understanding of integrity applied in our day-to-day activities. The Code of Conduct covers topics relating to our legal and ethical responsibilities, our commitment to upholding the highest standard of social conduct and the rules that ensure appropriate and ethical interactions with all of our stakeholders. In addition, it describes how these principles are implemented and applied in situations that occur in the daily course of business. All members of the SYNLAB Group are expected to demonstrate mutual respect, honesty and integrity.

The effective implementation of the Code of Conduct is a priority for our Management. The Board delegates responsibility to the Chief Compliance Officer and the other members of the Compliance Committee for the supervision of the implementation of the Code of Conduct. At local level, the CEO, with Regional Compliance Officer support, is in charge of implementing our Compliance Programme. Enforcement and training of our Code of Conduct and the Group Anti-Bribery, Anti-Corruption and Sanctions Guidelines help to ensure compliance with all applicable laws and regulations. As part of our governance strategy, we have also created an internal Audit department that ensures adherence to best practices and Group policies.

## 2. MECHANISMS FOR SEEKING ADVICE & REPORTING OF NON-COMPLIANCE

Employees can communicate problems and grievances to their supervisor, Human Resources, the Regional Compliance Officer, the Chief Compliance Officer or the Ombudsman in circumstances where one has been appointed. All grievances are treated as confidential.

Each SYNLAB member may contact their supervising manager, the regional compliance officer, or a member of the compliance committee with questions related to our Code of Conduct. Reports can also be addressed to an independent Ombudsman in those circumstances where one has been appointed. There are no sanctions or retaliation as a result of reporting a potential violation in good faith of this Code. Suggestions and reports are treated as confidential whenever possible in accordance with applicable law.

**In 2020, there were no confirmed incidences of corruption.**

When a violation is discovered, the actions of the individual concerned are subject to thorough investigation, regardless of their position. Legal consequences follow in view of the breach of duty, including termination of employment.

### 3. REGULATORY COMPLIANCE

Sales, marketing and business arrangements in the healthcare industry are subject to laws and regulations intended to prevent fraud, kick-backs, self-dealing and other abusive practices, applicable in many of the jurisdictions where we conduct our activities. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programmes and other business arrangements. The breadth of these laws means it is possible that some of the our business arrangements could come under scrutiny by governmental authorities or third parties in the jurisdictions where it does business.

The Chief Compliance Officer, supported by Regional Compliance Officers and the Compliance Committee, are responsible for regulatory compliance within the business. They support our objective to ensure that there are no breaches of regulation in our work and activities.

As part of our compliance management system, we conduct reviews of our business arrangements with customers in compliance with applicable laws and provide what we believe to be appropriate training to our employees on acceptable business practices.



## 4. ANTI-BRIBERY AND ENSURING A LEVEL PLAYING FIELD



*“Integrity has become a key concept in modern corporate governance. This is because sustained business growth is only possible when a firm is able to trust the reliability of its shareholders, customers, suppliers and staff – locally and globally. Gaining such confidence can only be achieved by consistently upholding high standards of social and ethical conduct.”*

*Mathieu Floreani, CEO SYNLAB*

The SYNLAB Code of Conduct and Anti-Bribery, Anti-Corruption and Sanctions Guidelines contain measures taken to prevent corruption and bribery and states that in no circumstance will decisions or actions be influenced unduly, anywhere in the world, by offering, promising or granting benefits. The individuals subject to the Code of Conduct may not use their work to request, obtain an agreement or accept benefits for themselves or for third parties, especially in relation to purchasing decisions. Likewise, receiving gifts and invitations in exchange for benefits is regulated. We have established a compliance organisation, controls, and reporting procedures to monitor conformity with our compliance programme.

## 5. ANTI-MONEY LAUNDERING

SYNLAB outlines in its Code of Conduct a commitment to protect itself against the use of its business for money laundering purposes and aims to avoid any attempt to involve the Company or its personnel in such activities. This aspect is relevant to all SYNLAB employees, in particular those that work in the Finance department.

## 6. TAX TRANSPARENCY

Our business activities generate a substantial amount and variety of taxes, which form a significant part of our economic contribution to the countries in which we operate.

We are committed to complying with all tax laws in a responsible manner and to having open and constructive relationships with tax authorities.

These statements are contained within the Tax Strategy, which is available on our website [www.synlab.com](http://www.synlab.com). The Tax Strategy is updated annually and approved by the Board. SYNLAB wants to ensure that:

- ✓ The Tax Strategy is followed consistently across the Group, with clear lines of responsibility and accountability.



