



# **NON FINANCIAL REPORTING STATEMENT**

# 2022



Groupe

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# Message from the C.E.O.

Scientists' findings and analyses are now unequivocal: the planet's limits have been exceeded, and the economic development of our societies and civilisation is leading to the over-exploitation of resources, with disastrous consequences for our ecosystems. So it's no longer just a question of reducing our greenhouse gas (GHG) emissions, but of rethinking the impact of all our externalities more globally.

For a company, this means incorporating ecological transformation objectives and indicators into all its processes. This means reinventing our performance to create environmental value. For example, we have embarked on a plan to precisely define the incompressible thresholds of our activities, based on a carbon footprint and a measurement of scopes 1, 2 and 3. In this respect, there is an obvious need for partnerships and cooperation, to involve our stakeholders, in particular suppliers and customers. Good practice also needs to be shared, and we are trying to give it visibility by using the ECOVADIS reference system, with the renewed award of the Platinum level.

However, once we have tackled the issues of reducing our carbon footprint, greenhouse gases, waste, energy and consumption, there is still a huge challenge ahead in terms of encouraging sobriety, promoting education and culture within the company, and making our employees the agents of change. Economic and social issues are intimately linked, and are the pillars of our reason for being.

And to write a new roadmap, with the ambition of going beyond CSR criteria alone, CONDAT is joining the Convention of Companies for the Climate (Convention des Entreprises pour le Climat - CEC) in Lyon area.



**« It's no longer just a question of reducing our greenhouse gas (GHG) emissions, but of rethinking the impact of all our externalities more globally. »**

**Claude Bercq**  
C.E.O.

# CONDAT

## More than 165 years expertise

Groupe

**246 M€**  
turnover for  
the Group



Headquarters  
in France



**9** subsidiaries

NORTH AND  
CENTRAL AMERICA  
CONDAT CORPORATION

FRANCE  
LUBRICANTS  
CONDAT SA  
COSMETICS  
LABORATOIRES BEA  
LABORATOIRES SICOBEL

SOUTH AMERICA  
CONDAT DO BRASIL

CHINA  
CONDAT CHINA



● production units   ● commercial subsidiaries



**ISO 9001 certification on 6 production sites**

### OUR STAFF:



**649**  
Employees worldwide  
of which **540** in France

**3,6%**  
of the wage bill  
dedicated to training in  
France



Employees of companies covered by the NFRD

### 2 POLES OF ACTIVITIES:

**19%**  
Health  
and  
Beauty



**81%**  
Industrial  
lubricants and  
special products

CONDAT

### LUBRICANTS AND SPECIAL PRODUCTS

**30**  
technologies and know-how  
in formulation

**4 600**  
product references

**42**  
markets and fields of application

**75%**  
of export turnover

### HEALTH AND BEAUTY

LABORATOIRES  
SICOBEL

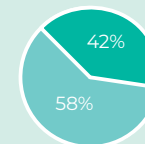
#### DISTRIBUTION

**3 900** outlet

**43 brands:**

own  
brands

distributed  
brands



**876** products



**64%** of products  
certified BIO<sup>(1)</sup> or natural  
origin

Labels Cosmos, Nature et Progrès, AB, Ecocert  
Co-founding member of Cosmebio



**98%** cosmetics  
of own brands  
made in France

<sup>(1)</sup> Outside the beauty institut circuit

LABORATOIRES  
BEA

#### PRIVATE LABEL

**265** customers

**4** subcontracting expertises:  
Cosmetics, liquid and solid Soaps  
and Perfumes



**616** references  
certified Cosmos /  
Ecocert / NOP / RSPO

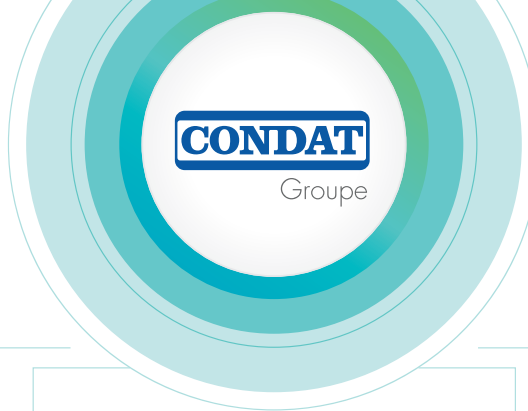
Certified site **ISO 9001** et  
**ISO 22716 (BPF)**



**100%** of products  
made in France

**50%**  
of export turnover

# Business Model



GROUP

## OUR RESOURCES

**Employee commitment:**  
Number of employees: 649 people  
Shared values  
Satisfaction survey

**Healthy financial situation:**  
Long-term and stable family shareholding  
Diversification (risk management)

## VALUE CREATED

**Employability:** 67% of collaborators trained

**Staff commitment:**  
average of 6.9/10 on the commitment score

**Quality of life at work:**  
5 areas of work (social action, health, sport, food and preventive actions)



LUBRICANTS AND SPECIAL PRODUCTS

## OUR RESOURCES

**Dedicated teams, organised by market:**  
Commercial, Marketing, Laboratory

**Global presence and local proximity:**  
4 production sites  
Representation in 70 pays

**Innovation:** 15% Turnover from products less than 3 years old

**Sustainable procurement strategy:**  
30% renewable carbon on the raw materials portfolio

## VALUE CREATED

**Global technical offer:** 1530 products

**30 technologies mastered:** pastes, vanishing product, greases, oils, emulsions... in particular for specific applications: Wire drawing, Tunnel, Forge, Glass, Metal working, Steel industry...

**Safe and eco-designed products:** strict policy of substitution of CMR raw materials, offer of products without controversial raw materials (DCHA, borax, HaP...)

**Sustainable offer:** biodegradable products, renewable raw materials with a minimized impact. Eco-designed performance evaluation with the lubriscore according to the life cycle criteria of our products

**Certifications:** Ecovadis, Ecolabel, ISO 9001



HEALTH AND BEAUTY

## OUR RESOURCES

**Specialized sales force:** 47 employees to animate the various points of sale: pharmacies, beauty salons

**Diversified brand portfolio:**  
61% organic or natural brands

**International presence:** 32 export countries

**Production chain and logistics:**  
integrated and controlled for cosmetics

**Manufacturing:** own cosmetics brands made in France

**Innovation:** 9% of turnover related to innovation

**Sourcing strategy:** on average, 99% of raw materials of natural origin in the 55 organic cosmetic products (own brands)

## VALUE CREATED

**Full offer:** Health and Beauty: 43 brands

**Organic and natural brands:** cosmetics, phytotherapy, aromatherapy, food supplements...

**Quality of service:** integrated platform

**Certifications:**

- 82 products certified organic as own brands by Ecocert (Cosmebio / Cosmos)
- 457 branded products distributed certified organic according to labels (Cosmos, Nature et Progrès, AB, Ecocert, etc.)



HEALTH AND BEAUTY

## OUR RESOURCES

**Dedicated project teams**

**International presence:** 50% for export

**Global offer:**  
mastery of different technologies: soaps, creams, emulsions, solid cosmetics, etc.

**Production chain and logistics:** integrated and controlled

## VALUE CREATED

**Co-development:** with stakeholders

**Global support:**  
on the entire project (formula / raw materials / packaging / design, etc.) full service

**Certifications:** Ecocert NOP, COSMOS, Quality ISO 9001 and ISO 22716 (BPF)

# Our convictions

## Our values

For over 20 years, the CONDAT Group has been committed to developing solutions that are more respectful of people and the planet.

This commitment, which is shared by all our employees, is based on the Group's core values:



### Build to last

It means **undertaking**, with the common objective of achieving **responsible performance** that takes into account social and environmental issues. It means **bringing to life a corporate culture of more than 160 years**, by sharing our **experience** and our **know-how** to achieve our **respective ambitions** together, always with the aim of protecting our ecosystem.



### Responsible

It means **developing respectful and ethical solutions**. It is about **educating** to increase awareness of everyone's respective **responsibilities** towards the planet. It is also about developing and expressing a long-term vision by listening to our stakeholders.



### Company in motion

It means ensuring the **long-term future** of our Group through a strategy of **diversification** and **specialization**. It means anticipating technical and societal challenges, and finding new capacities for **innovation** in these present and future **challenges**, to guarantee our customers and employees a **dynamic** of continuous progress.



### Relationship quality

It means to place **people** at the heart of our exchanges because we are convinced that it is above all the quality of the relationship that makes the **collaboration effective**. We seek the **fulfillment** of our employees, partners and customers.

