



Medica Group socially responsible investment and sustainable development report



Société anonyme with share capital of €18,653,466.50

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The Medica Group was a very early adopter of a socially responsible investment policy. On a day-to-day basis, this is reflected by its observance of a number of key values on which the Group has based its growth, namely commitment, transparency, respect and care, particularly towards the people it cares for at its facilities.

In view of the major challenges facing the Group, Chairman and Chief Executive Officer Jacques Bailet and Deputy Chief Executive Officer Christine Jeandel have made Socially Responsible Investing (SRI) one of the main axes of the Company's future development:

"Establishing an SRI policy and taking action to support sustainable development does not just mean making choices. It is also an attitude and a state of mind. For the Medica Group, sustainable development encourages dialogue between all parties concerned and constructive sharing of ideas. However, it also implies accepting new ideas and practices, even if this means calling old habits into question.

The Medica Group - a key player in dependency care - is renowned for the quality of its care services and facilities. In future we hope that its vision and state of mind concerning sustainable development will serve as an example."

Following the IPO on Euronext Paris on 10 February 2010, the Company was included in the Gaia SRI Index on 5 October 2010. This index comprises 70 stocks selected from the best companies meeting social responsibility criteria in terms of the environment, society and corporate governance.

This immediate recognition by the financial world is the result of the Company's exemplary conduct for many years and its stable policy headed by the same management team since 1999.

The Medica Group was the first company in France to obtain NF Service accreditation from AFNOR Certification for its retirement homes¹, proving the maturity of the system of professional Best Practices adopted around 10 years ago. This accreditation provides a guarantee for residents and their families of exacting standards in terms of care and quality of life, and ensures the transparency of information given to customers to help them to make informed choices.

The accreditation of its facilities has made the Medica Group a pioneer in the ANEMS external assessment process. It also enhances the Medica Group's credibility when it comes to gaining permits to create new facilities. In addition, 100% of the Medica Group's post-acute and psychiatric care facilities have V2-2007 accreditation.

¹ 95% of residential dependency care facilities for the elderly operated for more than two years by the Medica Group have obtained accreditation.

1. A BENEVOLENT APPROACH TO ENSURE A FAIR HR POLICY

With 173 facilities (figures as of 31 December 2010) covering two distinct areas of activity - long-term care and post-acute and psychiatric care - the Medica Group offers a fair HR policy, laying the foundations for an environment that allows employees to flourish.

While management of staff is decentralised within each facility, a regional structure provides a guarantee of transparency in terms of wages, promotion within the Group and access to training. Regional Directors - senior staff mostly from on-the-ground roles - and Employee Officers - experts in employment law - ensure a consistent and fair Human Resources system.

In terms of reporting, facility directors have monthly employee indicators that help them to manage their staff in real time. These indicators enable them to focus their management efforts on key areas, such as fostering employee loyalty, improving working conditions and promotion.

1.1 Forward-looking and responsive job management to favour the development of individual and team skills

1.1.1 An active recruitment policy

Challenges

As part of an approach to ensure ongoing improvement and support its rapid pace of growth through acquisitions and openings of new facilities, the Medica Group has adopted a structured process for the recruitment and integration of new staff. The Medica Group's wealth lies in the diversity of its staff, particularly in management positions, with staff from the healthcare sector and other sectors.

Achievements

A formal recruitment and integration policy

Creation of MEDICV, a source of job applicants and a software tool for the internal management of applications. The MEDICV job portal comprises an applications area, job offers area and an area for universities.

It has a direct link to the recruitment section of the www.medica-france.fr website, on which applicants can submit their spontaneous applications online.

The adoption of this portal responds to a number of objectives: ensuring monitoring of applications received, sharing applications between facilities, facilitating management of the pool of replacement staff, obtaining visibility on requirements and managing relations with universities.

Creation of a "Recruitment Guide", a practical and concrete tool setting out a methodology intended to help facility directors in recruiting staff. It provides guidelines concerning how to obtain and select CVs, conducting job interviews, making definitive selections of applicants and how to integrate them.

