



Groupe



NON FINANCIAL
REPORTING
DIRECTIVE

2019



Anticipating constraints so as not to suffer them is no longer enough to be part of a sustainable development strategy. Placing the notion of responsible performance at the heart of our activities requires us to create and maintain another relationship with the stakeholders in the value creation chain. This is a project that we are implementing at all levels of the company, to reduce the gap between what we are and what we would like to be. Thus our CSR policy is designed to feed our management system, with method and conviction, in order to integrate all our processes into a process of reducing environmental impact and progress.

Our commitment in these areas is historic, and is already based on many initiatives, but today we complete it with a materiality assessment to guide action according to new priorities and to be part of a continuous improvement mode. Our values find here a real field of expression, and we are proud to see them embodied by all our employees or to be able to share them with our customers.

Of course, we want to measure the effectiveness or performance of our actions, it is also a question of credibility, so we rely on certain evaluation or certification references, our codes and charters.

To go further, we also need to raise awareness and train our customers and suppliers in the field of responsible action. Our strength lies in innovation and communication around new selection, attractiveness and ethical criteria. It is certainly by changing our markets and our consciousness that we will ensure the necessary transition for a sustainable economy.

Claude Bercq
C.E.O.





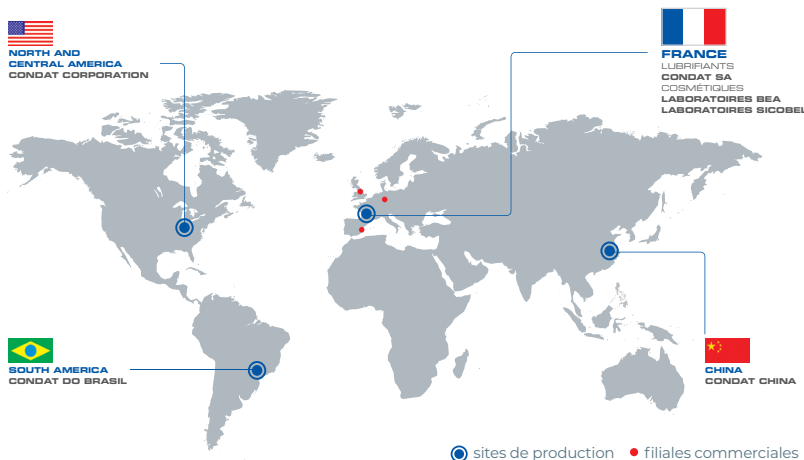
MORE THAN 165 YEARS EXPERTISE

Groupe

192 M€
turnover
for the Group

of which **136 M€**
of Turnover via the
French companies

30 M€
of investments
over 5 years
(in France)



ISO 9001 certification on 6 production sites



Headquarters in France



8 subsidiaries



103
Agents and distributors

OUR STAFF :



688
employees worldwide
of which **550** in France

4%
of the wage bill
dedicated to training



2 POLES OF ACTIVITIES :

19%
Health and Beauty



81%
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

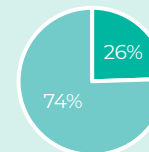


DISTRIBUTION

3 800 points of sale

50 brands :

own brands
distributed brands



770 products



63% of products certified BIO⁽¹⁾ or natural origin

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



98% cosmetics of own brands made in France⁽²⁾

⁽¹⁾ Outside the beauty institut circuit. ⁽²⁾ Own brands



PRIVATE LABEL

167 customers

3 subcontracting expertises:
Cosmetics, Soaps and Perfumes



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

Certified site **ISO 22716 (BPF)**



100% of products made in France

50%
of export turnover

This document presents the CONDAT Group's activities in France.

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, supported by all our employees, is based on the Group's strong values.



BUILD TO LAST

It means **undertaking**, with the common goal of achieving **responsible performance** that takes into account social and environmental issues. Living up our corporate culture of more than 160 years, by sharing our **experience** and **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 means **educating** to improve awareness of everyone's **respective responsibilities** towards the planet. It also means developing and expressing a long-term vision by listening to our stakeholders.