# Our reason for being

In accordance with its values, the CONDAT Group has defined its purpose, its reason for being:

**ENCOURAGE SOCIAL AND ENVIRONMENTAL COMMITMENT BY OFFERING A SAFE, EFFICIENT AND LOW-IMPACT PRODUCT RANGE WITH A REDUCED IMPACT.**

## ENCOURAGING SOCIAL AND ENVIRONMENTAL COMMITMENT

- ▶ Committed company
- ▶ Successful and ambitious social model
- ▶ Shared and sustainable value creation

## A SAFE, EFFICIENT AND LOW-IMPACT PRODUCT OFFER

- ▶ Anticipation of regulatory risks and rigorous monitoring of these requirements
- ▶ Product technicality and innovation
- ▶ Sustainable and eco-designed offer

It is indeed a desire for leadership at all levels of its value chain that the Group wants to exercise in its product development, responsible performance and social performance missions.



# A CSR policy at the heart of our strategy: our 5 commitments

Guided by our values and already involved in many responsible initiatives, we place CSR commitment at the heart of our activities. Our aim is to reduce our ecological footprint and steer our organisation towards sustainable value creation that takes account of social and environmental issues.


Aware of the impact of any activity, we integrate sustainable development objectives into every stage in the life of our products.


Through strong CSR requirements and actions geared towards co-development, we aim to influence our partners, employees, customers and suppliers, and encourage a transition towards healthier and more ethical forms of growth throughout our value chain.


Our CSR policy gives meaning to our past and future commitments, and visibility to our sustainable development practices. It guides all our strategic decisions, as well as our operational and managerial practices, to ensure that this approach to progress is sustainable and shared at all levels of the company, and beyond.


In line with the principles of the Global Compact and Responsible Care, our CSR policy is reflected in our 5 commitments.




- 

CSR **Governance** that ensures that CSR is taken into account as a strategic axis of development and that it is implemented in each of the Group's processes with the objective of continuous improvement.
- 

**Leadership and co-developments** that reflect CONDAT's desire to influence its entire value chain (customers, suppliers, partners) through the implementation of a joint responsible development approach.
- 

**Eco-products and Eco-production** that allow us to reduce our ecological footprint and those of our customers, by offering high-performance and responsibly produced solutions.
- 



































A **social performance** whose objective is to encourage the development of our employees, based on a professional environment that respects health and a fulfilling work environment.
- 

A **Business Ethic**, which guarantees constructive and lasting relationships with all our stakeholders and on which our requirements regarding the safety of our products are based.

These 5 commitments, the pillars of the Group's policy, have been translated into objectives and action plans in all the Group's departments. They form part of the Perform 2023 corporate project, which is being developed from 2021 to 2023 around 3 axes (economic performance, social performance and sustainable performance).



Already a signatory of Responsible Care (CSR sectoral commitment to CHEMISTRY), the CONDAT Group went further by signing the Global Compact in 2020, built on the 10 principles to be respected in terms of human rights, international labor standards, environment and the fight against corruption. The correspondence of the Group's commitments in connection with the Sustainable Development Goals is represented in the infographic below and examples of actions are given in the body of the text.

GOVERNANCE	<b>Governance</b>	CSR is at the heart of our strategy. It is reflected in our adherence to the Global Compact.	
LEADERSHIP AND CO-DEVELOPMENT	<b>Responsible purchasing</b>	Our responsible purchasing approach aims to assess each of our suppliers and develop their CSR commitments.	      
LEADERSHIP AND CO-DEVELOPMENT	<b>Co-developments Customers</b>	We want to innovate and co-develop with our partners to guarantee efficient and sustainable offers.	 
LEADERSHIP AND CO-DEVELOPMENT	<b>Internal awareness</b>	Through concrete charitable actions, CONDAT Groupe CARES promotes a responsible and supportive spirit.	    
ECO-PRODUCTS AND ECO-PRODUCTION	<b>Eco-products</b>	Our eco-design strategy evaluates all stages of the life cycle of our products for a sustainable offer.	     
ECO-PRODUCTS AND ECO-PRODUCTION	<b>Eco-production</b>	Our "clean production" commitments are to reduce our water and energy consumption to allow a balanced sharing between all users and to decarbonize our activities.	     
SOCIAL PERFORMANCE	<b>Social performance</b>	Develop human potential while respecting the Rights of People with fulfilling and secure working conditions, in the service of the Group's performance.	     
BUSINESS ETHICS	<b>Ethics</b>	Guarantee ethical and fair behavior in our business relationships and in our commitments to stakeholders.	

# Governance

The CSR policy defined by management is deployed throughout the Group, and is managed and monitored by various departments, bodies and functions:

- The CSR Committee, made up of the CEO, the Development, Human Resources and Operations directors and the CSR Manager, monitors the deployment of the Group's CSR policy.
- The Group CSR Manager provides the CSR Committee with new ideas for developing the CSR approach, ensures that the CSR policy and roadmap are implemented in all processes, and assists the Processes Pilots to facilitate deployment. She is a member of the Processes Management Committee.
- Processes Pilots implement the elements of the CSR policy and roadmap relating to their own activity. Through the Implementation Committee, they ensure the cross-functionality and inter-process coordination of these actions. They report to the Executive Committee on progress, deviations and any corrective action taken, at the quarterly Process Review, or, for subsidiaries, at the bi-annual CSR Steering Committee meetings.
- The Quality and Performance department is responsible for assessing the CSR performance of processes in the same way as other key performance indicators (economic, operational, etc.). To this end, it uses and deploys the EFQM excellence model, perfectly aligned with CSR principles. The Group Quality and Performance Director has a team of internal quality auditors at her disposal for assessment and continuous improvement in all areas, including CSR, and is also a member of the Processes Management Committee.
- The Compliance department, which reports directly to the CEO, ensures the overall regulatory compliance of our activities, notably in terms of the impact of these activities on our stakeholders, the application of laws, codes and ethical rules, and ensures that a risk map is drawn up.

In order to objectively assess results and identify areas for improvement, the Group is regularly audited by third-party organizations (ECOVADIS, customer audits, EFQM external assessment, ISO 9001 certification, etc.).

The ECOVADIS<sup>(1)</sup> evaluation guarantees our Group's level of CSR performance on 4 criteria: Social, Environmental, Ethical and Responsible Purchasing. Our commitment to CSR and our results have enabled the CONDAT Group to receive the highest distinction for the second time, with the Platinum medal, placing us in the top 1% of the world's best-rated companies.



To take this approach a step further, CONDAT is proud to be a member of the **CEC « Convention des Entreprises pour le Climat »**.

The aim of this program is to help companies and their managers move towards «regenerative enterprise», i.e. to go beyond the ambition of a responsible company and move towards a business model that contributes to the environment. Through an 11-month training and co-construction program, company managers will produce engaging roadmaps to move away from «business as usual» and towards an economy with a positive impact on the environment.



<sup>(1)</sup>ECOVADIS, French company founded in 2007, has assessed over 100,000 companies in 175 countries.

# Leadership and co-developments

## Responsible purchasing

The Group is committed to taking social, environmental and societal issues into account in its purchasing policy, and wishes to build long-term, balanced and trust-based relationships with its suppliers and subcontractors. These relationships must be developed with clarity and respect for negotiated contractual terms. In order to reduce risks and promote sustainable relations with suppliers and subcontractors, the CONDAT Group has put in place the tools described in the following paragraphs.

### Awareness-raising and training in responsible purchasing

To develop a responsible purchasing culture, buyers and other players in the purchasing process (specifiers, operational staff) were supported by a training session (100% of French raw materials and packaging buyers in 2022 were involved in this training).

Every CONDAT SA buyer has been individually objectified on CSR data since 2022.



### Supplier Code of Conduct

The Group's responsible purchasing approach is guided by the ethical principles set out in its Code of Conduct. As part of this approach, the Group has adopted a specific code, the Supplier Code of Conduct, which summarizes all related CSR aspects. It is deployed at all Group entities. The Code's requirements cover human and labor rights, respect for the environment, the quality and safety of products and services supplied, compliance with applicable regulations, and ethics. To respect the principles of business integrity and transparency, suppliers must comply with the principles of competition law, prevention of corruption, prevention of conflicts of interest, confidentiality, transparency of relations and sincerity of information communicated.

When choosing a new supplier, the Group selects the offer best suited to its need to operate under the best conditions of performance, cost and quality, while integrating the CSR performance of the selected supplier. All new suppliers and subcontractors are informed of the provisions of this Code, which they must respect in the same way as the general purchasing conditions.

Deployed in all Group subsidiaries, the Code of Conduct has been signed by 79% of all CONDAT SA suppliers. Signature of the Code of Ethics is taken into account when determining which suppliers to audit.



## Qualification and evaluation of suppliers and subcontractors

To qualify suppliers and subcontractors and assess their performance over time, the Purchasing Department uses a variety of tools and criteria that include aspects of corporate social responsibility:

- A questionnaire asking suppliers and subcontractors about their performance and compliance aspects, enabling CONDAT to assess their ability to meet the Group's requirements in terms of ethics, safety and environment, social responsibility and product quality. For raw materials purchases, this includes questions on management systems, adherence to the principles of the chemical industry's Responsible Care® program, and ISO-type certification. Since 2021, information is also required on the proportion of renewable or recycled content and the carbon footprint of their products.