Creation of the "Internship Passport", with the aim of improving how interns are received and optimising their integration into the Medica Group's facilities. This system also allows the Medica Group to manage the recruitment process for interns and improve its communications with universities.

A formalised system for the integration of facility directors, with a programme lasting several days before taking up the position based on the experience of each new recruit and their own requirements. An "Overview for managers" guide is also handed out, providing details of regulatory conditions, the main tools and meetings to liaise with central departments, as well as a guide to "who does what" at the head office. A version of this guide was created specifically for "nursing managers" in 2010.

A "Welcome booklet" has also been created to make the first steps easier for new recruits to the Group. This provides all general information about the Medica Group's activities, its quality management approach, its HR policy, practical information and professional charters inherent to our business (long-term care and post-acute and psychiatric care).

Developing partnerships with universities

The Medica Group is involved in Master's programmes and has signed a number of partnership agreements with well-known universities since 2010, including Université Paris Dauphine, ESC Toulouse and IAE in Limoges. Deputy Chief Executive Officer Christine Jeandel is also a sponsor of the Master's degree in healthcare at INSEEC (Bordeaux and Paris).

Most of these partnerships generally provide for a commitment to receiving interns, taking part in examination and selection panels or presentations by experts.

In 2010, the Medica Group was awarded fourth prize for human resources in healthcare by Le Quotidien du Médecin and Décision Santé for its partnership with Pôle Emploi following a fundamental review of professional retraining.

1.1.2 A formal jobs and skills forecasting and planning policy

Challenges

For any company, anticipation is key in order to adopt suitable policies in terms of training, professional mobility, redeployment and skills.

This is particularly true of the healthcare sector, for which the environment is particularly subject to change in terms of employment.

Achievements

The Medica Group signed a GPEC jobs and skills forecasting and planning agreement in 2008, which primarily provides for the creation of an Employment and GPEC Committee, providing an observatory for business lines and their development within the Group. This agreement also specifies the support measures in place for senior staff and for managing internal transfers, between both different functions and different regions.

Since 2009, with the support of external expertise, the Medica Group has adopted a job mapping system. This means going further than existing job profiles, the idea being to give a more detailed description of what each business line entails and define a jobs structure on the basis of this information. The business line-based approach to job mapping should allow primarily for the planning of career development within the same business line, as well as ways of moving between the different business lines.

The Medica Group encourages internal mobility as far as possible, which can take a variety of forms, i.e. between functions or between regions. We have adopted an Internal Job Exchange, which is updated every month.

A "Yearly Interview" system allows for employees to talk to their direct managers on each anniversary of starting their job.

This yearly meeting responds to a number of fundamental aims:

- to assess each employee's performance over the past year by making an appraisal of their strengths;
- to reach an agreement with employees about their targets for improvement over the next year;
- to find out and analyse what employees want;

- to make each employee more motivated.

This also includes a self-assessment system, in which employees position themselves depending on their perception of how well they are doing their job, thereby encouraging discussion on the basis of concrete observations and creating an objective assessment framework.

Echoing the policy to encourage the employment of older workers, since 2010, the Yearly Interviews system has included support for interviewing staff in the second half of their career. Each year, the Human Resources Department sends facilities its annual timetable of interviews to be conducted, with specific indications for employees aged over 45.

1.1.3 A national and local training policy

The Medica Group operates in a service industry and its performance depends above all on the professionalism of its staff. In addition, ongoing changes in the care given to our residents and patients and therefore in our business activities call for a continuous training policy. The Medica Group also places particular emphasis on training its staff and helping them to obtain qualifications.

a/ A training plan based on on-the-ground demands

Since 2007, the Medica Group has had a number of tools to enable it to find out the training needs and desires of its employees on the ground. The collecting of this information crossed with the Group's specific needs and plans allows it to define a national, multi-year training programme.

