



**CONDAT**

Groupe

NON FINANCIAL  
REPORTING DIRECTIVE

**2020**



If there is a permanent priority for a company, it is to reinvent itself, to keep its competitive advantage or its competitiveness. The notion of a "world beyond" is only a fantasized vision exacerbated by the Covid crisis; the world changes every day and our companies, if they are permeable to their environment, are forced to adapt at the same pace. Of course, the notion of progress requires first of all an idealised vision of the objective. But projections that are too far off, or loaded with too many ambitions (transition, transformation, new models, management in times of uncertainty, etc.) could make us forget that we need to act in the concrete, and in the short term, and therefore start by taking an interest in what is happening now. The field of reflection is vast, and certainly, this health crisis has added new criteria to our mapping of risks and threats (transport, hygiene, purchasing mechanism, etc.).

Innovation is a challenge, but it is also a necessity. It is the only way to avoid falling into an impoverishing price war, to gain market share and to provide answers to environmental challenges.

By formulating the vision of our markets, we want to transform the act of buying for our customers into a testimony of support for our values. We must meet criteria of usefulness, originality, specificity, ambition and sustainability.

Thus, our commitment at group level is deployed throughout our activities and sites, within the framework of our CSR policy and our reason to exist.

*Claude Bercq*  
C.E.O.





MORE THAN 165 YEARS EXPERTISE

Groupe

**177 M€**  
turnover  
for the Group



Headquarter  
in France



**9** subsidiaries



**NORTH AND  
CENTRAL AMERICA**  
CONDAT CORPORATION



**FRANCE**  
LUBRIFIANTS  
CONDAT SA  
COSMÉTIQUES  
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:



**704**  
Employees worldwide  
of which **557** in France

**3%**  
of the wage bill  
dedicated to training



**2 POLES  
OF ACTIVITIES:**

**28%**  
Health and  
Beauty



**72%**  
Lubricants  
industrial and  
Special products



## LUBRICANTS AND SPECIAL PRODUCTS

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

**4 000**  
product references

**42**  
markets and fields of application

**70%**  
of export turnover

## HEALTH AND BEAUTY

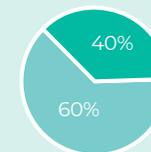


### DISTRIBUTION

**4 100** outlet

**54 brands:**

own brands  
distributed brands



**800** products



**60%** 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>(2)</sup>

<sup>(1)</sup> Outside the beauty institut circuit. <sup>(2)</sup> Own brands



### PRIVATE LABEL

**175** customers

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



**461** references  
certified Cosmos/  
Ecocert / BDIH / NOP /  
RSPO

Certified site **ISO 22716 (BPF)**



**100%** of products  
made in France

**51%**  
of export turnover

This document presents the activities of the CONDAT Group on the French, American and Brazilian sites.

The CONDAT Group has been committed for more than 20 years to the development of solutions that are more respectful of individuals and the planet. This commitment, carried by all our employees, is based on the Group's strong 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 that dates back more than 160 years**, by sharing our **experience** and **know-how** to achieve our **respective ambitions** together, always with a view to protecting our ecosystem.



## RESPONSIBLE

It is **developing respectful and ethical solutions**. It is about **educating** to increase awareness of the respective **responsibilities** of all 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 **specialisation**. It means anticipating technical and societal issues and finding new capacities for **innovation** in these present and future **challenges**, in order to guarantee our customers and employees a **dynamic** of continuous progress.



## RELATIONSHIP QUALITY

It means putting **people** at the heart of our exchanges, because we are convinced that it is first and foremost the quality of the relationship that makes **the collaboration effective**. We seek the **fulfilment** of our employees, partners and clients.



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.**

**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

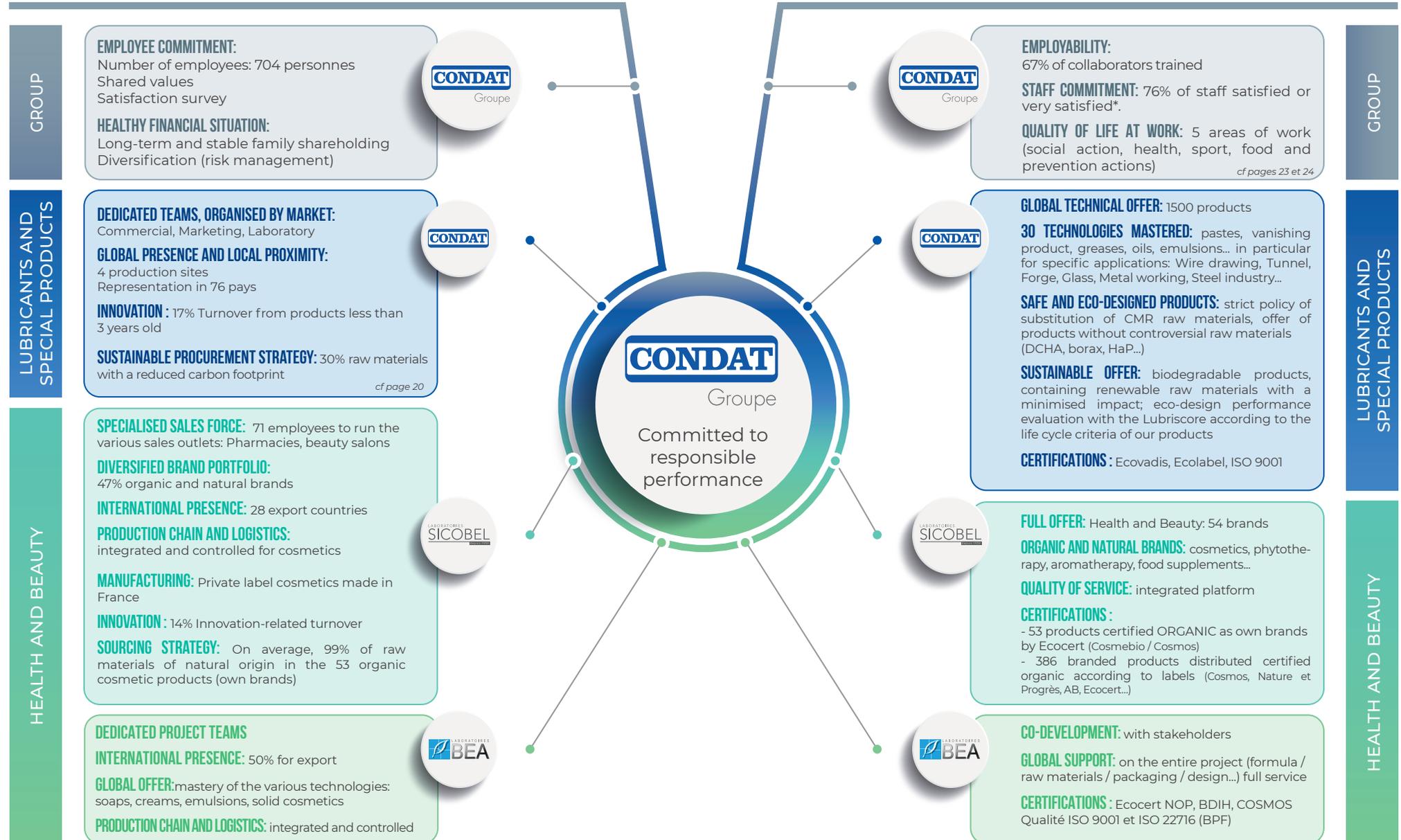
It is indeed a desire for leadership at all levels of its value chain that the Group wants to exercise in its product development, responsible performance and social performance missions.