- ✓ There is alignment of the approach to tax with the Group's overall stance on corporate governance and risk management as set out in the Group Code of Conduct. The Group does not undertake any tax planning that is contrived or artificial, any tax decisions will be based on commercial and economic substance.
- ✓ The Group contributes the appropriate amount of tax at the right time as required under the laws and regulations of the countries in which we operate.

#### TAX CONTRIBUTION

Across our 36 countries of operations, the total corporate income tax charge in 2020 was €87.3m. The equivalent figure for 2019 was €25.0m.<sup>1</sup>

## 7. RESPONSIBLE SUPPLY CHAIN MANAGEMENT

At SYNLAB we rely upon upholding a secure and robust supply chain, meaning our management processes are integral to the efficient running of our business. In providing our services, we rely upon the technical equipment provided by the suppliers of analytical technology for laboratory analysis/diagnostic testing, as well as reagents and chemicals used in such testing. Goods and services are provided by professional services companies as well as subcontractors, including couriers and sub-processors of test samples. In addition, we rely on external professional services providers for head office

support, including financing related activities as well as corporate and financial housekeeping. Suppliers and service providers play an important role in our operations and in our ability to provide services to clients. Consequently, we select suppliers with special care.

Suppliers and service providers are selected based on their performance, prices, integrity, and suitability to work with us. This includes any third party who interacts with public officials on behalf of SYNLAB, or who is committed to obtaining or retaining business or business advantage for SYNLAB. They are expected to adopt high standards of conduct equivalent to those contained in the Group Code of Conduct.

SYNLAB members involved in awarding contracts must comply with the following rules:

- ✓ Providers competing for contracts cannot be unfairly discriminated against;
- ✓ Supplier discussions, negotiations, and other contacts should be carefully and fully documented;
- ✓ SYNLAB members should notify their supervising manager in a timely manner of any personal contact within the organisation of a supplier that may play a role in the performance of their work; and
- ✓ SYNLAB members should not provide any information to suppliers competing for contracts that would give them, or could give them, an unfair advantage over other suppliers.

---

<sup>1</sup> Figures exclude Analytics & Services (A&S) unit.

Since 2018, we have completed evaluations of a number of our suppliers. As part of our commitment to responsible supply chain management, this year we have introduced a commitment to establish a supplier ESG Charter and improve screening of our key reagent suppliers.

SYNLAB has also taken steps to identify any human rights risks in the supply chain in consideration of the UK Modern Slavery Act (2015). We are committed to ensuring that our subsidiaries' supply chains and their business activities are free from ethical and labour standards abuse. In the UK, we have developed an additional policy on anti-slavery and human trafficking. To ensure our employees understand the implications of the Act, we provide appropriate training.

To mitigate potential risks of modern slavery and human trafficking in our supply chain, we undertake a number of risk assessments and due diligence exercises. These are currently limited to our main suppliers but will be expanded to cover suppliers further upstream of our value chain as well. In 2019, anti-slavery and human trafficking clauses were integrated into our procurement templates, and we have amended existing procurement contracts of our top global suppliers. We have also carried out training and workshops for facilities in the UK and most relevant members of Group HR and Legal functions.

**In 2020, no instances of non-compliance regarding modern slavery and human trafficking were reported.**

## 8. RISK MANAGEMENT

### APPROACH TO RISK MANAGEMENT

The Board and the Audit committee have overall accountability for ensuring that risk is effectively managed across the SYNLAB Group. On behalf of the Board the Audit Committee's responsibilities in relation to ESG are to:

- ✓ Review the effectiveness of the Group's material issues evaluation process;
- ✓ Monitor the reporting processes; and
- ✓ Monitor the effectiveness of the Company's internal controls, internal audits where applicable, compliance, and risk management systems.

SYNLAB has developed a global framework for risk management to increase risk awareness and provide further structure and support for risk management activities across the organisation.

The Group is exposed to other issues than those listed in the new materiality analysis. However, we disclose the material impacts we believe to have the greatest influence on our business. We recognise that there are additional risks not presently known to Management, or currently deemed to be less material, that may also have an adverse effect on the business.

In 2020, to reinforce our approach risk management we also created the internal audit function that will help to:

- ✓ Assess the Company's risks and the efficacy of its risk management efforts;
- ✓ Ensure that the organisation is complying with relevant laws and statutes; and
- ✓ Evaluate internal control and make recommendations on how to improve it.