b/ Monitoring and development of skills

By developing training courses leading to qualifications with the support of expert partners, the Medica Group has made a concrete commitment as part of a pro-active approach to increasing the professionalism of its staff and anticipating legal requirements:

- *The Medica Group offers its directors and key members of staff who could move into a management role at long-term care facilities the opportunity to qualify for a diploma as "Care facility for the elderly director". This accredited diploma has been adapted by the Medica Group and Université de Paris XII, and also offers specific additional modules for hotels/restaurants, management and business.*
- *Since September 2009, the Medica Group has funded a Master's degree in long-term care facility management for employees who have successfully obtained the "Care facility for the elderly director" diploma.*
- *Introduction in 2005 of the "Medical and psychological care" diploma in Alzheimer's disease in collaboration with France Alzheimer and INFA.*

The Medica Group has also developed apprenticeship contracts and is offering work-based training to a growing number of people, with the awarding of qualifications ranging from a CAP professional aptitude certificate to a Master's degree, and in some cases a permanent job offer.

1.2 Professional relations and employment conditions

1.2.1 Pro-active listening to employees

Challenges

Staff are involved through recognition, which in turn is achieved through listening, and the Medica Group has made this one of the key principles of its HR policy over the last few years. The Medica Group aims to find out its employees' expectations in order to take these into account as far as possible.

Achievements

In 2005, the Medica Group met with employees in order to assess their perception of the Group and how it operates as part of a project named "CAP METIERS". The Group's controlled growth has been rapid and it was vital to conduct an interim review by interviewing employees in order to be sure of their support of the policy being developed and its implementation. A strategic vision is worthless if the objectives are not shared by the people on the ground.

On the basis of the CAP METIERS initiative, the first employee satisfaction survey was organised in 2006 and the fourth took place in 2010, in which 3,524 employees responded to the survey conducted by CSA. Employee participation in these surveys has increased significantly since 2006, with employees realising that their responses resulted in concrete action by the Group.

A number of employee satisfaction indicators improved considerably between 2006 - when the first survey was conducted - and 2010, such as the organisation of working life (+14%), resources provided to enable employees to work well (+16%), the Medica Group's image (+12%) and the circulation of information within each facility (+10%). The general employee satisfaction rate increased by more than 10% between 2006 and 2010.

This improvement in a number of indicators demonstrates the relevance of the concrete plans of action implemented across France by the Group. The results of the three previous employee satisfaction surveys conducted in 2006, 2008 and 2009 have enabled the Group to target its efforts to step up the rate of improvement in working conditions and with a view to the professional development of each employee.

A number of initiatives have therefore been taken to improve the quality of care and working conditions for staff on a day-to-day basis, in particular the choice of new medical beds, face lifts of facilities and break rooms.

In 2009, the Medica Group drew up an agreement with an external consulting firm as part of the implementation of an emergency support system in the event of a crisis such as a patient running away, suicide or aggressive behaviour. During these potential moments of weakness for a team, a victimology expert or a psychologist may be involved in order to propose an individual care programme.

In figures

91% of employees state that they like working for the Medica Group.

8 out of 10 employees would recommend working for the Medica Group to their friends and family.

98% of employees like their work.

1.2.2 Regular communication

"Echanges", launched in April 2005, is an internal newsletter sent to permanent staff at their homes once a quarter. Additional copies are sent to facilities to be distributed to temporary staff.

The aim of creating this tool was to develop a shared culture and a vocabulary providing a sense of identity, which has become increasingly relevant as the Group grows.

Its intention is to unite as many employees as possible around shared values, communicating in a professional and "living" way in order to:

- Enhance dialogue within the Group;
- Circulate information;
- Encourage the sharing of experiences;

- Highlight business activities and employees' areas of expertise in the form of profiles and case studies, as well as original and exemplary initiatives on a local level within a single facility and that can be rolled out to the rest of the Group;
- Raising awareness about fundamental issues such as Alzheimer's disease, night working, Legionnaires' disease, aesthetics and the Group's quality management policy.