As far as transporters are concerned, the level of requirements is similar, and for CONDAT SA, for example, 35% of transporters have a CSR label.

- ECOVADIS platform ratings. Over 2022, 57% of the suppliers approached within this framework underwent this evaluation, representing more than 66% of critical sales. With an average score of 64/100, their performance is higher than the average score of 43/100 for ECOVADIS as a whole.
- Periodic assessment of the supplier's or subcontractor's performance in terms of the number, type and management of any complaints.

These scores are incorporated into suppliers' annual performance reviews.

- Targeted audits of sensitive subcontractors and suppliers. The audit program is defined annually, and focuses on suppliers for whom an improvement plan is expected.

In line with CONDAT's HSE policy, the Purchasing Department regularly analyzes the HSE performance of the staff employed by the Group's main service providers. These performances are systematically commented during contract reviews. CONDAT places the safety of these people on the same level as that of its own employees, and includes them in the Group's safety performance.



## Risk management

CSR risk mapping for purchasing includes risks related to countries of origin, purchasing categories, human rights (in particular the fight against forced labor and child labor) and anti-corruption. This mapping is based on recognized international sources to assess the risks specific to the countries and activities concerned. Different weightings have been applied to these criteria, resulting in the classification of suppliers into three risk categories (low, moderate and high).

In particular, this mapping helps to guide the audit program carried out by buyers.



## Customers

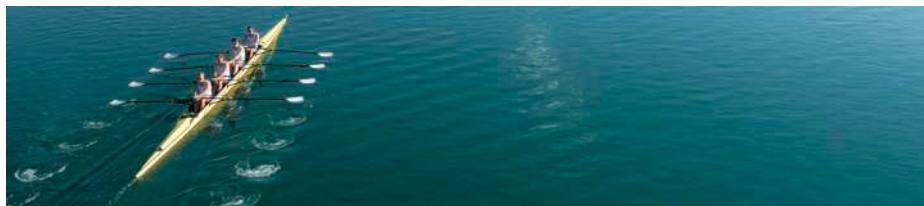
Developing our business in a responsible way means relying heavily on our convictions and values, which invite us to share the meaning of our commitment to our customers, and which form a real foundation for our partnership.

We are convinced that our CSR orientations must be demonstrated and explained. In 2022, we multiplied the opportunities for exchange on this theme:

- By organizing CSR training seminars for our customers, as was the case for our American subsidiary;
- By passing on technical information, such as the eco-design guide sent to our customers by Laboratoires BEA;
- By educating consumers about sorting cosmetics with Laboratoires SICOBEL...

These are just a few examples of actions aimed at sharing a common conception of CSR, where the stakes are high and numerous.

One of our values is «build to last», but we could just as easily say «co-construct to last», since we believe that co-construction and co-development are essential to achieving common objectives with our partners, since this means moving from a simple customer-supplier relationship to a partnership in which everyone is committed.



For several years now, we have been developing external technical partnerships with our in-house teams specialized in some thirty technologies. This gives rise to real interactions, enabling us to develop together while drawing on our own know-how. Our key skill is to make the link between chemistry and customer applications.

We have the technical and human resources to develop tailor-made solutions, whether in the Lubricants and Specialty Products division or the Health & Beauty division.

We have been able to work with a wide range of partners in industry (watchmaking, machine builders, construction and public works, component manufacturers, etc.), as well as in the arts (BEA Laboratories have forged excellent partnerships with artists wishing to offer a specific brand of cosmetics), all based on a high quality relationship with the aim of meeting different types of common challenges:

- Use eco-designed products with the lowest possible impact on human health and the environment;
- Use high-performance products to improve productivity;
- Use products that perfectly meet the need(s) because they have been specifically developed;
- Use products that comply with international regulations;
- To have a supplier committed to a Corporate Social Responsibility approach in favor of sustainable development (ECOVADIS Platinum qualified, proof of recognition of our actions by a third-party organization).

The best way to encourage co-development is also to promote our innovative approach. Cosmetic innovation boxes, incorporating the latest trends, have been sent by Laboratoires BEA to partners to showcase our expertise in various new technologies (liquid cosmetics, solids, soaps, fragrances...) and thus feed their own innovation approach.

As for the Lubricants and Specialty Products division, the development team is directly responsible for presenting targeted innovations to partner customers to encourage constructive technical exchange.

## External stakeholders

By supporting local associations and promoting open, transparent dialogue with local residents and authorities, the CONDAT Group aims to build a relationship of exchange with its stakeholders.

As economic players, CONDAT SA, Laboratoires SICOBEL and Laboratoires BEA are multiplying initiatives in favor of maintaining local employment: participation in job forums, sharing job offers with town halls, development of local know-how...

To promote CSR culture among future company executives, CONDAT and Laboratoires SICOBEL employees have given several talks at engineering schools and universities:

- Courses on CSR and responsible innovation given to engineering students at CPE Lyon;
- Course on quality and CSR (QWL) approaches for Master 1 students at the Faculty of Pharmacy in Lyon.

The integration of our plants with local residents also involves research and investment to ensure the best possible cohabitation. This was the case, for example, in the United States, where work was carried out to eliminate the odors inherent in certain manufacturing processes, and at Chasse-sur-Rhône, where outdoor night lighting was reduced to limit its impact on the surrounding environment.

## Internal stakeholders

Taking on board CSR issues involves educating the Group's internal players. Various awareness-raising sessions have been organized for employees to encourage them to become, and make them, true agents of change.

This is reflected, among other things, in the implementation of solidarity initiatives supported by a proactive and motivated team of volunteer employees (CONDAT Groupe Cares):

- Charitable actions by CONDAT Corp, CONDAT SA, Laboratoires SICOBEL, and Laboratoires BEA, in favor of the underprivileged;
- CONDAT Do Brasil donates to children affected by disease;

- School supplies collected, and donated by CONDAT Corp;
- Cosmetic products donated by BEA Laboratories;
- Cosmetic products donated by Laboratoires SICOBEL to the Belle et Bien Association, and cosmetic care provided to women weakened by illness.

## CONDAT Groupe Cares



Voluntary actions to protect the planet and promote social responsibility

CONDAT Groupe Cares, made up of volunteer employees, is in charge of organizing events to mobilize Group personnel around 4 themes:

- Preserving water;
- Preserving biodiversity;
- Acting locally;
- Educating, training;

It aims to:

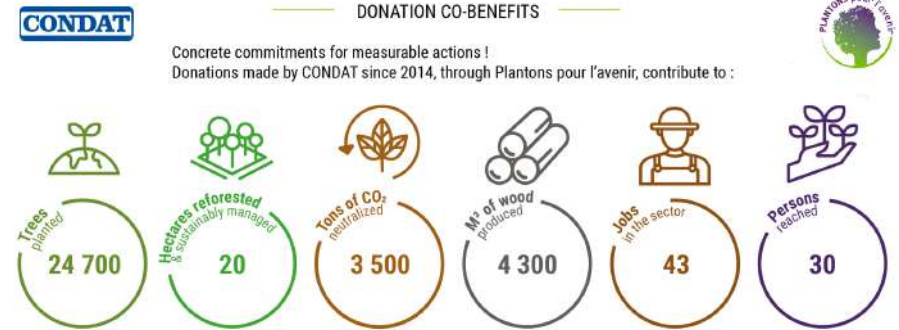
- Encourage solidarity initiatives within the Group;
- Preserve the environment and its essential resources;
- Build partnerships with associations recognized as being in the public interest.

In addition to the numerous fund-raising, donation, training and information initiatives, the CONDAT Group is committed to cultivating an altruistic spirit and a strong social commitment.

The environmental commitment is strong, with the participation of the entire Group in World Clean Up Day, organized in partnership with the Project Rescue Ocean association, which we have supported since 2021, to raise awareness of the preservation of our immediate environment and that of marine environments. The CONDAT Group collected almost a ton of litter on this occasion in 2022.



Since 2014, The Group has also been a patron of the Plantons pour l'Avenir initiative. This endowment fund aims to boost reforestation in France as part of sustainable forest management.



These two initiatives are supported by the Group because they are in line with our values: they both contribute to the preservation of biodiversity and the environment (by preserving carbon sinks) and help to raise awareness among different stakeholders (our Responsibility value), with a long-term vision (our Building to last and Enterprise in motion values).

## Encouraging soft mobility

Employee awareness and involvement in respecting the environment also revolves around the theme of more responsible transport. At the Chasse-sur-Rhône site, a group of employees is in charge of promoting soft mobility actions in order to raise awareness among all staff of the need to make home-to-work journeys that have less impact on the environment. An event was organized around the Klaxit car-sharing platform, and maps showing the different forms of public transport and their costs according to place of residence were distributed to all staff. Finally, since 2012, CONDAT SA and Laboratoires SICOBEL have been involved in the Rhône-Alpes Mobility Challenge, with a number of prizes to their credit (1<sup>st</sup> prize for the Pays Viennois in the category for companies with over 100 employees).