# BUSINESS MODEL

## OUR RESOURCES

## VALUE CREATED



# OUR COMMITMENTS

Already involved in many responsible initiatives, the CONDAT Group places its CSR commitment at the heart of its activities by structuring it with a policy based on 5 commitments. These 5 commitments reflect the group's major challenges, selected according to their importance for internal and external stakeholders and their impact on the group's economic success.

**CSR Governance**, which 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-development** which translates CONDAT's desire to influence its entire value chain (customers, suppliers, partners) through the implementation of a joint responsible development approach.

**Ecoproducts and Eco-production** that allow us to reduce our ecological footprint and that of our customers, by offering high-performance solutions produced in a responsible manner.

For the Lubricants and Specialty Products business unit, the offer has included, for more than 20 years, biodegradable products, based on renewable raw materials, non-toxic for the environment and even recyclable.

In early 2020, the company introduced a self-assessment method, called Lubriscore®, to rate its eco-designed lubricants according to the criteria of a product's life cycle in order to inform users and communicate transparently.

For the Health & Beauty division, the focus is on cosmetic products certified organic by Ecocert or Cosmos. The selection of natural and organic raw materials is a priority, as are their production conditions. For example, the company relies on labels for the sourcing of coconut and baobab oils to ensure that these ingredients do not impact deforestation. The same principles are applied to the selection of the brands distributed, where preference is given to organic brands and brands that act in favour of the environment by contributing, for example, to the 1% for the planet movement.

A **Social Performance** whose objective is to promote the development of our employees, based on a professional environment that respects health and a fulfilling work environment.

**Business ethics**, which guarantee constructive and sustainable relations with all our stakeholders and which are the basis for our demand for product safety.

These 5 commitments, pillars of the Group's policy, have been translated into objectives in each subsidiary and into action plans in the various departments. They are part of a progress plan running from 2021 to 2023. This cycle corresponds to that of the Perform 2023 corporate project, one of whose axes is Sustainable Performance. This deployment, built on a principle of continuous improvement, places the CSR policy at the heart of the CONDAT Group's strategy and relays it within each department.



The Group's CSR challenges are also analysed in this document from the perspective of risks as defined by the French Commercial Code:

- Social risks (related to people)
- Ethical risks (in relation to business conditions)
- Environmental risks (related to the impact of our activities)
- Societal risks (related to the quality and safety of our products)

Risks related to the rights of individuals are dealt with transversally in the document.

For each of these categories, we have assessed the significance and consequences of the risk, which enabled us to prioritise actions to be implemented in our CSR roadmap.

A significance index (from 1 to 4, with 4 indicating high significance) was applied to each importance) was applied to each priority.



Exemple Niveau 3

## COMMITTED TO RESPONSIBLE RESPONSIBLE PERFORMANCE

On the Lubricants and Special Products side, the company's commitment and its CSR policy are illustrated through its product offering. For each field of application (drawing, machining, maintenance, etc.), CONDAT offers solutions that are more respectful of individuals and the planet. Thus, the range of products is based on the four elements (water, earth, fire and air) and enables customers to choose alternatives that contribute to **responsible performance** with benefits for productivity, lubricant consumption, employee safety and respect for the environment.



Already a signatory to Responsible Care (a CSR commitment in the CHEMICALS sector), the CONDAT Group is going one step further by signing the Global Compact in 2020, which is based on 10 principles to be respected in terms of human rights, international labour standards, the environment and the fight against corruption.



# RISK MAPPING

CATEGORY OF NON FINANCIA INFORMATION	RELATED RISKS	STAKE HOLDER	POLICY	KPI	REFERENCE
<b>SOCIAL</b> (issues surrounding men and women)	Health and safety of employees (lack of improvement in working conditions)	Employees	Compliance with regulatory obligations Preventive actions Ban on the use of new CMR references or substitution of the use of existing classified references	Work injury rate and work accident severity rate Monitoring the substitution of raw materials classified as CMR or critical	<b>P.12 &amp; 23</b>
	Skill shortages, lack of attractiveness to talent, decline in employees retention	Employees	Training program Versatility of employees (aptitude grids) Skills tranfer (tutoring) Digital data capitalization tools (CRM, COPTIS, SAP EHS, etc.)	Number of training hours Share of turnover in training Number of career guidance	<b>P.11 &amp; 23</b>
	Reduced motivation of employees / deterioration of the social climate	Employees	Spreading of group values Ensure a constructive climate and ensure well-being at work Staff satisfaction survey	Overall satisfaction level Number of actions in favor of the quality of life at work	<b>P.24</b>
	Existence of professional inequality and discrimination	Employees	Fight against discriminations whatever they are, keeping disabled employees at work. Whistleblowing platform for criminal acts or acts contrary to the Code of Ethics of the group	Gender equality index (or equivalent abroad)	<b>P.13 &amp; 24</b>
<b>FIGHTING CORRUPTION</b> (issues around ethics and corruption)	Reputation	Civil society / Shareholders / Employees			<b>P.14</b>
	Financial risk (fines and penalties) Criminal risk (for the company, the management or employees)	Civil society	Manage business relationships in a transparent and responsible manner: - Establishment of a Code of Ethics - Setting up of a whistleblowing platform - Awareness of staff and third parties		<b>P.14</b>
	Loss of contracts	Shareholders / Employees / Suppliers			<b>P.14</b>