The Medica Group disseminates all of its best practices within a documentary management database that is freely accessible at its facilities, Mediged. This database also allows facilities to share their own internal best practices with other facilities.

The same software also includes a development called Mediris to report incidents or anomalies at each of the Medica Group's facilities. In the healthcare sector, initiatives of this kind are particularly encouraged by the regulatory authorities in relation to "managing undesirable events" and building up a database facilitating the development of a risk prevention and management policy.

1.2.3 Constant wage reviews

Challenges

Without entering into an inflationary wage strategy, it is important that each job is compensated fairly and to offer a fair and competitive development and compensation policy.

Achievements

In 2007, the Medica Group introduced a regular attendance bonus which in 2008 was turned into a "stability bonus", which has a number of aims: to ensure fair treatment of employees, encourage staff loyalty, boost attendance, have a straightforward calculation model and be attractive. For employees meeting the conditions in terms of length of service and attendance, this bonus can represent up to one month's gross standard salary.

In 2008, the Medica Group set up an employee share ownership plan, with the aim of allowing all employees to build up voluntary savings. More than 3,000 employees - equal to more than 50% of the total headcount - subscribed to the Medica Group employee share ownership plan as part of the IPO in February 2010, attesting to their confidence in the Group's management and future.

1.2.4 A desire for openness with employee representatives

Challenges

Employee relations are fostered through constructive dialogue and working in concert. This is key to the smooth running of the Group, in terms of both settling individual and team conflicts rapidly and playing a role in the development of a consistent and fair HR policy.

Achievements

Dialogue between the Group's executive management and employee representatives has allowed for a shared review of HR issues in relation to changes in society, with the signing of a number of corporate agreements and/or plans of action in order to set out formally the commitments made.

In addition to specific meetings for negotiations, the various parties concerned meet regularly at an early stage, within the framework of working parties designed to collect all of their opinions and develop a communal approach. At a later stage, monitoring committees set up within the framework of agreements monitor the progress achieved in the commitments made and the results obtained.

These agreements include:

- an agreement on the creation of a single health and safety committee (CHSCT) in 2004, which was amended in 2006 and 2009;
- an agreement on jobs and skills forecasting and planning in 2008, including a specific section for "older workers";
- an agreement on the employment of disabled workers in 2008;
- an agreement and plans of action relating to the employment of older workers in 2009;
- a framework agreement concerning the introduction of a job classification system specific to the Medica Group in 2010.

The Medica Group also set up a Group Works Committee in 2006, representing employees at Group level. The Committee's role is to foster dialogue between employee representatives and management across the entire Medica Group in France and to provide information to promote discussion and consultation. The Group Works Committee does not replace the employee representative bodies specific to each Group company, which retain their full responsibilities and powers.

1.2.5 Working conditions: priority given to safety

Challenges

One of the Medica Group's imperatives is to ensure the well-being of its employees in the workplace by offering them the best possible working conditions.

Assessment

In 2010, working parties were set up to conduct a general review of working conditions that may result in the signing of an agreement. The first action was the launch of a national survey of Group employees, with the aim of collecting their opinions and feelings on the matter. The panel of respondents was highly representative of the Group, offering a very extensive basis for this review.

Achievements

Well before this issue became central to employee concerns, the Medica Group made it one of the priorities of its HR policy.

The Medica Group has initiated a process to assess the occupational risks to which its employees are exposed and has adopted a preventative plan of action. To do this, a single document - one specific to long-term care and another specific to post-acute and psychiatric care - allows for an inventory of occupational risks to be compiled within each working unit.

In addition, facility directors regularly receive information relating to occupational risk.

Lastly, occupational risk prevention is one of the key training areas given priority for the last three years within the Group, mainly by means of the safe working methods training undertaken by over 900 employees between 2009 and 2010.

2. TRANSPARENT BEHAVIOUR IN PROCUREMENT CONTRACTS

2.1 Transparent procurement policy

Challenges

The Medica Group is committed to observing the principles of integrity and mutual respect in its contractual relations with suppliers.