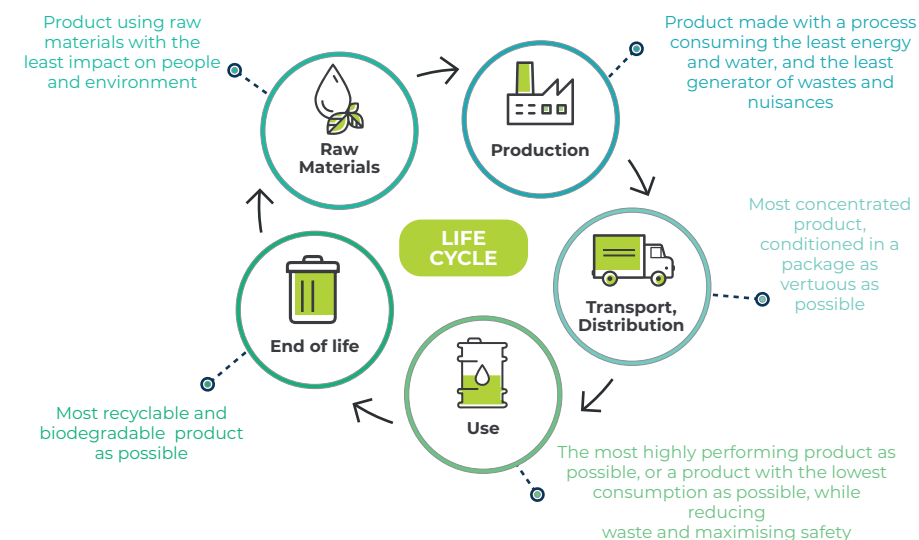


# Eco-products

## Eco-design

The CONDAT Group implements a global eco-design approach in order to reduce the impact of its products and commit its value chain to more virtuous developments for mankind and the planet.

This approach is based both on an eco-design tool, specific to each of its activities according to its main impacts, and on a commitment to increase the proportion of eco-designed products.



## Lubricants and Specialty Products Division

For the Lubricants and Specialty Products division, the LUBRISCORE® tool allows a product's level of eco-design to be assessed, taking into account the 5 stages of the life-cycle and the main impacts on which action can be taken.



Targets for eco-designed products have been set in terms of both numbers and sales, with a view to continuous progress.

Thus, by 2022, 17 eco-designed products have been developed, exceeding our target of 10.

For CONDAT SA, in terms of sales, the aim of the «Perform 2023» corporate project is to generate over 50% of sales with eco-designed products by the end of 2023. For 2022, the result is 49% of sales, exceeding our target of 48%.

For subsidiaries, the percentage of sales generated by eco-designed products in 2022 was 42% (target 28.5%) for CONDAT Corp and 40.5% (target 40%) for CONDAT Do Brasil.

Another way of reducing the environmental impact of our products is to use renewable raw materials wherever possible. The percentage of renewable raw materials delivered to CONDAT SA in 2022 is still a very significant 30% of the total raw materials received.

Another option is to use recycled or waste raw materials (e.g. re-refined oils).



## Health & Beauty Division

Each of our 2 subsidiaries has developed an eco-design tool adapted to its market. The «Natscore» for Laboratoires BEA, designed for subcontractors, and the «Cosm'éthic score» for Laboratoires SICOBEL, suitable for own-brand or distributed products.

### Laboratoires BEA

The first objective for 2022 was to screen all «catalog» formulas with the Natscore and have over 80% of formulas eco-designed. The result was 97% by the end of 2022.

The second objective was to have at least 30% of new formulas validated by customers in 2022 respect eco-design criteria. The average for the year is 34%.

In 2022, the total number of products certified with a label (Cosmos, Ecocert, Ecodetergent, NOP, BDIH) is 624, with a regular renewal of ranges.

Last but not least, a strong awareness-raising campaign for customers and prospects on eco-design of packaging has been carried out, notably with the promotion of the «3R» concept (Reduce, Reuse, Recycle) for new projects.



### REDUCE



### REUSE



### RECYCLE



### Laboratoires SICOBEL

The 2022 eco-design objectives cover both SICOBEL's own brands and distributed brands. Action has been taken on both formulas (natural ingredients, absence of controversial ingredients) and packaging (French manufactured, recycled or recyclable materials).

The product catalog contains 723 references<sup>(1)</sup>, 458 of which are certified organic (i.e. 64%).

We also pay close attention to the commitment of our distributed brands. For example, ACORELLE sun creams are certified ORGANIC, with 100% natural mineral filters and reusable, recyclable or eco-refillable packaging.

In terms of our own brands, out of 65 new products launched in 2022, 56 are certified ORGANIC or NATURAL (according to ISO 16128), and 96% of our innovation sales are made with ORGANIC or NATURAL products (according to ISO 16128).

We're taking our commitment a step further by offering a range of GREEN TRIBU cosmetics that are not only certified ORGANIC, but also made from upcycled ingredients (recovery of fruit waste) using recyclable or biosourced packaging and labels that are made in France. The same goes for the OSMAE shower gel range, natural and ORGANIC, made in France with 100% recyclable packaging.

<sup>(1)</sup>Excluding Thalac products (distributed exclusively in beauty salons).

The positive trend in the naturalness of the formulas developed is shown below:

Natural formulas*			
	2020	2021	2022
% of references certified ORGANIC	14%	16%	26%
of ISO 16128 references	37%	32%	36%
% of ORGANIC or ISO 16128 references	51%	48%	62%

\* own-brand cosmetics, excluding Thalac

## Carbon footprints

Reducing the carbon footprint of its products is also a CONDAT Group ambition, to enable its customers to reduce their own footprint. For several years now, the Lubricants and Specialty Products business has been using over 30% bio-sourced materials, which directly reduce greenhouse gas emissions. With the same objective in mind, we encourage the use of recycled raw materials, whether in our packaging or in our formulas. It's also a way of guarding against the impact that climate change could have on plant-based materials.

Another way of reducing the carbon footprint is to reduce consumption during use, by offering «long-life» products (to reduce the time between oil changes), concentrated products (to reduce the load during transport) or new technologies. New types of grease have cut consumption by 50% compared with traditional greases or oils.

The R&D teams are mobilized and put all their expertise at the service of this major challenge.

With its natural, low-carbon-impact products, the Health & Beauty division doesn't stop there. Raw materials derived from upcycling (e.g. prune stones, «ugly» fruits that don't correspond to the aesthetic standard for food) are used in cosmetics compositions, thus reducing their environmental footprint. In addition, the promotion of new types of cosmetics, such as solid cosmetics, has a multi-faceted impact on the environmental footprint, by avoiding the use of water, and reducing the quantities transported and the amount of packaging.

Work is also being done on packaging to encourage the use of cardboard rather than cellophane, or containers of French origin, made from recycled materials.

## Biodiversity

The preservation of biodiversity is also taken into account in our developments.

Laboratoires BEA selects raw materials according to their production methods, so as to avoid as far as possible cultivation practices that are devastating for the environment. They require their suppliers to have plant material labels guaranteeing the absence of new deforestation in the southern hemisphere.

Preserving biodiversity also means regenerating plant species. Laboratoires BEA are involved in a project to cultivate local plants, thereby preserving species specific to the Lubéron region, maintaining local know-how and using these plants in their cosmetics.

## Product safety, CMR policy, anticipating regulations, consumer safety

In the Lubricants Division, the design of CONDAT Group products is based on exemplary attention to product-related safety and environmental aspects, taking into account the classification of substances and regulations specific to each geographical area and application market.

Where countries have no specific regulations on chemicals, the European REACH regulation is applied by default, as it is one of the most stringent in terms of safety for man and the environment. A team of chemical engineers, specialized in product regulations and covering all our geographical areas of activity, works closely with R&D to anticipate changes in chemical product classification and to guide design towards the safest possible products. In addition, the Lubriscore system assigns a penalty in the event of unfavorable health and/or environmental classifications, so as to encourage virtuous development. The CONDAT Group goes further than the law by implementing an internal policy which prohibits or imposes the substitution of substances with the most severe hazards for humans.

For the «Health & Beauty» division, additional specific regulations are taken into account (cosmetics, dietary supplements) by dedicated and specialized teams (including a qualified pharmacist), reporting directly to Group Management so as to guarantee the same level of standards in all our subsidiaries.

# Eco-production

As a responsible industrial company, the Group pursues an active policy on all its sites to reduce its environmental footprint, whether in terms of greenhouse gas emissions, resource consumption (ex: energy, water) or waste.

## Carbon footprint of production sites

To take action against climate change, the CONDAT Group has identified the main sources of greenhouse gas emissions from its activities and is working to reduce them on all its sites (carbon footprint scopes 1, 2 and 3<sup>(1)</sup> or scopes 1 and 2<sup>(2)</sup>).