# STAKEHOLDER ENGAGEMENT

- 1. Our key stakeholders 64
- 2. Advocacy 66

# STAKEHOLDER ENGAGEMENT

Dialogues with our key stakeholders are one of the most important ways of understanding and advancing our ESG priorities. Throughout 2020, we have continued to engage with our employees and scientific partners. As we continue to implement our ESG strategy in the coming years, we aim to integrate stakeholder engagement as a formal part of our efforts.

## 1. OUR KEY STAKEHOLDERS

**Customers:** meeting client expectations and aspiring to exceed them is the cornerstone of our FOR YOU programme. Our business model includes a wide array of customers, from GPs to out of pocket patients, hospitals to insurance companies, private corporations to national public health services. Our business philosophy has a strong commitment to improving our services continuously through listening to and learning from our diversified customer base focused on patients.

**SYNLAB employees:** we believe that trusting and empowering our people is essential to making them proud of their work. Our employees embody our values, shaping and conveying our image to the many thousands of people we serve every day. SYNLAB employees include any SYNLAB Group director, officer, employee as well as medical staff practising on a contract basis within the SYNLAB Group.

**Financial stakeholders (shareholders, bondholders and lenders in general):** we see them as partners for our development, leveraging their inputs to improve our managerial focus and discipline to deliver better results. In turn, this allows us to create room and opportunities to expand our impact through the essential services we provide.

**Communities & society:** we believe that the community we are rooted in is decisive for our future. For this reason, we invest in our communities with different initiatives targeted at current and future generations to ensure a solid foundation for our long-term development. We also have a responsibility to ensure that we comply with regulations in the jurisdictions of our operations.

**Suppliers and service providers:** they are a key component of our business environment and, therefore, share our way of doing business. Collaborating with them is essential to understand mutual expectations as is providing them with inputs and insights to help them meet our requirements in a better and quicker way. Suppliers and service providers play an important role in our operations and ability to provide analyses and services to our customers. Accordingly, they are to be selected based on their performance, pricing, and suitability for working with the SYNLAB Group and for their integrity. Every supplier and service provider who solicits a contract should expect an open, fair and impartial process for reviewing bids.



## 2. ADVOCACY

SYNLAB is part to the Global Diagnostics Network (GDN), a strategic working group of diagnostics laboratories, each committed to unleashing and sharing local innovation to increase global access to diagnostic science and services — ultimately generating diagnostic insights and enhancing global healthcare.

Collectively, this worldwide community of healthcare leaders has a presence in countries with more than half of the world's population across all continents. In addition to SYNLAB and Quest Diagnostics charter members are AI Borg Medical Laboratories, DASA, GC Labs, KingMed Diagnostics, and Primary Health Care.

The GDN's priorities include a global launch platform for high-quality diagnostics, and the creation of an emerging pathogen preparedness network to expedite infectious disease research and response. These and future GDN initiatives will benefit patients, referring practitioners, healthcare providers, pharmaceutical innovators, government agencies, non-governmental organizations (NGOs), and academic institutions.

### GLOBAL DIAGNOSTICS NETWORK MEMBERS

GDN members are some of the world's leading diagnostics companies across the globe, operating at the highest professional standards. Collectively, this worldwide community of 10 healthcare companies has a presence in countries with two-thirds of the world's population, and over 90% of the global pharmaceutical market.









# 8

ESG  
**PERFORMANCE  
DATA**



# ESG PERFORMANCE DATA

The data in this report supports the understanding of our ESG performance. Country Management across SYNLAB have submitted a number of ESG KPIs for consolidation and reporting. The data in this report represents returns from our key geographies for 2020. This does not represent the entirety of our operations and not all of the returns contained the required information relating to all ESG KPIs.

SYNLAB is committed to increasing the scope of our ESG data collection in future years.

## NOTES ON DATA CONSISTENCY

- ✓ Data calculation for waste production in Portugal & Spain was changed for 2020
- ✓ No data was reported for training for France and Portugal 2020
- ✓ Environmental, social and governance data was provided from Austria, Belgium, Brazil, Colombia, Czech Republic, Ecuador, Estonia, Finland, France, Germany, Hungary, Italy, Peru, Portugal, Rest-of-the-World, Slovakia, Spain, Sweden, Switzerland, and the United Kingdom.
- ✓ The following companies only report anti-bribery and corruption related incidences and potential data breaches: Romania, Belarus, Cyprus, Croatia, Macedonia, Poland, Slovenia, Turkey, Ghana, Nigeria, Ukraine, and the UAE.