Achievements

The Medica Group has a rigorous procurement process that aims to ensure fair treatment of subcontractors and suppliers, including the selection and assessment of suppliers on the basis of predefined and clear criteria, guarantees of the confidentiality of technical and commercial information provided by suppliers, systematically responding to all companies that have not been selected, impartiality in choosing suppliers and respecting negotiated terms and conditions.

2.2 Transparent relations with investors and shareholders

Challenges

The Medica Group has to guarantee transparency in the decision-making system that directs its strategy.

Achievements

- In the first quarter of 2010, the Medica Group's Board of Directors set up two committees:
 - An Audit Committee comprising three members, including two independent directors: Gilles Cojan, Chairman (independent), Catherine Soubie (independent) and Jean-Baptiste Wautier;
 - A Compensation and Appointments Committee comprising three members, including one independent director: André François-Poncet, Chairman, Guy de Panafieu (independent) and Denis Villafranca.
- Creation of a website specifically for investors and shareholders, www.groupemedica.com, containing all of the Group's financial information (publications, regulated information, calendars etc.) and a dedicated e-mail address for shareholder relations: relations.actionnaires@medica.fr.

2.3 Transparent relations with supervisory organisations and professional trade unions

Challenges

The Medica Group is subject to strict regulatory requirements and has to maintain close relations with decision-making bodies in order to pursue its ambitions.

Achievements

Tender processes are set up for planned creations, conversions and extensions of facilities, alone or jointly, by those providing funding (heads of Regional Health Authorities and local departmental authorities) on the basis of a diagnosis and assessment of requirements within each territory. The new authorisation procedure by means of tenders for projects came into effect on 1 July 2010.

In order to monitor and anticipate changes in these regulations, the Medica Group is a member of the Boards of Directors of the following organisations:

- SYNERPA (*Syndicat National des Etablissements et Résidences Privées pour Personnes Agées*) for its retirement homes;
- FHP (*Fédération de l'Hospitalisation Privée*) for its post-acute and psychiatric care facilities, and more specifically:
 - CSSR (*Confédération des Soins de Suite et Réadaptation*) for its post-acute care facilities;
 - UNCPSY (*Union Nationale des Cliniques Psychiatriques Privées*) for its psychiatric care facilities;
- FORMAHP (Joint Registered Collection Agency for the private hospital sector), which plays a central role in training policy for private post-acute, psychiatric and long-term care facilities.

3. RESPECTING HUMAN RIGHTS

3.1 Respecting human rights - Customers

Challenges

For both long-term care facilities and post-acute and psychiatric care facilities, private healthcare is a fairly competitive sector and brand image is important. The Medica Group needs to emphasise key criteria that make it stand out from the rest of the market, with its priority given to customer satisfaction and listening to customers.

Achievements

a/ Development of social activities at long-term care facilities

One of the criteria for the satisfaction of residents and their families relating to quality of life is how well their choices and decisions are taken into account on a day-to-day basis. This principle of freedom of choice is the first point of the Group's "Charter of rights and liberties of elderly people requiring dependency care".

Furthermore, as far as possible, the Medica Group endeavours not to prejudge what residents want to do and can do. Within the Group, residents' "freedom of choice" is respected in terms of:

- meals: with the option of choosing an alternative menu if the menu of the day is not suitable, experience in protected areas in which residents are not seated according to table plans but are able to sit wherever they want;
- activities: a wide variety of activities or offered to give residents the choice of doing what they want.

The Medica Group is permanently looking to develop its residents' social ties and is involved in other initiatives such as:

- **Creation of "children's areas"** at each care home, providing a suitable area for young children equipped with drawing tables, blackboards, play cabins and games, in order to create the feeling of being at home rather than in an institution.
- **Creation of "Petits Princes" menus** for children who come to have a meal with their elderly relatives.
- **The "Fête des Voisins"**, a social event that embodies the Medica Group's cherished values of proximity, solidarity and citizenship. All of the Group's retirement homes chose to take part in this event in 2009 and 2010, which helps to strengthen social ties and is a symbol of sharing and conviviality.
- **Installation of Wii consoles** at all of the Group's long-term care facilities in order to encourage inter-generational activity and change how elderly people's abilities are viewed.