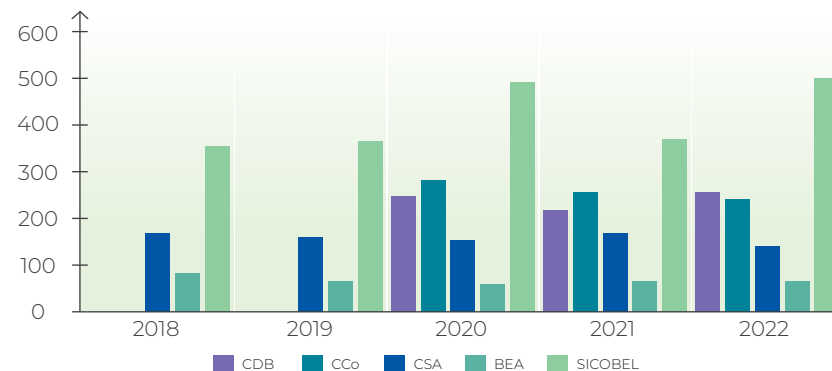
First of all, reviewing our energy modes is a way of reducing the carbon footprint of our operations and ensuring a transition to more virtuous processes.

For the Lubricants and Specialty Products division, the optimization of manufacturing processes such as temperature reduction, batch size maximization and equipment modernization are being studied with the aim of achieving energy efficiency. Overall, CONDAT SA reduced its energy consumption by 10% in 2022 compared to 2019, and is targeting a 5% reduction by 2023 compared to 2019.

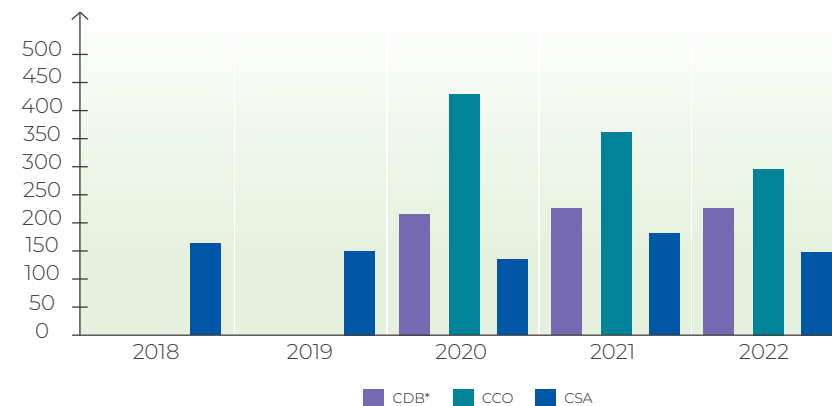
For CONDAT Corp, the reduction target is 5% by 2023 compared to 2020. The company has already carried out several projects (installation of LEDs, installation of wifi thermostats, lowering of warehouse temperatures, modernization of certain equipment) to reduce energy consumption. By the end of 2022, SICOBEL Laboratories have reduced its electricity consumption by 5% compared to 2019, thanks to new settings for air filtration systems. At BEA Laboratories, tests are also being carried out to reduce product manufacturing temperatures, and in 2022, 3 new formulas were developed using a cold process.

<sup>(1)</sup>Lubricants and Specialty Products Division  
<sup>(2)</sup>Health and Beauty Division

Electricity consumption ratio (KwH/unit<sup>(3)</sup>)



Gas consumption ratio (KwH/unit<sup>(3)</sup>)



\*The gas consumption of CONDAT Do Brasil is fuel oil consumption converted into consumption in KwH

To avoid heavily greenhouse gas-emitting fossil fuels, the CONDAT Group opts for renewable energy sources. Since 2019, 100% of our electricity consumption at French sites has been covered by certificates of renewable origin. Since 2020, CONDAT Do Brasil has been buying from a renewable electricity supplier, and in 2021 CONDAT Corp opted for a wind-generated electricity supply.

<sup>(3)</sup>The volume for the production activity is expressed in tons for the lubricants part and in thousands of pieces produced for the Health and Beauty activity. In order to approximate the data used operationally, Condat SA production volume data have been adjusted for 2018 and 2019.

A review of the transportation modes for our shipments is also necessary to serve our greenhouse gas reduction objectives. CONDAT SA and Laboratoires SICOBEL's FRET 21 commitment aims to reduce greenhouse gas emissions by 8% over 3 years (by 2022 and 2023 respectively). Between 2019 and 2022, 1,027 tonnes of CO<sub>2</sub> could be avoided at CONDAT SA thanks to this program.

CONDAT SA's telecommuting agreement also enables a 7.5% reduction in car commutes for our employees.

The creation and destruction of materials generate greenhouse gases. It is therefore important to reduce waste generation to the lowest possible level. This also helps to protect resources by avoiding material waste.

Each site within the Group has an action plan. The primary objective is to reduce waste at its source. The reduction of plastic packaging in production is a topic addressed by the «Lubricants and Specialties» and «Health & Beauty» sites, for example. At the same time, the transformation of into co-products or the reuse of waste in our manufacturing processes is being explored. CONDAT Corp has successfully valorized 21 tonnes of lubricants for sale.

In the event of waste generation, sorting is organized to involve the appropriate treatment or valorization process (such as energy recovery) to minimize environmental impact.

Between 2021 and 2023, CONDAT SA aims for a 25% reduction in the waste rate, which resulted in a 7% decrease in volume compared to 2019 in 2022.

## Environmental impact

### Action on water

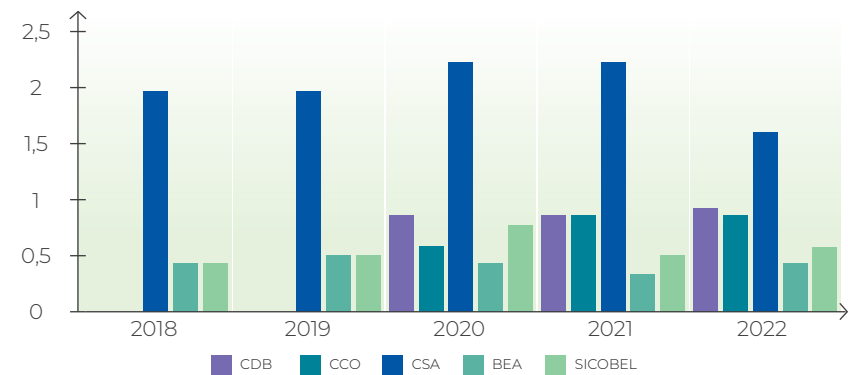
Water resources are becoming a major issue in the context of climate change. We use several levers to reduce our impact.

The first priority is to reduce our consumption. At the Chasse-sur-Rhône site, we have achieved a reduction of over 20,000m<sup>3</sup> through a wide range of actions. These include enhancing the efficiency of our production tools, automating manufacturing processes, and implementing real-time consumption monitoring to promptly address any deviations.

The CONDAT do Brasil plant has been designed to be water-efficient thanks to closed-loop cooling water circuits, although its consumption ratio remains dependent on the manufacture of aqueous products. CONDAT Corp is currently implementing an action plan to reduce process water consumption.

For Santé & Beauté, water consumption is linked to changes in the product mix from one year to the next, and the development of solid cosmetics is designed to help preserve this resource.

Water consumption ratio (m<sup>3</sup>/unit<sup>(5)</sup>)



The second priority is to address our aqueous discharges, by either reducing their volume or reusing water for a second purpose.





## Action on aqueous discharges

Only the classified site of Chasse-sur-Rhône is subject to specific measures, outlined below:

	2018	2019	2020	2021	2022
<b>Respect des ELV*</b>	97	96	97	98	95

% moyen

\* ELV : Emission Limit Values

Our actions aim to ensure that our discharges comply with the legislation.

## Atmospheric impact

Last but not least, we are acting on another dimension: air quality. We have to ensure that none of our discharges are a source of dust or other chemical emissions. To achieve this, we carry out regular and precise monitoring. We invest regularly to become ever more efficient in this area, whether through innovative treatment solutions or continuous measurement equipment to improve our monitoring levels.



## Preventing a major industrial accident

### All sites

The prevention of major accidental risks (such as fire, pollution, and explosion) is an integral part of managing our operations, specifically at the production sites of the Lubricants and Specialty Products division. Risk analysis covers not only existing facilities, but also the design of new equipment and the manufacture of new products. Internal technical standards integrate the requirements of applicable regulations and refer to best practices.

Our preventive maintenance, monitoring and control strategy also takes these issues into account.

In order to deal effectively with the possibility of a major industrial accident at the parent company's site, we have set up a comprehensive crisis management system based, in particular, on a 24/7 on-call system.

### Crisis situation exercises

At the Chasse-sur-Rhône site, we conduct an average of 10 tests per year to assess our ability to respond, using various formats, procedures, and scenarios. The members of the crisis unit are trained and supported to be able to respond to all situations, even in degraded mode. This crisis unit relies on two internal entities: a group of second-response team members trained to act in situations such as a fire (and as such trained to wear an Insulated Breathing Apparatus [IBA]) and a group of first-aid rescuers supervised by our nurse, trained to deal with the injured.