CATEGORY OF NON FINANCIAL INFORMATION	RELATED RISKS	STAKE HOLDER	POLICY	KPI	REFERENCE
<b>ENVIRONNEMENTAL</b> (issues surrounding the impact of our activities)	Increase global warming (energy waste)	Civil society	Optimisation of our production processes	Electricity and gas consumption	<b>P.15 &amp; 22</b>
	Degradation of air quality, air and soil	Civil society	Investment in production tools more efficient, maintenance of installations	Measure of ELV (Emission Limit Values) on site	<b>P.15 &amp; 22</b>
	Scarcity of resources (waste of water)	Civil society	Optimisation of our production processes Research into renewable raw materials Eco-conception	Water consumption % of renewable raw materials Number of eco-conceived products % of turnover with eco-conceived products	<b>P.15 &amp; 22</b>
	Industrial accident	Employees / Civil society	Action plan in the event of a disaster	Number of industrial accidents Number of exercises done	<b>P.16</b>
<b>SOCIETAL</b> (the issues surrounding the quality and safety of our products)	Health and safety of users (risk to create a danger linked to the use of finished goods for safety, health and environment)	Customers	Compliance of products with laws and regulations Ecoconception (including the use of new CMR references or replacement of use of existing classified references, better condition for implementation) Application of European standard (reach, cosmetic regulation) in the absence of local regulation Implementation of a policy of collaboration with stakeholders to develop solutions with less impact (safety, environment, etc.).	Number of health losses related to non-compliance Number of eco-conceived products Monitoring the substitution of CMR or critical substances Number of co-development linked to CSR	<b>P.17 &amp; 19</b>
	Purchase of non-compliant raw materials (environmental impact, laws and regulations) or to suppliers non compliant with regulations	Community / Suppliers	Responsible purchasing policy Evaluating our suppliers Approval policy for raw materials by the PRA (products regulatory affairs department)	Number of suppliers engaged in CSR approach (ECOVADIS notation above 45) 100% of raw materials homologated	<b>P.18 &amp; 20</b>
	Increase global warming (freight)	Civil society	Member of Fret 21 Carrying out a carbon assessment (including mobility assessment) and action plan	Tons of CO2 saved in our finished goods transportation	<b>P.16</b>
<b>HUMAN RIGHTS</b>	Purchase of supplies and services to suppliers who do not respect Human rights	Civil society / Suppliers	Ensuring respect for human rights and international conventions (ILO) in all decision-making and in relations in relations with partners, including - No child labour; - Responsible purchasing policy; - Implementation of a warning platform - Specific clauses in contracts	Number of suppliers engaged in CSR approach (ECOVADIS notation above 45)	<b>P.20</b>
	Child labour	Employees			

## OUR SOCIAL PRIORITIES : ISSUES AROUND MEN AND WOMEN

### ENSURING SKILLS MANAGEMENT



#### The main risk is to be confronted with a shortage of skills

*Our main actions concern the management of skills, the identification of critical know-how and their formalisation.*

Putting people at the heart of the company's management and strategy. Today, skills management is the lever that will enable a company to ensure its competitiveness, and thus its sustainability. With our different approaches, we are committed to combining individual skills management, the aspirations of employees in the conduct of their professional careers and the skills needs of the company to achieve the objectives of our business plans.

Modern skills management adapted to a constantly changing world is based on the following key milestones:

- Having a detailed knowledge of our Human Capital through the identification of critical know-how
- Defining the skills to be developed and needed for the company of tomorrow
- Define the actions to be implemented to align today's skills with those envisaged for tomorrow for tomorrow: adapt the collective and individual support plans to be put in place and the recruitment operations with a forward-looking vision
- A rewriting of the commercial know-how has been undertaken for all the markets of the Lubricants business. An e-learning approach based on short modules has been adopted, allowing for regular assessment of acquired knowledge in order to give a clear view of the educational progress. This extensive work is being carried out over nearly 18 months.



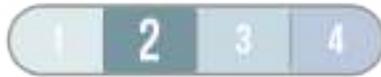
### ENSURING QUALITY EDUCATION AND QUALITY TRAINING

By devoting 3% of the group's payroll to training, the company is playing a strong role in increasing the skills of its employees. These training actions contribute to the UN's Sustainable Development Goals (SDGs) and more particularly to **SDG 4 - Ensure access to quality education for all.**

The company deploys its actions in all levels of the hierarchy with the establishment of specific courses: CLEA (operators), CHALLENGER (skills development) and MASTER (transformation actors).

In conjunction with various educational establishments, the company offers numerous internships and professional training courses each year (from the 3<sup>rd</sup> grade to university).

## ENSURING GOOD WORKING CONDITIONS



### The main risk is the lack of improvement in working conditions

*Our main actions focus on reducing handling, arduousness and exposure to nuisances in order to reduce the risk of work-related accidents.*

The CONDAT Group places the Health and Safety of its employees on its sites at the heart of its concerns and ensures that it offers them a healthy and safe working environment by preventing the occurrence of accidents at work, injuries and occupational diseases.

The Group's Health and Safety Policy aims to achieve zero accidents by improving safety at work through risk reduction and accident prevention, by implementing Group safety standards in all countries and activities.

The Group is committed to a process of continuous improvement to reduce risk situations based on the following priorities

- Strengthening the Group's safety culture by leadership and awareness-raising
- Prevention of fire risks
- Preventing handling risks by improving the ergonomics ergonomic improvement of workstations
- Prevention of risks specific to its activities

## CONDITIONS AND QUALITY OF LIFE AT WORK

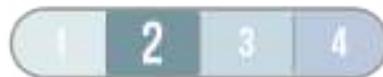
Within the group, meals are offered at a reduced price (Chasse sur Rhône site) or offered to employees (Brazil), thus contributing more specifically to **SDGs 1 - No poverty and hunger, 2 - Ensure food security, improve nutrition and promote sustainable agriculture.**

Actions are also carried out in terms of health and well-being: a gym will be made available to employees at the Chasse sur Rhône site in 2020, with or without supervised sports sessions. Employees also have the possibility of benefiting from osteopathy sessions that are partly paid for by the group.

Awareness-raising activities on various themes (cancer prevention, depression, domestic accidents, etc.) also take place regularly, contributing to **MDG 3 - Good Health and Well-being.**



## ENSURING THE RIGHT RECRUITMENT AND RETENTION



**The main risk is twofold: a lack of attractiveness to talent and a drop in retention**

*Our main actions are to improve our visibility on job boards and social networks and to strengthen the quality of our partners' activities.*

Faced with a job market that is becoming difficult, we have to be ingenious in recruiting. This already involves offering better visibility of the company 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 must open its doors and highlight its successes, its struggles and its ambitions, in which our employees are involved on a daily basis. We are reexamining our practices to meet expectations where the CV is no longer the key element in the recruitment process.

The evolution of professions and skills makes the future need for technical skills uncertain. It is increasingly necessary to learn and train continuously in techniques that are becoming obsolete more quickly than ever before and thus continue to master one's trade.

As a result, there is less need to find 'know-it-all' candidates, but rather candidates who are able to learn. Hence the importance we wish to attach to the soft skills of our candidates: soft skills, behavioural skills, personal qualities, or even transversal skills, which are essential performance levers.

**Improving employee loyalty by offering more development opportunities**

It is also about strengthening the company's ability to offer an excellent experience, to give employees opportunities to develop while improving their professional skills. Increasing employee loyalty also means being aware of the relationships and collaboration among our human capital. Are there conflicts? Does communication flow smoothly? Are there opportunities to implement more social activities, which can promote synergy, or approaches to increase cooperation between colleagues?