These partnerships support the Medica Group's efforts to support community life and its commitment to "encouraged social life". Our facilities are much more than just places for receiving and accommodating elderly people; they aim to form a social fabric.

These examples also attest to the Medica Group's desire to offer activities that are suitable for everyone, which fits in with the system of "individual life plans" in place at all of the Group's long-term care facilities. The Medica Group's target is for 100% of residents to participate in and enjoy the activities on offer to them at their facility. Regardless of residents' level of dependency and whether they want to be with others or take part in more individual activities, the Medica Group aims to adapt to what each person wants so that everyone is able to flourish at its facilities.

b/ Risk management

In 2001, the Medica Group adopted a set of professional "**Best Practices**" made available to staff via an intranet site and later the Mediged documentary management database. These best practices are the results of the sharing of the experiences of all of the Group's healthcare professionals. They allow each team to implement the most effective and reliable procedures in order to guarantee the highest standards of care for residents and patients.

c/ Certification process

Since 1999, the Medica Group has ensured that all its facilities have been firmly committed to a quality assurance programme. Since 2006, the Group has moved towards a genuine programme of continuous improvement by referring to the NF X 50-058 standard "*Etablissements d'hébergement pour personnes âgées: cadre éthique et engagements de service*" (Facilities accommodating elderly people: ethical framework and service commitments) and the NF 386 certification rules concerning long-term care facilities.

95% of the long-term facilities that have been part of the Medica Group for more than two years now have NF Service certification, which makes the Medica Group the first healthcare group in France to be NF Service certified. Certification enhances the Medica Group's credibility when it comes to gaining permits to create new facilities.

All of the Medica Group's post-acute and psychiatric care facilities are V2-2007 accredited.

In 2010, the Group created a logo based on its four core values: CARE - TRANSPARENCY - RESPECT - COMMITMENT. This logo summarises all of the Medica Group's commitments and is applied both internally and externally.

d/ Regular listening

In accordance with regulations, the Medica Group organises **periodical meetings with its customers** in the form of *Conseils de Vie Sociale* (Social Life Advisory Boards) at long-term care facilities and *Commissions des Relations avec les Usagers* (Committees for Relations with Users). These bodies meet periodically and provide a form for consultation on the Group's policy for welcoming and looking after its customers.

The creation of "**Aloïs**", **a record of each resident's social life**, is a solution offered to families to improve the standard of care offered to Alzheimer's sufferers. A specific care programme is offered as soon as a resident arrives at a facility and the family is involved in their care. The Aloïs document goes further than just collecting information about the resident's social life; it constitutes a real means of handing over from the family to the facility. By knowing about each resident's habits before they even come to the facility, staff are able to create a familiar and reassuring environment.

In February 2008, the Medica Group also set up a **working party on management of pain** at long-term care facilities involving external contributors and led by the Head of Medical Services and Quality Control. These meetings took place at Hôpital Lariboisière in Paris and were attended by Alain Serrie, Head of Pain Medicine, Palliative Medicine and Emergency Treatment of Migraines (Hôpital Lariboisière), Annick Sachet, former Head of Palliative Care at Hôpital de Charles Foix and staff from the Medica Group.

3.2 Respecting human rights - Employees

3.2.1 Challenges

Diversity is a source of wealth and guarantees social cohesion within the Company.

Within this framework, the Medica Group focuses on four main areas:

- Equality between men and women;
- Employment of older workers;
- Employment of disabled workers;
- Employment of people from disadvantaged areas.