Fire safety drills are also organized monthly in Brazil.

More generally, 100% of Group employees are trained in fire risk management and the use of fire extinguishers.

# Social performance

By placing the notion of work attractiveness at the core of our practices, we intend to assert our social uniqueness and contribute to our overall performance.

Making work more attractive involves enriching it in a powerful way, so that we can attract young people and seniors alike, and build long-term employee loyalty.

This begins with the implementation of a specific management model.

## Empowering management model

Being an empowering manager means :

- On the one hand, define for each employee his or her role in the company, his or her raison d'être, what gives meaning to his or her work;
- And secondly, to grant her or him full authority to decide freely on his/her actions, within the defined framework.

This means encouraging the principle of player autonomy, to free up energy and initiative.

What challenges does this management approach address?

With the accelerating pace of technological, social and economic change, working methods and customer expectations are changing fast. Managerial support is the key to involving employees and enabling them to constantly reinvent their way of working. We need to be able to create a new «savoir-être» within the organization, one that encourages each employee to be more responsible and more autonomous. That's why we launched the ToGeTher project in 2021 and will continue it in 2022. By training managers in the principles of empowerment and autonomy, this project has laid the foundations for this new approach. And to ensure that it permeates the entire organization, workshops have been held to train over 200 employees in peer-to-peer disagreement resolution.

The Group relies on a few key principles to drive such change:

- Employees are in the best position to decide what they want to do. Trusting his or her ability to solve problems strengthens his or her sense of belonging and involvement in the company;
- The manager is there to support his teams, helping them to think through their actions and organize themselves. They do not dictate what each individual should do but allow them to take ownership of the tasks at hand;
- To better work together, the company brings its employees together around a common set of values. These values are shared by all employees. This fosters a collective commitment among employees, motivating them to give their best efforts in aligning their work with the shared project's objectives;
- The right to make mistakes is one of the principles of our empowering management approach. It is a way of encouraging creativity and accepting that we do not have to necessarily know everything before we start to act;
- The company's management system needs to be less hierarchical and based on a network organization, structured around cooperating communities.



## Ensuring good recruitment and loyalty

### Demonstrating ingenuity in recruitment

Faced with an increasingly difficult job market, we need to be ingenious when it comes to recruiting. One solution is to raise the company's profile on professional social networks. This is a key point for a company like ours, which is primarily BtoB oriented. Accustomed to doing rather than saying, the CONDAT Group has a duty to open its doors and push the successes, struggles and ambitions of our employees on a daily basis. We are rethinking our practices to meet expectations where the CV is no longer the centerpiece of the recruitment process.

As skills and professions evolve, the future need for technical skills is uncertain. It is increasingly necessary to continually learn and train in techniques that are becoming obsolete faster than ever, so as to continue to master one's trade.

As a result, there is less of a need to find «knowledgeable» candidates, and more of a need to find candidates who are capable of learning. Hence the importance we attach to our candidates' soft skills: interpersonal skills, behavioral competencies, personal qualities and cross-disciplinary competencies, which are essential must have of performance.

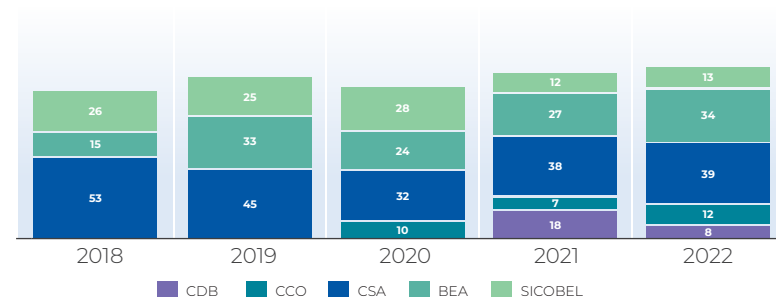
An increase in the number of new recruits has been observed overall within the Group, in line with our business and recruitment principles.

### Improve employee loyalty by offering more development opportunities

It is also about strengthening the company's ability to offer an excellent experience, giving employees opportunities to grow while improving their professional skills.

The quality of relationship and collaboration within the Group is a key factor in building employee loyalty. Employee satisfaction surveys enable us to measure the quality of this relationship, and to act accordingly to maintain and improve it.

Number of annual recruitments



Employee commitment rate\*

	Lubricants and special products			Health & Beauty	
	CSA	CCO	CDB	BEA	Sicobel
<b>2022</b>	7,4	8,45	Not realised	7,6	7,3

Absenteeism

Absenteeism (ratio to total workforce, sick leave only)	Lubricants and special products			Health & Beauty	
	CSA	CCO	CDB	BEA	Sicobel
<b>2018</b>	4,40%			5,87%	3,94%
<b>2019</b>	3,65%			4,81%	6,12%
<b>2020</b>	3,12%	2,80%	5,22%	3,46%	7,30%
<b>2021</b>	4,39%	2,15%	6,31%	2,54%	7,48%
<b>2022</b>	5,86%	2,82%	2,92%	3,92%	9,55%

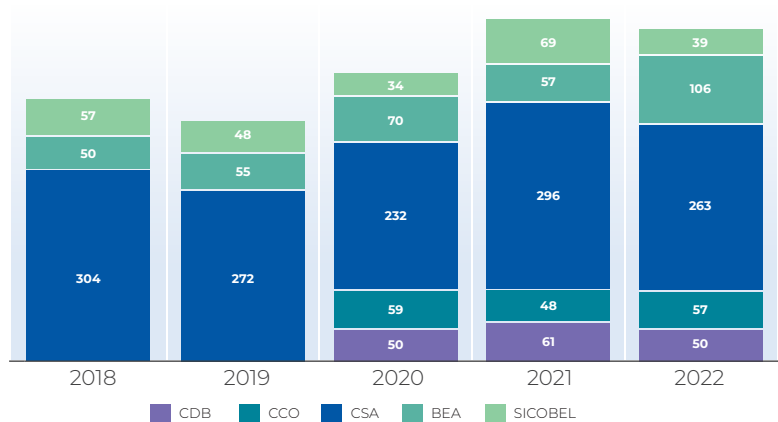
Various action plans have been defined and implemented to restore standard absenteeism rates.

\*As the employee satisfaction survey method is now fully harmonized across the Group, we present only similar data. The indicator used is now the employee engagement rate.

## Skills management lever

Today, skills management is the key to ensure a company's competitiveness, and hence its long-term viability. With our different approaches, we are betting on combining individual skills management, employees' aspirations in the conduct of their professional careers and the company's skills needs to achieve the objectives of our business plans. An LMS (Learning Management System) platform implemented since 2021 in France enables us to coordinate our training actions globally.

Number of people trained<sup>(1)</sup>



<sup>(1)</sup>For the period, whereas the people still present or not at the end of 2022.

This modern management of skills is adapted to a constantly changing world and is based on the analysis of our critical know-how, the implementation of reference systems and targeted training plans. An e-learning approach based on short modules has also been introduced, enabling regular assessment of skills acquired, so as to give a high degree of clarity to training progress.

Some training courses need to be renewed every 2 or 3 years (safety training), or new programs require all staff to be trained (Together training in 2021 for CSA and 2022 for subsidiaries), resulting in an increase in the number of people trained in the years concerned.



## Promote internal and external education

Convinced that education is a key to a shared development, the CONDAT Group invests 3.5% of its turnover in employee training and encourages initiatives aimed at public society. At our French sites, internships are offered every year to schoolchildren and students to validate their schooling and maintain relations with local schools for future employment. With a common goal of investigation and learning, we offer universities research topics to help develop innovative solutions. Last but not least, school classes are also invited to visit our facilities to illustrate chemical professions and discover the professional world.

In our American subsidiaries, social initiatives are also being set up. CONDAT Corp partially subsidizes scholarships for staff children in need, and CONDAT Do Brasil covers part of the cost of training courses taken by its employees outside working hours.



## Health & Safety

The CONDAT Group places the health and safety of its employees at the heart of its concerns, and strives to provide them with a safe and healthy working environment by preventing accidents, injuries and occupational illnesses.

The Group's Health and Safety Policy aims to achieve zero accidents by improving workplace safety through risk reduction and accident prevention, and by deploying Group safety standards across all countries and activities.