KPI	UNITS	2019	2020
<b>ENVIRONMENTAL</b>			
Revenue	€ million	1,938	2,626
GHG emissions	Tonnes CO <sub>2</sub> e	44,712	45,133
GHG emission intensity	Tonnes / € million revenue	23.9	17.2
Vehicle related GHG emission intensity	Average tonnes CO <sub>2</sub> e /vehicle per year	6.3	6.2
Waste produced	Tonnes	5,902.3	6,696.7
Waste intensity	Tonnes / € million revenue	3.2	2.6
Quality management certifications	# of ISO 9001 certifications	104	110
Laboratory quality certifications	# of ISO 17025 certifications	8	15
	# of ISO 15189 certifications	200	228
Environmental certifications	# of ISO 14001 certifications	4	4
<b>SOCIAL</b>			
Health & safety certifications	# of ISO 45001 certifications	3	3
	# of OHSAS 18001 certifications	1	1
Employee time volunteered	# of employees involved	136	208



KPI	UNITS	2019	2020
<b>Local community Investment</b>	€	3,306	163,072
<b>Hours of training</b>	Hours	159,745	123,396
<b>Training intensity</b>	Training / FTE	8.8	6.5
<b>Employees per job level</b>	% of total employees defined as executive committee (CMB)	0.07	0.06
	% of total employees defined as management	2.95	2.58
	% of total employees defined as team leaders	5.12	4.35
	% of total employees defined as team members	91.8	93.01
<b>Employee grievances</b>	# of grievances received	N/A <sup>1</sup>	35
<b>Employees per age group</b>	% of total employees <25	8.1%	11.2%
	% of total employees 25 – 30	13.0%	13.8%
	% of total employees 31 – 40	25.8%	26.5%
	% of total employees 41 – 50	22.9%	21.7%
	% of total employees 51 - 60	21.4%	19.6%
	% of total employees >60	7.9%	7.2%

<sup>1</sup> Grievances were not centrally reported in 2019.

KPI	UNITS	2019	2020
<b>Organisational gender balance</b>	Ratio of female:male employees, total (%)	76:24	76:24
	Ratio of female:male employees, Board of Directors (%)	0:100	0:100
	Ratio of female:male employees, Executive Committee (CMB) %	8:92	14:86
	Ratio of female:male employees, Management %	48:52	50:50
	Ratio of female:male employees, team leaders %	69:31	70:30
	Ratio of female:male employees, team members %	78:22	77:23
<b>Lost-time accident frequency rate</b>	# of lost-time injuries per 1,000 FTEs	8	10
<b>GOVERNANCE</b>			
<b>Corruption</b>	# of confirmed incidences of corruption	0	0
<b>Data security</b>	# of IT breaches	4	14
<b>Tax payment</b>	Total corporate income tax paid in € million	25.0	87.3
<b>Modern slavery</b>	# of incidences of modern slavery and human trafficking reported	0	0

## ABOUT THIS REPORT

This report was prepared by SYNLAB Limited, the holding Company of the Group. SYNLAB Limited is a private limited company formed on June 9, 2015, as a private limited company under the laws of England and Wales with registered number 09630775. SYNLAB Limited's principal business address is 2 Portman Street, London, United Kingdom W1H 6DU. SYNLAB Limited is indirectly owned by the Cinven Funds. The data included in this report has been prepared with reference to the GRI reporting Standards with ESG performance data received from country Management across SYNLAB. While the data cited in this report includes returns from the Group's major geographies, 12 countries returned only limited ESG data. In 2021, SYNLAB will work to improve the completeness of its data collection with reference to the Global Reporting Initiative (GRI) standards on ESG reporting.

The report and its contents are not externally assured. For any enquiries in relation with this report please contact:

Luis Vieira (CSO SYNLAB Group)

Email: [luis.vieira@synlab.com](mailto:luis.vieira@synlab.com)

Mark Reinhart (Investor Relations)

Email: [mark.reinhard@synlab.com](mailto:mark.reinhard@synlab.com)





**SYNLAB Limited**  
2 Portman Street  
London  
W1H 6DU  
United Kingdom

© 2021 SYNLAB International GmbH  
No liability for errors, mistakes and incorrect  
price data. Changes reserved. All texts, images  
and contents are under copyright of SYNLAB  
International GmbH.

As of 03/2021