## ENSURING PROFESSIONAL & PROMOTION



**The main risk is professional inequality and discrimination**

*Our main actions concern the development of training courses for all (second chance school) and the fight against salary discrimination.*

Change in this area will only come about through concrete actions:

- **Recruitment:** giving the same opportunities to all, without any form of discrimination
- **Training and qualifications:** guaranteeing equal access to vocational training for all
- **Internal promotion:** remove the obstacles to women's professional advancement, young people and those with few or no qualifications
- **Working conditions, health and safety at work:** create the conditions for a discrimination-free environment
- **Effective remuneration:** eliminate all forms of pay inequalities between women and men
- **Work-life balance:** balancing work and private life to enable time to enable optimal professional fulfilment
- **Communication :** develop inclusive communication, free of discriminatory stereotypes

The combination of these measures is the foundation of our social and societal model.

## REDUCING INEQUALITIES



Numerous actions are carried out in the Group to support the personal development and knowledge of employees and contribute to **SDG 10 - Reduce Inequality** and **8 - Decent Work and Economic Growth**. French courses are provided to combat illiteracy and for the past two years, books have been offered to employees. A policy on low salaries has been in place for several years to ensure that all employees are paid a decent wage. The improvement of the levels of social security coverage (mutual insurance and/or retirement) is also the subject of sustained attention in the Group.

## OUR ETHICAL PRIORITIES: ISSUES AROUND ETHICS AND CORRUPTION

### ENSURING ETHICAL MANAGEMENT OF OUR ACTIVITIES



#### The main risk is not respecting the ethical rules laid down by the Group and expected by stakeholders

*Our main actions concern the formalisation of good practices and their dissemination.*

The CONDAT Group ensures that its activities are in line with its values, by respecting the principles and rules of ethics, integrity and compliance vis-à-vis all its stakeholders.

In this respect, the Group is committed to respecting the laws and regulations applicable in all countries where it does business, rejects fraud or corruption in all its forms and seeks to prevent them in its relations with third parties.

The company has therefore adopted a Code of Ethics that bans all acts of corruption. This code sets out the good practices to be adopted by all Group employees and includes the following main points:

- No employee shall offer, provide or accept, directly or indirectly, any undue advantage of any kind whatsoever for the purpose of obtaining a business relationship or any other facility. The partners include public officials, business intermediaries, employees of clients and political parties
- Facilitation payments are prohibited
- A definition of the rules to be applied with regard to gifts, conflicts of interest of interest, patronage, donations and sponsorship are defined
- Financing of political or religious parties is prohibited
- All employees must respect the principles of competition law
- All commercial negotiations must be conducted in a climate of mutual respect with the partners involved in the negotiation

These rules also apply to our relations with third parties, and more particularly with our agents and distributors, and are an integral part of the contract between us.

The notion of ethics also applies to personal data, its collection and use. The group ensures that it applies the GDPR within its European subsidiaries or any other similar regulation applicable in its other subsidiaries. This commitment is reflected in the Group's IT Charter, which applies to all employees.



## OUR ENVIRONMENTAL PRIORITIES: ISSUES AROUND THE IMPACT OF OUR ACTIVITIES

### ENSURING OPTIMAL ENERGY ENERGY CONSUMPTION



#### The main risk is energy waste

*Our main actions focus on optimising our production processes.*

Monitoring the consumption of the various energy sources allows us to identify the main sources of progress.

In the case of lubricants, actions to reduce the temperature of some of our processes and to maximise the size of production batches are examples of how to improve the situation. At CONDAT SA, the replacement of several compressed air compressors and the monitoring of their performance should also contribute to this objective.

For Health & Beauty, the Laboratoires Sicobel plant was built in 2017, thus benefiting from efficient technologies.

Concerned about preserving the planet's resources, CONDAT opts for renewable energy. Since 2019, 100% of our electricity consumption on the French sites is covered by certificates of renewable origin. Since the end of 2020, CONDAT Do Brazil has been sourcing from a supplier that favours renewable electricity sources.



### ENSURING A HEALTHY



#### The main risk is the emission of pollutants and the degradation of air quality

*Our main actions focus on reducing emissions.*

We comply with local obligations regarding air emissions by upgrading and investing in facilities (improved extraction systems).

Monitoring (via measurements), continuous upgrading and maintenance of air discharge facilities ensure compliance with regulations.

### ENSURING CONTROLLED WATER CONSUMPTION



#### The main risk is water wastage

*Our main actions focus on optimising our production processes.*

We carry out actions to optimise production processes to reduce water consumption, such as improving production sequences. The monitoring of consumption and the various projects to optimise the production tool and processes tend to reduce this risk.

## ENSURING GOOD WATER QUALITY



The main risk is the discharge of pollutants and the degradation of water quality

*Our main actions are to control the quality of the water discharged.*

We comply with the obligations regarding discharges into water by maintaining the installations. This is monitored (via measurements) and supervised by a maintenance protocol for the discharge installations.

## ENSURING A SMOOTHLY RUNNING INDUSTRIAL OPERATION SAFETY



The main risk is related to failures in the prevention of industrial accidents and accidental pollution

*Our main actions consist of mapping the major risks to our facilities, drawing up an action plan in the event of an accident, and preventing accidental pollution.*

This is what has been put in place at the CONDAT site, which is classified as an ICPE site, not a Seveso site (hazard study, Internal Operation Plan). The other subsidiaries of the Lubricants division comply with the requirements of local operating licences, without being considered as classified in the ICPE sense.

The sites of the Health & Beauty division, in France, are not classified and are not considered to be concerned by the problem.



## RESPONSIBLE CONSUMPTION AND PRODUCTION

As an industrial company, the Group is well aware of the risks and challenges associated with its production activities. As such, it does not only apply them for its own account but also instills them in its R&D policy and product developments for the benefit of its customers, thus contributing on several levels to the **SDG12, responsible consumption and production**.

According to its concept of **responsible performance** mentioned above (p8), the Lubricants and Specialty Products activity has been developing for many years responsible products that reduce dust emissions in wire drawing mills or that allow to reduce lubricant consumption (concentrated or recyclable versions).

In order to guarantee optimised water consumption for our customers, dosing, micro-spraying and distribution equipment is developed and offered.

Our offer of biodegradable or ECOLABEL certified lubricants also prevents any risk of accidental pollution.

A greenhouse gas reduction programme has been launched at group level and has resulted in CONDAT SA's commitment to FRET 21, leading to a reduction of 71 tonnes of CO2 on the shipments in 2020.