3.2.2 Achievements

a/ A policy favouring employment of disabled workers

The integration of disabled employees is integral to the values of the Medica Group, which wanted to establish an employment policy designed to encourage diversity within the company. In order to implement long-term measures and provide the best possible follow-up of these measures, the Medica Group adopted an initiative concerning the employment of disabled workers in 2007, working in partnership with a number of specialist organisations in France such as CRP, CAP Emploi, Pole Emploi, ESAT and Entreprises Adaptées.

On 1 January 2008, the Medica Group signed an agreement to reinforce this commitment.

This agreement has had tangible results, with the number of disabled employees at the Medica Group rising by 100% from 114 people in 2007 to 230 in 2010.

b/ A policy favouring older workers

The Medica Group firmly believes in the importance of employing older workers, and on the strength of the results already achieved, it has stepped up its policy favouring older workers by implementing agreements and plans of action, in agreement with employee representatives.

The multiple commitments made by the Group are based on quantifiable targets in terms of keeping people aged 55 and over in employment and recruiting people aged 50 and over.

It has also elected to make commitments in the three areas listed below, in order to support older workers through from recruitment to retirement by offering all of the help needed for the second half of their working life:

- Recruiting employees aged 50 and over;
- Anticipating their career development;
- Planning for retirement and the transition between working life and retirement.*

4. COMMITMENT TO PROTECTING THE ENVIRONMENT

Challenges

Every day, the Medica Group produces waste including clinical waste, and uses energy and water and potentially polluting products (air pollution from unsuitable paints, household products etc.). It is possible to ensure a responsible approach to these issues.

As part of its risk management strategy, the Medica Group endeavours to comply with environmental regulations applicable to all of its facilities and minimise the impact of its activities on the environment.

Managing the impact of the Medica Group's activities on the environment forms an integral part of the resources and procedures implemented by the Group at all of its facilities as part of its quality management approach and risk management policy.

Achievements

a/ Communications

- Since January 2008, an "En vert et avec tous" section on environmental issues has been included in Echanges, the internal quarterly newsletter to raise employees' awareness of local and national initiatives.
- The Group has belonged to C2DS (*Comité pour le Développement Durable en Santé*) since 2010. This committee, created three years ago under the high patronage of the French Ministry of Health and the Ministry of Sustainable Development, comprises over 200 healthcare professionals and all parties involved in the hospital sector, with a view to creating a sustainable and solidarity-based approach to care services.

b/ Limiting consumption

Limiting waste:

The Medica Group has stopped using bottled water at all of its facilities and water fountains were installed in early 2008 in dining rooms and in 2010 on each floor. This has helped to reduce the volume of plastic waste significantly.

Most of the Group's facilities also use ecological products to clean bedrooms and communal areas. Since 2008, all of the Group's facilities have opted for the "pre-impregnation" method for cleaning equipment.

This method is environmentally friendly as it significantly reduces water consumption, waste water and use of detergent.

Limiting paper consumption:

Consumption of 70g paper instead of 80g paper increased three-fold between 2009 and 2010, concerning 43 facilities in 2010 compared with 10 in 2009, thereby helping to reduce the Medica Group's paper consumption.

c/ Responsible construction and renovation

The Medica Group takes energy efficiency into account in its construction and renovation projects.

Four facilities use **geothermal heat pumps**: Les Lilas, Villars-Les-Dombes, Tarbes and La Baule.

The Claude Bernard facility in Oullins benefits from **external wall insulation**, which helps to avoid thermal bridges that can cause energy loss.

The Saint Martin de Crau and Clinique de Quint facilities generate hot water from **solar panels**.

d/ A responsible approach to food

The Medica Group's catering specifications contain a clause specifying that:

- all food containing GM ingredients must be excluded;
- products of animal origin must come from producers accredited by veterinary authorities and have EEC certification;
- foodstuffs should be approved and registered by AFNOR.

The Medica Group has therefore introduced a number of measures on the ground favouring sustainable development. This approach includes in particular a number of energy efficiency assessments at its facilities.

In 2010, the Medica Group did not book any provisions or provide any guarantees relating to environmental risks and did not pay out any compensation in connection with such.