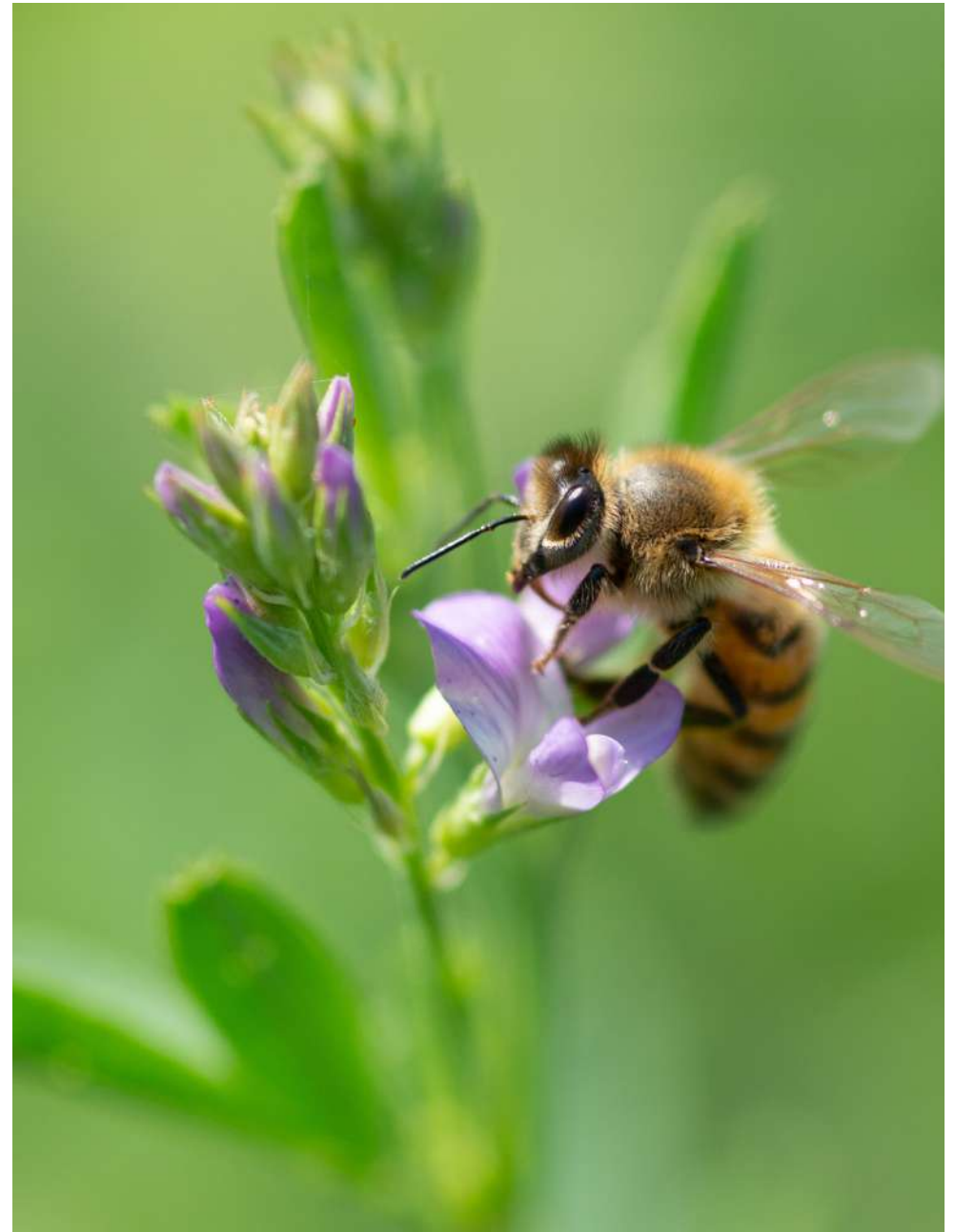
COMPANY IN MOTION

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



RELATIONSHIP QUALITY

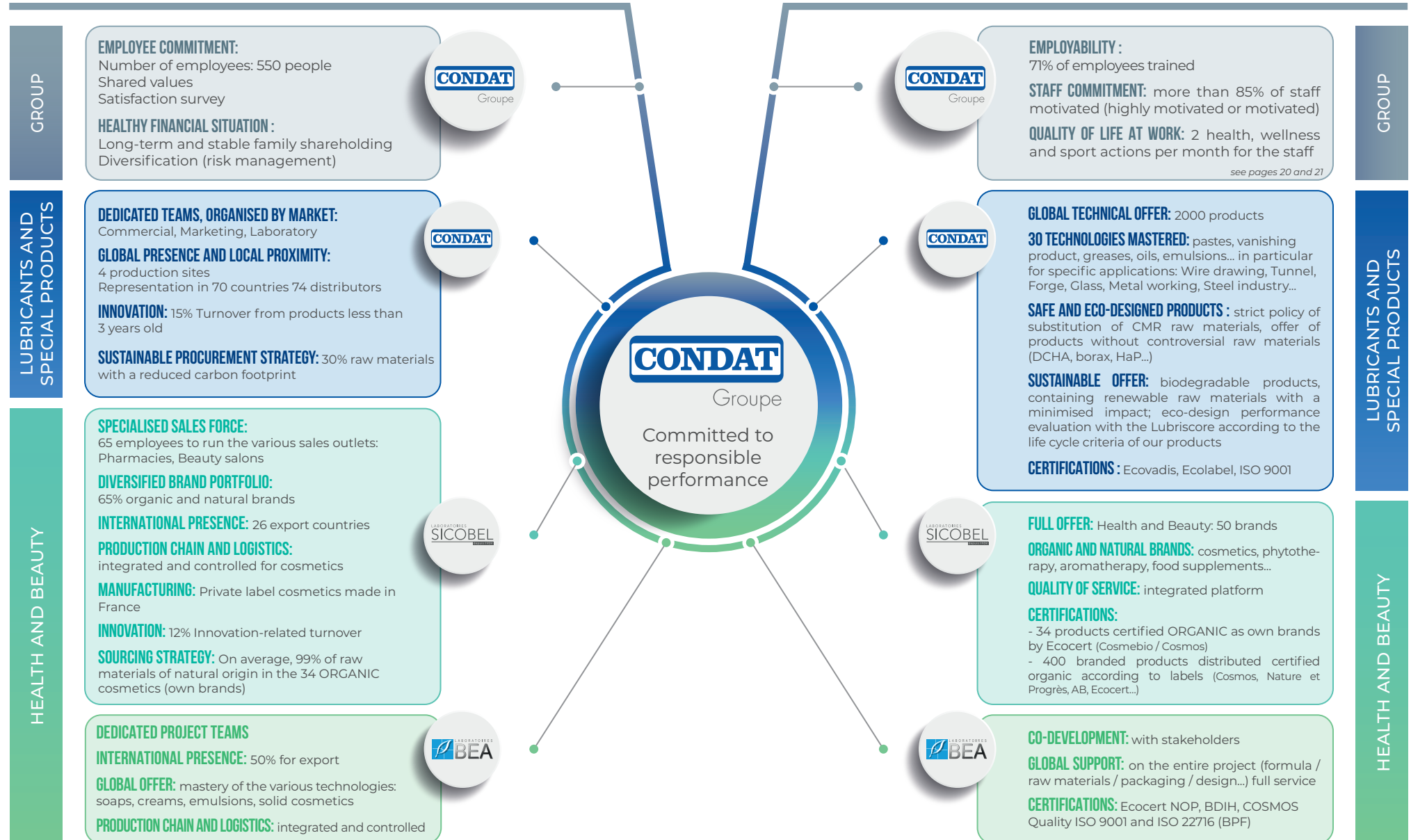
It means placing **people** at the heart of our exchanges because we are convinced that it is first and foremost the quality of the relationship that makes **collaboration effective**. We seek the **fulfillment** of our employees, partners and customers.



BUSINESS MODEL

OUR RESOURCES

CREATED VALUE



OUR COMMITMENT

The CONDAT Group is involved in the preservation of the environment and strives to reduce its impact on the ecosystem in particular by reducing discharges at each of its sites.