## OUR SOCIETAL PRIORITIES: ISSUES AROUND THE QUALITY AND SAFETY OF OUR PRODUCTS

### ENSURING THE SAFE USE OF OURS PRODUCTS FOR USERS AND THE ECOSYSTEM



The main risk is to generate a hazard related to the use of the finished products for safety, human health and the environment

*Our main actions focus on monitoring the quality of products and optimising them for safe use.*

This is reflected in particular in the maintenance of product certifications (Cosmos) for the Health and Beauty division. And, as far as the Lubricants activity is concerned, by:

- A policy of not developing products containing toxic substances and CMR
- A substitution plan in the event of new CMR or Toxic classifications
- Product innovations: reduction in the number of oil changes, biodegradable products, Ecolabel, products with few or no Borax, elimination of chlorinated paraffins, elimination of the formation of PAHs (Polycyclic Aromatic Hydrocarbons) or BaP (Benzo[a]Pyrene)

### ENSURING REGULATORY COMPLIANCE OF OUR OFFER



The main risk is not to ensure the compliance of the offer

*Our main actions are related to product stewardship.*

The design of the CONDAT Group's products is based on exemplary consideration of the safety and environmental aspects of the products, taking into account the classification of substances and the specific regulations for each geographical area and each market of application.

Where countries do not have specific regulations on chemicals, the European REACH regulation is applied by default, as it is one of the most restrictive in terms of safety for humans and the environment. A team of chemical engineers specialised in product regulations and covering all our geographical areas of activity work closely with R&D to anticipate changes in knowledge and classifications of chemical products and to guide design towards the safest possible products.

In the "Health and Beauty" branch, additional specific regulations are taken into account (cosmetic products, food supplements) by dedicated and specialised teams (including a qualified pharmacist), which report directly to the Group's Management in order to guarantee the same level of requirements in all our subsidiaries.

A target of zero harm to health and the environment, in connection with non-compliance, has also been monitored for the past 5 years and has been achieved.

## SYNERGIES BENEFICIAL TO THE GROUP AND ITS PARTNERS

The CONDAT Group is proactive in its various fields of application (e.g. by proposing full-strength striking oils that eliminate the risk of HAP formation, without limiting them to machining operations) and in different geographical areas, notably by relying on the synergy between the 'world' and European regulations. Lubricants without titanium dioxide and borax, substances classified as CMR in Europe, are offered to the range worldwide. In addition, a collaborative economy strategy is based on co-development actions with our customers, suppliers and universities with innovation as a prerequisite. This dynamism contributes to the **SDG 9 - Industry, innovation and infrastructure.**

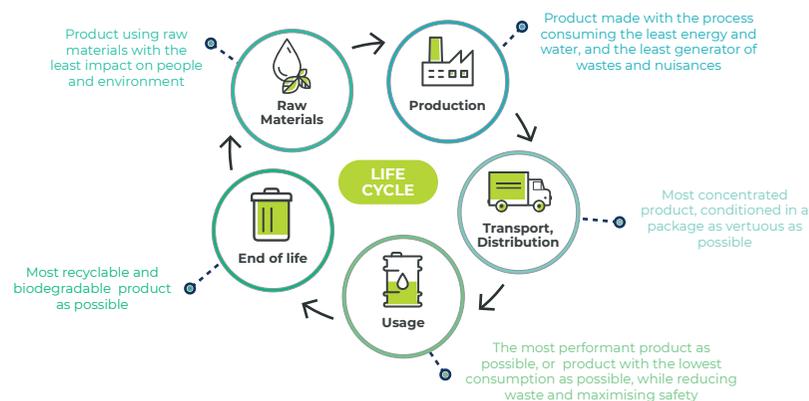


## ENSURING VIRTUOUS DESIGN



### The main risk is not to offer low-impact products

Our main actions focus on developing eco-designed products.



LUBRISCORE®



The R&D and marketing teams are mobilized to design solutions with minimum impact throughout the product life cycle.

In the "Lubricants and Specialty Products" division, an internal self-assessment system for the eco-design of products (Lubriscore®) has been developed based on the major impacts of products throughout their life cycle. An automatic calculation tool, which can be upgraded and which ensures traceability, makes it possible to quantify the eco-designed nature of products.

In the "Health and Beauty" division, eco-design criteria are taken into account when drawing up specifications, whether in the case of product development or in the search for brands to be distributed, already based on certification standards such as COSMOS "BIO" or the ISO 16128 standard on naturalness.

To go further with the Group's own brands, SICOBEL Laboratories have also created a self-assessment tool for the environmental and social profile of products, the Cosm'ethic Score, to engage marketing and R&D in a process of continuous improvement in terms of formula and packaging. Each product is given two scores. One score qualifies the formula with criteria of naturalness, environmental impact (including in particular the manufacturing process, the biodegradability of the ingredients and their geographical origin) and the absence of controversial ingredients. The other score qualifies the packaging with criteria such as recyclability or the use of recycled materials, the origin of the materials and the place of manufacture, or the CSR commitment of suppliers.

Thus, the entire CONDAT Group is committed to a virtuous process of continuous improvement of the eco-designed nature of products in terms of their impact on human health, safety and the environment.



## COMMITMENT TO PROGRESS

In 2020, for "Lubricants and Specialty Products", the Lubriscore® of the products that represent 80% of our turnover, i.e. 361 products, has been calculated. Of these 361 products, 160 are considered eco-designed according to the Lubriscore®, with a degree of eco-design of 1, 2 or 3 stars. This allows the sales force to offer more environmentally friendly alternatives to our customers in all our markets.

A virtuous circle of continuous improvement has been set up. Firstly, the eco-design policy imposes that any evolution of an existing product can only be done with a Lubriscore® rating higher than or equal to the original product. Secondly, the CSR policy defines, on the one hand, an ambition to increase the range of eco-designed products available (+10 new products in 2021), and on the other hand, an ambition to increase the turnover made with eco-designed products by +3% per year and a target of more than 50% of the turnover by 2023.

An ambitious eco-design policy is also applied in SICOBEL Laboratories. All the products of the Placentor, BcomBIO, Thalac BIO and Green Tribu brands will be evaluated through the Cosm'ethic Score in 2021 and product improvements as well as new products developed in 2021 will be totally controlled by the Cosm'ethic Score with a systematic objective of progress. A new specific product line with a very high environmental and social score will be launched in 2021. Similarly, targets for the percentage of turnover in organic and "natural" brands have been set from 2021, both for our own brands and for those distributed by PharmUp, with already 60% of organic and "natural" brands in the offer in 2020.

This commitment contributes to **SDGs 3 - Good Health, 6 - Clean Water and Sanitation, 7 - Clean and Affordable Energy, 12 - Responsible Production and Consumption and 13 - Fight against Climate Change.**

## ENSURING EFFECTIVE COLLABORATION WITH OUR STAKEHOLDERS



### The main risk is not anticipating the needs of our stakeholders

*Our main actions focus on promoting co-development with our stakeholders.*

In the development of its products, the CONDAT Group has long practised the principles of co-development and collaborative innovation.