Lubricants and Special Products										Health & Beauty						
Employees		2018	2019	2020	2021	CCO	CDB	CSA	2022	2018	2019	2020 <sup>(3)</sup>	2021	BEA	Sicobel	2022
Frequency rate	Number of accidents <sup>(1)</sup>	2	2	4	6	0	2	2	4	6	13	5	1	2	1	3
	Number of hours worked <sup>(2)</sup>	453 809	463 315	553 958	673 913	100 603	104 935	470 980	676 518	300 812	313 082	300 870	326 009	170 295	142 638	312 933
	Frequency rate	4,4	4,3	7,2	8,9	0,0	19,1	4,2	5,9	19,9	41,5	16,6	3,1	11,7	7,0	9,6
Severity rate	Number of days off work	27	188	299	426	0	45	328	373	244	271	179	210	21	161	182
	Number of hours worked <sup>(2)</sup>	453 809	463 315	553 958	673 913	100 603	104 935	470 980	676 518	300 812	313 082	300 870	326 009	170 295	142 638	312 933
	Severity rate	0,1	0,4	0,5	0,6	0,0	0,4	0,7	0,6	0,8	0,9	0,6	0,6	0,1	1,1	0,6

Lubricants and Special Products										Health & Beauty						
Salariés et intérimaires		2018	2019	2020	2021	CCO	CDB	CSA	2022	2018	2019	2020 <sup>(3)</sup>	2021	BEA	Sicobel	2022
Frequency rate	Number of accidents <sup>(1)</sup>	3	3	5	7	2	2	3	4	6	15	5	2	2	1	3
	Number of hours worked <sup>(2)</sup>	476 651	481 214	568 997	708 486	109 989	104 935	491 164	706 088	345 043	341 436	327 601	374 594	201 487	144 332	345 819
	Frequency rate	6,3	6,2	8,8	9,9	18,2	19,1	6,1	5,7	17,4	43,9	15,3	5,3	9,9	6,9	8,7
Severity rate	Number of days off work	35	200	307	434	4	45	340	389	244	276	179	213	21	161	182
	Number of hours worked <sup>(2)</sup>	476 651	481 214	568 997	708 486	109 989	104 935	491 164	706 088	345 043	341 436	327 601	374 594	201 487	144 332	345 819
	Severity rate	0,1	0,4	0,5	0,6	0,0	0,4	0,7	0,6	0,7	0,8	0,5	0,6	0,1	1,1	0,5

Training and a safety policy are beginning to bear fruit on the lubricants side, and improved results are the result of everyone's efforts.

<sup>(1)</sup>Accidents are accidents at work resulting in days off work. Commuting accidents are not included.

<sup>(2)</sup>Hours worked are the actual hours worked by all employees over the year, including paid overtime and excluding absences. In other words, they are normal hours (according to employees' work schedules) plus overtime hours actually worked, including hours worked on Sundays, public holidays and nights, as well as time corresponding to stops, breaks and brief rest periods in the workplace.

<sup>(3)</sup>2020 data have been adjusted to take account of a methodological change.

The Group is committed to a continuous improvement program to reduce risk situations, based on the following priorities:

- Reinforcing the Group's safety culture through leadership and awareness-raising. Safety workshops and minutes are held regularly in the various departments. Employees at the Chasse-sur-Rhône site are offered training in «life-saving gestures» for everyday situations, to help them develop safety reflexes;
- Fire risk prevention;

## Safety training

### Lubricants and Special Products

	2018	2019	2020	2021	2022
Training budget dedicated to safety (€)	41 993	47 127	48 110	62 644	59 125
Total training budget (€)	181 620	254 283	183 899	162 457	181 505
<b>Ratio</b>	<b>23%</b>	<b>19%</b>	<b>26%</b>	<b>39%</b>	<b>33%</b>
Number of training hours dedicated to safety	1 514	1 377	1 966	2 368	2 455
Total training hours	5 975	6 400	6 264	6 637	5 387
<b>Ratio</b>	<b>25%</b>	<b>22%</b>	<b>31%</b>	<b>36%</b>	<b>46%</b>

### Health & Beauty

	2018	2019	2020	2021	2022
Training budget dedicated to safety (€)	7 955	13 543	15 828	11 819	25 358
Total training budget (€)	100 000	67 127	55 526	42 608	176 477
<b>Ratio</b>	<b>8%</b>	<b>20%</b>	<b>29%</b>	<b>28%</b>	<b>14%</b>
Number of training hours dedicated to safety	389	485	607	464	970
Total training hours	1 207	1 763	1 265	1 513	2 875
<b>Ratio</b>	<b>32%</b>	<b>27%</b>	<b>48%</b>	<b>31%</b>	<b>34%</b>

- Preventing handling risks by improving workstation ergonomics. In order to prepare the body for physical exertion, it has become common practice to start workstations with a muscular awakening;
- The prevention of risks specific to its activities. For example, our sales staff and heavy drivers are trained in eco-driving and road safety;
- Preventing exposure to chemicals;
- Prevention of psychosocial risks with a group trained to deal with such situations.



## Ensuring professional equality and promotion

Our main actions focus on developing training programs for all and combating wage discrimination.

Change in this area requires concrete action:

- **Recruitment** : giving equal opportunities to all, without any form of discrimination. The feminization of production and operational logistics operator teams is a key objective on which we are making step-by-step progress.

### Gender parity<sup>(1)</sup>

	Lubricants and Special Products			Health & Beauty	
	CSA	CCO	CDB	BEA	Sicobel
<b>2018</b>	81	-	-	-	-
<b>2019</b>	81	-	-	96	75
<b>2020</b>	81	-	-	96	66
<b>2021</b>	83	23%	60%	93	82
<b>2022</b>	79	17%	50%	89	79

- **Training and qualifications** : guarantee equal access to professional training for all. One of the lines of the ToGeTher program involved 2/3 of our employees on a voluntary basis.

- **Internal promotion** : remove the obstacles to career advancement for women, young people and those with few or no qualifications.

<sup>(1)</sup>Two distinct indicators are used here. For France, the gender equality index is used. For foreign subsidiaries, this is the proportion of female managers among managers (employees exercising authority over a part of the company with a certain degree of autonomy (workshop, department), existence of downward hierarchical links with other employees).



## Promoting the integration of people with disabilities

Welcoming people with disabilities into the Group is in line with our values, notably that of a non-discriminatory and inclusive society.

A number of actions have been taken within the company, both internally to maintain the jobs of employees made vulnerable by life's accidents (job studies and adjustments or reclassification), and externally by subcontracting to ESAT<sup>(2)</sup>.

Awareness-raising actions have taken place via the «Run in Lyon» race (CONDAT donates to the Handisports association according to the number of kilometers covered by registered employees) or via workshops run by Handisports athletes at the Chasse-sur-Rhône site. The aim is to highlight skills and break down prejudices, such as the idea that a handicap can be a hindrance to a career.

<sup>(2)</sup>Etablissement et Service d'Aide par le Travail (Help through Work Establishment and Service)

• **Working conditions, health and safety:** create the conditions for a discrimination-free environment. By developing ergonomics and handling aids, we have been able to facilitate women's access to production jobs.

• **Effective remuneration:** eliminate all forms of pay inequality between men and women. Our dual approach, shared with our elected representatives, of constructing a professional equality index and an annual study comparing jobs with equivalent levels of responsibility, enables us to monitor changes in our situation on an annual basis. Added to this is the Group's determination to raise salaries above the legal minimum to improve living standards.

• **Work-life balance:** balancing life times to enable optimal professional fulfillment. We conduct regular surveys among our employees to find out their perceptions and experiences, including on this subject. In addition, our very open and ultimately original approach to teleworking (with virtually no rules) enables us to take this subject into account as effectively as possible.

• **Communication:** develop inclusive communication, free from discriminatory stereotypes. Of course, this is already the case in all our recruitment processes at Group level.

## Working conditions and quality of life

Investments in well-being at work are based on capital goods (grippers, workshop dust extraction systems, etc.), but also aim to offer services to employees. A particular attention is paid to food. To ensure that everyone has access to a healthy, balanced meal, the company restaurant at the Chasse-sur-Rhône site offers a complete meal based on local and organic produce, as well as vegetarian dishes, for €3. In Brazil, the menu is offered to teams. In several sites, fruit baskets are available for a vitamin-packed snack, and vegetable baskets are available for sale.

In France, the on-site nurse offers vaccination sessions in winter, and osteopathy sessions are partially covered by the company.

A social worker is on hand to help employees with administrative formalities and housing assistance.

A breast-feeding area is available for women returning from maternity leave.

Lastly, relaxation areas (break room, garden lounge, etc.), festive events (music festival) and free sports classes help employees to recharge their batteries and enjoy convivial moments with colleagues.





# Business Ethics

The CONDAT Group ensures that its activities are consistent with its values and respect the principles and rules of ethics, integrity and compliance with regards to all its stakeholders.

Accordingly, the Group is committed to complying with the laws and regulations applicable in all countries where it does business, rejects fraud and corruption in all their forms, and seeks to prevent them in its relations with third parties.

For example, since the 2010s, a major concern has arisen over minerals from politically unstable areas, with some illegal mineral operations helping to finance violent activities and sustaining or encouraging conflict in these areas.

The Group does not purchase «conflict minerals» as identified by these regulations. CONDAT is committed to responsible sourcing. Where products purchased may contain «conflict minerals» as defined by the regulations, CONDAT asks its suppliers to inform it of the origin of these minerals.

To support its compliance with these various regulations and principles, the Group implements a number of measures available to its stakeholders:

- Its code of ethics for employees;
- The charter of personal rights;
- Supplier code of conduct;
- Its alert platform;
- Its IT charter.

These various systems are communicated to all employees in their own language, and are presented to them when they are hired. They are also posted on dedicated sites (intranet, document databases, etc.).

The Code of Ethics, while reminding us of the different faces of corruption, also emphasizes fairness in business relations, as well as the conduct of our employees in areas such as gifts and entertainment (whether offered or received), conflicts of interest and sponsorship.

The standards applied to our suppliers, and reflected in the Supplier Code of Conduct developed for 2022, are the same as those expected of our employees ([see p 11](#)).

The same high standards have led the Group to choose an independent organization to host its alert platform<sup>(1)</sup>. All alerts are handled at Group management level.

Accessible to all our stakeholders, the link to our platform is available both via our corporate communication (website, GTCs) and on the various documents exchanged with third parties.

Whistle-blowers are free to choose whether or not to report anonymously.

The implementation of these various systems is based on a Group-wide risk analysis carried out by the Internal Audit department, and approved by Group management.

<sup>(1)</sup>The purpose of this system is to enable employees and third parties to report any criminal behavior or situations and behaviors that contravene the Group's Charter for the Respect of Individual Rights, Code of Ethics or applicable laws and regulations.



# Risk mapping

## Risk mapping methodology

In 2020, the company produced a materiality matrix, a key tool in the development of its CSR strategy. It enables us to prioritize issues according to their importance for internal and external stakeholders, and their impact on the Group's economic success.

This process was carried out in 3 stages, with the help of an external expert:





1. Assessment of the current situation: individual internal and external interviews with all our stakeholders, documentary and sector studies, link with the strategic vision to identify some 50 potential issues;
2. Analysis, prioritization, reformulation and selection of key issues, in conjunction with a risk/opportunity analysis of 14 key issues;

3. Materiality study: the 14 key issues were submitted to all our internal and external stakeholders through a cross evaluation of «importance» vs. «performance».


This method has enabled us to lay the foundations for a CSR policy and a 3-year roadmap.

In addition to the materiality analysis, a mapping of Group risks was carried out jointly by the Internal Audit department and the Quality and Performance department, based on interviews with process managers, and validated by management.

These two analyses were combined to produce the CSR risk map presented below.



Non-financial information category	Associated risks	Stakeholders	Policy	Risk	KPI	Reference
Social (issues surrounding men and women)	Damage to employee health and safety (occupational accidents and illnesses)	Employees	Compliance with regulatory obligations Preventive actions Training courses Prohibition on the use of new CMR references or substitution of existing classified references.		Number of workplace accidents Number of training hours	Pages 25 & 26
	Shortage of strategic skills, lack of attractiveness and declining loyalty	Employees	Training courses Employee versatility (skills grid) Skills transfer (tutoring, know-how mapping) Digital data capitalization tools (CRM, COPTIS, SAP EHS, LMS platform, etc.)		Number of training hours Number of people trained Training as a percentage of payroll	Pages 24 & 26
	Reduced employee motivation / deteriorating social climate	Employees	Promoting Group values Ensuring a constructive climate and well-being in the workplace Employee satisfaction survey		Level of employee commitment Number of QWL actions	Page 23
	Existence of professional inequalities and discrimination	Employees	Fighting discrimination of all kinds, keeping disabled employees at work. Partnership with ESATs*. Establishment of a channel for reporting offences that do not comply with Group policy. Implementation of a Human Rights Charter. Assurance of a minimum living wage, above and beyond legal requirements.		Gender equality index or proportion of female managers Share of female employees within the Group	Page 27

\*a medico-social establishment for sheltered work, reserved for people with disabilities and aimed at their social and professional integration or reintegration

Non-financial information category	Associated risks	Stakeholders	Policy	Risk	KPI	Reference
<b>Fighting corruption</b> (Ethics and corruption issues)	Reputational risk	Non-trading company Shareholders Employees	Manage business relationships transparently and responsibly: - Implementation of a code of ethics - Setting up a whistle-blowing platform - Raising awareness among staff and third parties - Implementation of a supplier code of conduct - Evaluation of suppliers - Contractual clauses		% of suppliers who have signed the code of conduct	<b>Pages 11 &amp; 29</b>
	Financial risk (penalties and fines) Criminal risk (company or manager or employees)	Civil society				
	Loss of markets	Shareholders Employees Suppliers				

Non-financial information category	Associated risks	Stakeholders	Policy	Risk	KPI	Reference
<b>Environment</b> (issues surrounding the impact of our activities)	Increase global warming (energy waste, transport)	Civil society	Production process optimization (including waste management) Raising awareness among staff and stakeholders Adherence to the Fret 21 approach Carbon footprint and greenhouse gas footprint (including mobility footprint) and action plan		Electricity and gas consumption Carbon footprint Tons of CO <sub>2</sub> saved by transporting our finished products	<b>Pages 19 to 21</b>
	Degradation of water, air and soil quality	Civil society	Investment in more efficient production facilities, plant maintenance		On-site measurement of Emission Limit Values	<b>Pages 19 to 22</b>
	Resources scarcity (waste of water, raw materials)	Civil society	Optimization of the production process Search for renewable or recycled raw materials Eco-design		Water consumption % of renewable PM Number of eco-designed products, of sales generated by eco-designed products	<b>Pages 17, 18 &amp; 21</b>
	Deterioration of biodiversity	Civil society	Responsible sourcing Controlling the number of environmentally hazardous materials			<b>Page 20</b>
	Industrial accident	Employees Civil society	Prevention and awareness policy Disaster action plan		Number of industrial accidents Number of drills carried out Specific safety training	<b>Pages 21 &amp; 26</b>

Non-financial information category	Associated risks	Stakeholders	Policy	Risk	KPI	Reference
<b>Societal</b> (issues surrounding the quality and safety of our products)	Damage to user health and safety (risk of generating a hazard related to the use of finished products for safety, human health and the environment)	Customers	Compliance of products with the law. Application of European standards (REACH, cosmetics regulation), in the absence of local regulations.		Number of eco-designed products	<a href="#">Page 18</a>
			Eco-design (including a ban on the use of new CMR references or substitution of existing classified references, better conditions for implementation)			<a href="#">Pages 16 &amp; 17</a>
			Implementation of a policy of collaboration with stakeholders to develop solutions with less impact (safety, environment, etc.).			<a href="#">Page 13</a>
	Purchases of non-compliant raw materials (environmental impact, laws and regulations) or from suppliers who do not comply with regulations	Supplier Community	Responsible purchasing policy Control over our suppliers Approval policy for raw materials by the Product Regulatory Affairs department Carbon footprint		Number of suppliers committed to CSR (score over 47 in ECOVADIS) 100% of raw materials approved (from a safety point of view)	<a href="#">Pages 12, 17, 18</a>

Non-financial information category	Associated risks	Stakeholders	Policy	Risk	KPI	Reference
<b>Human rights</b>	Purchases of supplies and services from suppliers who do not respect people's rights	Civil company Suppliers	Ensuring respect for human rights and international conventions (ILO) in all decision-making and in relations with partners, in particular: - No child labour - Responsible purchasing policy; - Implementation of a whistleblowing platform - Specific clauses in contracts - Ethical evaluation of third parties - Supplier code of conduct		Number of suppliers committed to CSR (score above 47 in ECOVADIS)	<a href="#">Pages 11, 12 &amp; 29</a>
	Child labour	Employees				



# NFRD methodology

## Perimeter

The CONDAT Group's business is divided into two divisions:

- **Lubricants and Special Products Division** : the commercial subsidiaries (because they are not material) and the Chinese subsidiaries (pending the start-up of production at the new plant) are excluded from the scope of consolidation. This includes CONDAT SA (CSA, France), CONDAT Corp (CCO, USA) and CONDAT Do Brasil (CDB, Brazil).
- **Health & Beauty Division** : the division's two subsidiaries are included in this document: Laboratoires SICOBEL (SI, France) and Laboratoires BEA (BEA, France).



## Methodology for drafting / producing the CONDAT Group's Extra-Financial Performance Statement.

The production of the Extra-Financial Performance Declaration is coordinated by the Group CSR Manager. It involves the management of the subsidiaries, the CSR correspondents in each subsidiary and the Group's support processes.

The structure of the document and the indicators presented are reviewed annually in the light of regulatory obligations, but also and above all in the light of changes in the Group's challenges and the responses provided to them.

The indicators are defined by the Group, filled in by the subsidiaries' operational departments and reviewed by the internal audit department.

External verification (article R225-105-2 of the French Commercial Code) is carried out at the level of the parent company (CONDAT SA) and subsidiaries (by sampling indicators and/or issues). The independence of the auditors is defined by the regulations.

Most of these indicators are already monitored periodically as part of the Group's CSR policy.

The definitions and calculation methods are known and explained to everyone, the monetary data is converted using the exchange rates applied in the statutory consolidation of the accounts and the units used are those of the metric system.

The various indicators are 100% consolidated, split between the Lubricants and Specialties division and the Health & Beauty division.



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