Close links have been established with a network of public and private partners such as engineering schools, universities, public research establishments, technical centres, competitiveness clusters, etc.

This network allows us to develop R&D projects on upstream chemistry (e.g. new bio-based raw materials, sustainable chemistry) as well as on tests to characterise the performance of our products (e.g. performance optimisation to reduce consumption).

In each of our markets, key research projects are initiated and implemented in partnership with customers in order to develop specific products that are particularly adapted to their needs and most often with reduced impact on health and the environment.

In the "Health and Beauty" branch, co-development is also a common practice. BEA Laboratories' products are developed in partnership with customers, sometimes with several rounds of discussions between our partner and our formulators, until the final product is produced.

For Laboratoires SICOBEL, the THALAC brand products are developed in close collaboration with our beauticians and our partner beauty salons. The Placentor and BcomBIO brands benefit from relationships with a wide range of suppliers, to ensure that they evolve in line with societal needs and trends.



## COMMITTED TO MORE DIALOGUE

By supporting the associations in its territory and promoting open and transparent dialogue with local residents and authorities, the CONDAT Group wants to be part of an exchange relationship with its stakeholders. In this respect, various actions have been undertaken or carried out during the year 2020:

- Charitable actions in favour of people impacted by Covid in the United States;
- Food collection for the benefit of the French Red Cross at the Chasse sur Rhône site;
- Substitution of sulphur products by non-sulphur products in the United States in order to reduce odour nuisance for local residents;
- Contribution to the planting of 5000 trees (4 hectares) by supporting the Plant for the Future fund;
- Donation by the Health and Beauty division of hydroalcoholic gel and packaged beauty products to medico-social institutes (hospital, ESAT).

These actions, which contribute to **SDG 8 - Decent Work and Economic Growth, MDG 16 - Peace, Justice and Effective Institutions and MDG 17 - Partnerships for Achieving the Goals.**

## RESPONSIBLE PURCHASING

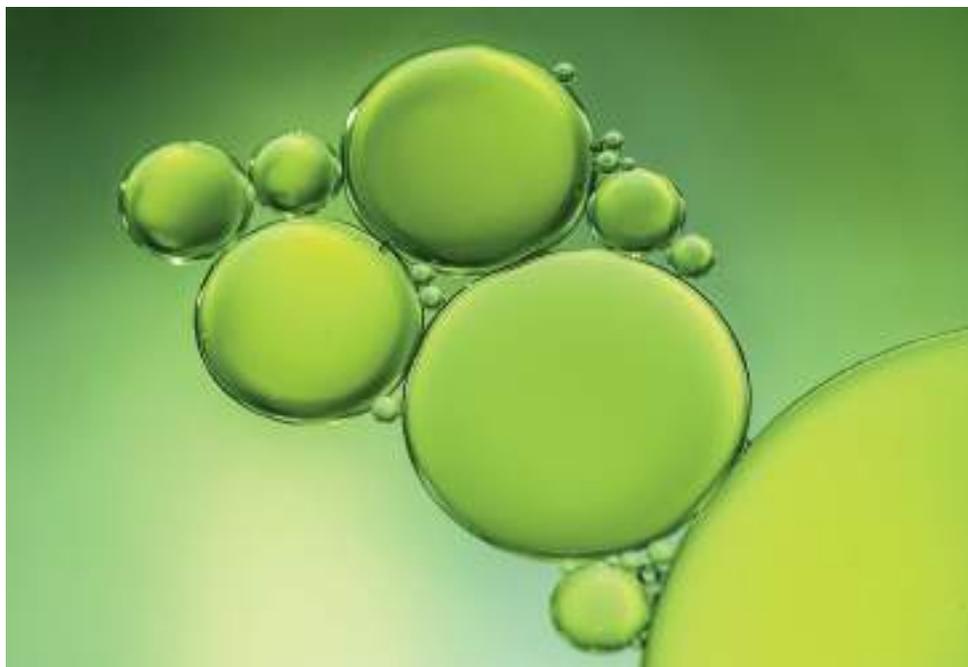


### The main risk is not taking CSR issues into account in our purchasing policy

*Our main actions concern the sourcing of components with a lower environmental impact and the search for partner suppliers demonstrating a strong CSR commitment.*

Purchasing is an essential part of the CONDAT Group's CSR policy. The analysis of the life cycle of our products clearly highlights the predominant impact of our purchases, particularly in terms of raw materials and packaging. Due to their significant impact on our activity, it is essential that the CONDAT Group's commitments are reflected in a responsible purchasing policy.

The analysis of substances and their hazardous classification both in terms of health and the environment has been practiced in the group for many years, which has enabled CONDAT to offer its customers products that are free of carcinogenic substances, or even Ecolabel or biodegradable ranges.



### THE CHALLENGES OF OUR RESPONSIBLE PURCHASING POLICY ARE THEREFORE BASED ON OUR CSR POLICY, IN PARTICULAR:

#### • Acting as a responsible industrialist through our commitments in terms of eco-design and eco-production

Qualify the footprint of our raw materials and packaging in environmental and health terms by rating various criteria in order to list the most impacting products to be substituted quickly and increase our share of purchases of low-impact materials.

The energy used in our production processes must also be decarbonised, and we are committed to measuring and increasing our share of decarbonised energy purchases, particularly for electricity.

Use materials from the circular economy: our activities allow us to use raw materials or packaging from recycled products. The focus is on increasing the share of use of these products.

#### • Inspiring and engaging our value chain towards change through our leadership

The CONDAT Group, in its value chain, identifies its suppliers as an essential link in its CSR policy. CONDAT Group expects its suppliers to share a core set of values (beyond legal compliance) based on CSR: notably respect for human rights, the environment, integrity and transparency in the conduct of business. We are committed to evaluating our suppliers on their practices via their ECOVADIS rating or any other available element, and will determine with our partner suppliers the action plans to be implemented to remove critical points.

#### • Creating shared value over the long term by demanding performance management

It means buying products or services that meet a high level of quality, regulatory and CSR requirements.

To date, 56% of our suppliers have an average CSR rating of over 45/100 and 84% are involved in a CSR approach at CONDAT SA and 100% of the top 10 at CONDAT Corp. Increasing the proportion of suppliers evaluated and contributing to the improvement of their practices is one of our commitments.

## CSR GOVERNANCE

The CSR policy defined by the Management is implemented, managed and monitored by various departments, bodies and functions.

- The CSR Committee, made up of the Group's Chairman, the Development & Quality, Marketing and Human Resources departments and the CSR manager, monitors the deployment of the CSR policy within the Group.
- The Group CSR Manager provides the CSR Committee with new ideas to develop the CSR approach, ensures that the CSR policy and roadmap are implemented in all processes, and assists the process Pilots to facilitate their deployment. She is a member of the Process Management Committee.
- The Process Drivers implement the elements of the CSR policy and roadmap related to their own activity. Through the Implementation Committee, they ensure the transversality and inter-process coordination of these actions. They report to the Management Committee on progress, deviations and any corrective actions during the Quarterly Process Review, or for subsidiaries, during the bi-annual CSR steering committee.

- The "Quality and Performance" department is responsible of the evaluation of the CSR performance of the processes in the same way as the other key performance indicators [economic, operational etc.]. To do this, it uses and deploys the EFQM excellence model, which is perfectly aligned with CSR principles. The Group Quality and Performance Manager has a team of internal quality auditors for evaluation and continuous improvement in all areas including CSR, and is also a member of the Process Management Committee.

- The Compliance Department, which reports directly to the Group's Chairman, ensures the overall regulatory compliance of our activities, particularly in terms of the impact of these activities on our stakeholders, the application of laws, codes and ethical rules, and ensures that risk mapping is carried out.

In addition, the Group regularly undergoes audits of its practices by third-party organisations in order to objectively assess the results obtained and areas for improvement (ECOVADIS rating, customer audits, external EFQM assessment, ISO 9001 certification in particular).



# KEY FIGURES

CSA = CONDAT SA  
CCO = CONDAT CORP - UNITED STATES  
CDB = CONDAT DO BRASIL - BRAZIL

## ENERGY

		LUBRICANTS						HEALTH & BEAUTY		
		CSA 2018	CSA 2019	CSA 2020	CCO 2020	CDB 2020	2020	2018	2019	2020
ELECTRICITY	Kwh	8 369 695	8 275 521	6 956 367	1 831 060	934 876	9 722 303	2 015 244	1 836 265	2 015 168
	Production volume (*)	48 835	49 827	44 216	6 566	3 857	54 639	18 346	18 122	22 967
	Ratio	171,39	166,09	157,33	278,87	242,38	177,94	109,85	101,33	87,74
GAS**	Kwh	7 675 527	7 509 170	6 391 567	2 836 028	810 836	10 038 431			
	Production volume (kg)	48 835	49 827	44 216	6 566	3 857	54 639			
	Ratio	157,17	150,70	144,55	431,93	210,22	183,72			

\*The volume for the production activity is expressed in tons for the lubricants activity and in thousands of pieces produced for the health & beauty activity. In order to get closer to the data used operationally, the production volume data for CONDAT SA has been adjusted for 2018 and 2019. \*\* For CONDAT Do Brasil, this is fuel oil consumption (in litres) expressed in Kwh.

The differences between the various sites of the Lubricants division can be explained by different production tools and product mixes, as well as by the impact of the climate on energy consumption.

For the French site, the ratio is strongly dependent on the product mix of the year, by workshop.

Efforts to rationalise and modernise the production tool (for BEA Laboratories) are also bearing fruit in the Health and Beauty division.

Concerned about preserving the planet's resources, CONDAT now opts for renewable energy. Since 2019, **100% of the consumption of the French sites is covered by certificates of renewable origin.**

## REJECTS

### Atmospheric emissions

Measurements of atmospheric emissions are carried out in the various production workshops of the French site of the Lubricants and Special Products division as a classified installation and transmitted to accredited organisations.

Our investment programme includes annual operations to minimise atmospheric emissions. An investment of more than €100K has been made in recent years to capture dust.

### Aqueous discharges

		LUBRICANTS			HEALTH & BEAUTY		
		2018	2019	2020	2018	2019	2020
WATER	m <sup>3</sup>	90 678	94 099	106 157	7 717	8 299	10 389
	Production volume*	48 835	48 827	54 639	18 346	18 122	22 967
	Ratio	1,9	1,9	1,9	0,4	0,5	0,5

\*The volume for the production activity is expressed in tons for the lubricants activity and in thousands of pieces produced for the health & beauty activity. In order to get closer to the data used operationally, the production volume data for CONDAT SA has been adjusted for 2018 and 2019.

The company also complies with regulatory requirements for aqueous discharges:

	2018	2019	2020
compliance with the ELV*	97	96	97

average rate \* ELV : Emission Limit Values

## SECURITY

With the same concern for **safety**, the Group has an active policy of **preventing accidents in the workplace**, but also of training its employees in fire safety and, more generally, **in the various safety issues**.

	LUBRICANTS			HEALTH & BEAUTY		
	2018	2019	2020	2018	2019	2020
Dedicated training budget	41 993	47 127	48 110	7 955	13 543	15 828
Total training budget	181 620	254 283	183 899	100 000	67 127	55 526
<b>Ratio</b>	<b>23%</b>	<b>19%</b>	<b>26%</b>	<b>8%</b>	<b>20%</b>	<b>29%</b>
Number of hours of dedicated training	1 514	1 377	1 966	389	485	607
Total number of training hours	5 975	6 400	6 264	1 207	1 763	1 265
<b>Ratio</b>	<b>25%</b>	<b>22%</b>	<b>31%</b>	<b>32%</b>	<b>27%</b>	<b>48%</b>

Operating in a **strong regulatory environment**, including REACH<sup>1</sup> regulations for the Lubricants business and BIO certification for the Cosmetics business (own brand or contract work), the Group is also committed to a voluntary approach of anticipating standards or improving its products in order **to limit the exposure of its employees and customers to risks** (in particular the use of raw materials classified as CMR<sup>2</sup> or Toxic).

This proactive policy is reflected in a **reduction in the number of classified raw materials** used by the Group (substitution of classified raw materials in formulas by unclassified raw materials), but also in the development of specific ranges with a lower rate of CMR raw materials (e.g. low borax range for wire drawing) and preventive actions for employees (specific PPE, workstation layout).

In the health context of 2020, the emphasis was placed on prevention and training in the field of safety within the various Group companies.

The results obtained in terms of **work-related accidents** are presented opposite. The significant efforts in terms of awareness and prevention carried out within the Health and Beauty division have borne fruit with a sharp decrease in accidents between 2019 and 2020.

<sup>1</sup> Registration, Evaluation, Authorisation and Restriction of Chemicals (EU Regulation 1907/2006)

<sup>2</sup> Carcinogenic, Mutagenic and Reprotoxic substances (category one and two) but also Toxic raw materials

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## LUBRICANTS

			2018	2019	CSA 2020	CCO 2020	CDB 2020	2020
<b>Employees</b>	<b>WORK INJURY RATE</b>	Number of accidents*	2	2	3	1	0	4
		Number of hours worked	453 809	463 315	454 348	96 970	137 429	553 958
		<b>Rate for frequency</b>	<b>4,4</b>	<b>4,3</b>	<b>6,6</b>	<b>10,3</b>	<b>0,0</b>	<b>7,2</b>
<b>Employees</b>	<b>WORK ACCIDENT SEVERITY RATE</b>	Number of days off	27	188	289	10	0	299
		Number of hours worked	453 809	463 315	454 348	96 970	137 429	553 958
		<b>Severity rate</b>	<b>0,1</b>	<b>0,4</b>	<b>0,6</b>	<b>0,1</b>	<b>0,0</b>	<b>0,5</b>

<b>Employees and temporary workers</b>	<b>WORK INJURY RATE</b>	Number of accidents*	3	3	4	1	0	5
		Number of hours worked	476 651	481 214	464 895	101 462	137 429	568 997
		<b>Rate for frequency</b>	<b>6,3</b>	<b>6,2</b>	<b>8,6</b>	<b>9,9</b>	<b>0,0</b>	<b>8,8</b>
<b>Employees and temporary workers</b>	<b>WORK ACCIDENT SEVERITY RATE</b>	Number of days off	35	200	297	10	0	307
		Number of hours worked	476 651	481 214	464 895	101 462	137 429	568 997
		<b>Severity rate</b>	<b>0,1</b>	<b>0,4</b>	<b>0,6</b>	<b>0,1</b>	<b>0,0</b>	<b>0,5</b>

## HEALTH & BEAUTY

			2018	2019	BEA 2020	SICOBEL 2020	2020
<b>Employees</b>	<b>WORK INJURY RATE</b>	Number of accidents*	6	13	2	3	5
		Number of hours worked	300 812	313 082	164 891	135 979	300 870
		<b>Rate for frequency</b>	<b>19,9</b>	<b>41,5</b>	<b>12,1</b>	<b>22,1</b>	<b>16,6</b>
<b>Employees</b>	<b>WORK ACCIDENT SEVERITY RATE</b>	Number of days off	244	271	82	50	132
		Number of hours worked	300 812	313 082	164 891	135 979	300 870
		<b>Severity rate</b>	<b>0,8</b>	<b>0,9</b>	<b>0,5</b>	<b>0,4</b>	<b>0,4</b>

<b>Employees and temporary workers</b>	<b>WORK INJURY RATE</b>	Number of accidents*	6	15	2	3	5
		Number of hours worked	345 043	341 436	187 038	140 563	327 601
		<b>Rate for frequency</b>	<b>17,4</b>	<b>43,9</b>	<b>10,7</b>	<b>21,3</b>	<b>15,3</b>
<b>Employees and temporary workers</b>	<b>WORK ACCIDENT SEVERITY RATE</b>	Number of days off	244	276	82	50	132
		Number of hours worked	345 043	341 436	187 038	140 563	327 601
		<b>Severity rate</b>	<b>0,7</b>	<b>0,8</b>	<b>0,4</b>	<b>0,4</b>	<b>0,4</b>

\*out of travelling accident, accidents loss of time

## WOMEN AND MEN

The survey process is a real performance lever for challenging our day-to-day management practices. It is a regular practice that has now been extended to the entire Group. We want to involve our managers even more closely by allowing them to take ownership of the results and their immediate evolution for a faster and better targeted transformation into action plans.

Training is a key lever for developing our skills. We devote substantial resources to these programmes, since the budget is in the order of 3% of the payroll. Talent and its promotion should not be reserved for an "elite", often already well trained, but for all those who demonstrate aptitudes and above all unfailing motivation. It is therefore a question of activating the mechanisms of the social lift in the company to allow everyone to blossom and grow from their experience within the CONDAT Group.

Our market dynamics and our growth mean that we have to recruit around 80 people for our French sites, and this must be understood with a turnover of around 5%. This was again the case in 2020.

THEME	INDICATOR	CONDAT <sup>(1)</sup>	CONDAT <sup>(1)</sup>	CONDAT <sup>(1)</sup>	CONDAT CORP	CONDAT DO BRAZIL	HEALTH & BEAUTY BEA <sup>(2)</sup> SICOBEL <sup>(3)</sup>	HEALTH & BEAUTY BEA <sup>(2)</sup> SICOBEL <sup>(3)</sup>	BEA	SICOBEL
		2018	2019	2020	2020	2020	2018	2019	2020	2020
Training	Number of employees trained per year (ratio to total workforce)	304 (95%)	272 (84%)	232 (73%)	53 (93%)	50 (88%)	112 (52%)	119 (53%)	70 (65%)	34 (30%)
Recruitment	Number of recruitments per year	53	45	32	10	0	41	58	24	28
Workforce management	Interim (ratio on total workforce)	3,73%	2,93%	1,67%	5%	N/A	19,55 <sup>(2)</sup> 2,53 <sup>(3)</sup>	13,23 <sup>(2)</sup> 1,02 <sup>(3)</sup>	10,38%	2,19%
Workforce management	Absenteeism (ratio to total workforce)	4,40%	3,65%	3,12%	2,80%	5,22%	4,80	4,81 <sup>(2)</sup> 6,12 <sup>(3)</sup>	3,46%	7,30%
Policy of remuneration	Professional equality (gender equality index)	81	81	81	N/A	N/A	N/A	96 <sup>(2)</sup> 75 <sup>(3)</sup>	96	66
QWL policy	Investment in health and number of events/year	96 sports sessions and health <sup>(1)(3)</sup>	160 sports sessions and health <sup>(1)(3)</sup>	57 sports sessions and health <sup>(1)(3)</sup>	N/A	5	96 sports sessions and health <sup>(1)(3)</sup>	160 sports sessions and health <sup>(1)(3)</sup>	2	57 sports sessions and health
Management empowering	Share of the training budget	Not analysed	14% of training budgets	30% of training budgets	0%	N/A	Not analysed	14% of training budgets	32%	N/A
Employee commitment	Satisfaction survey (result)	93% of employees are motivated	85% of employees are motivated	7,2*	85%	N/A	N/A	72% of employees are motivated	N/A	7,9*

\* The method of the staff satisfaction survey has been changed for 2021. The indicator used is now the employee engagement rate (aggregation of different criteria) and no longer the rate of motivated employees (direct question).

"Mens sana in corpore sano". We work on the body as well as the mind. On the strength of our Health and Safety and investment policies, our QWL policy is based on both the promotion of sport in the company and on-going work on workspaces conducive to well-being. For example, we run between 5 and 10 events per year for all our sites in general. The events are balanced between those relating to health, sport and well-being.

The theme of professional equality is a key issue in an industrial company that is seeking to feminise its functions. To date, almost half of our workforce is made up of women. We conduct an annual comparative M/F analysis for identical positions and share the results and associated corrective action plans with employee representatives.

The most notable points in the management of our workforce are, firstly, our concern to fight against the precariousness that temporary contracts can bring.

An in-depth review of workload management was carried out in particular within our Cosmetic Manufacturing entity in order to reduce the temporary part to 4.45% [compared to more than 22% previously].

Coaching, micro-coaching or training actions: our responses to managerial issues are wide and varied. We adopt a systemic approach and develop tailor-made support by regularly reexamining our pedagogical approaches to meet our ambitions in this area.

**CONDAT**

Groupe



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