The latest actions implemented concern, for example, the reduction of air emissions thanks to investments such as the capture of dust and odours, and manufacturing under atmospheric pressure in white zones. The Group attaches crucial importance to the environmental impact of its products, not only during their manufacture but also during their use.

For the Lubricants and Specialties business unit, for more than 20 years the offer has included biodegradable products, based on renewable raw materials, non-toxic for the environment and even recyclable. Finally, at the beginning of 2020, the company set up a self-assessment method, called Lubriscore[®], to rate its eco-designed lubricants according to the criteria of a product's life cycle (Raw materials and design - Production - Transport - Use - End of life) with the aim of informing users and communicating 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 well as their production conditions and fair remuneration for the work carried out.

As an example, argan oil is Fair Trade certified by Ecocert, thus ensuring a decent remuneration for the female agricultural workers who work this resource, especially the almonds.

The same principles are applied to the selection of the brands distributed, where preference is given to organic brands and those acting in favour of the environment by contributing, for example, to the 1% for the planet movement.

Finally, the CONDAT Group has for several years been supporting the Plant for the Future fund, which aims to relaunch reforestation in France within the framework of sustainable management, and which contributes to rebalancing the carbon cycle and reducing temperatures in summer.

Already a signatory of Responsible Care, a CSR commitment in the CHEMICALS sector, the CONDAT Group wants to go further by signing the Global Compact in 2020, bringing together 10 principles relating to respect for Human Rights, international labour standards, the environment and the fight against corruption.

COMMITTED TO A RESPONSIBLE PERFORMANCE

In terms of lubricants and special products, the company's commitment and CSR policy is illustrated through its product offer. For each field of application (wire drawing, machining, maintenance...), CONDAT offers solutions that are more respectful of individuals and the planet. Thus, the offer declined according to the 4 elements (water, earth, fire and air) enables us to direct our customers towards alternatives contributing to a more responsible performance, with benefits on productivity, lubricant consumption, employee safety and respect for the environment.



Our commitment is strong and concrete. It must now be structured to better appreciate and prioritise social, environmental and ethical issues.

In 2020, the company has decided to produce a materiality matrix, a key tool in the development of the company's CSR strategy. It enables priorities to be defined for each issue according to their importance for internal and external stakeholders and according to their impact on the Group's economic success.

This approach was based on 3 steps, with the help of an external expert:

1. Inventory: individual interviews with internal and external parties, with all of our stakeholders, documentary and sector studies, link with the strategic vision → identification of around fifty potential issues
2. Analysis, prioritisation, reformulation and selection of key issues, in relation to a risk/opportunity analysis → 14 key issues selected
3. Materiality study: the 14 key issues were submitted to all parties internal and external stakeholders through a cross-evaluation of "importance". vs " performance "

This method has made it possible to lay the foundations for a CSR policy and a 3-year roadmap, in line with the UN's sustainable development objectives.

THE CSR POLICY IS BASED ON 4 GUIDING PRINCIPLES:

- Acting as a responsible group through our commitments in terms of eco-design and eco-production
- Inspiring and engaging our value chain towards change through leadership
- Creating shared value over the long term through the requirement for performance management
- Thinking of the ecosystem in a collaborative economy through our co-development actions

We have identified 4 categories of risk:

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

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

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

Example Level 3



SUSTAINABLE DEVELOPMENT GOALS



OUR SOCIAL PRIORITIES : THE ISSUES SURROUNDING MEN AND WOMEN

ENSURING SKILLS MANAGEMENT



The main risk is to be confronted with skill shortages.

Our main actions relate to skills management, mapping of skills areas and the formalisation of know-how.

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

A modern skills management adapted to a constantly changing world and based on the following key milestones:

- To have a detailed knowledge of our Human Capital through job mapping, skills benchmarks, and multiple professional interviews.
- Define 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: adapt collective and individual support plans and recruitment operations with an anticipatory vision



PROVIDE EDUCATION AND QUALITY TRAINING

By devoting 4% of the group's wage sum to training, the company plays a pivotal role in increasing the skills of its employees. These training initiatives contribute to the UN's Sustainable Development Objectives (SDOs) and more particularly **to SDO no. 4 - Ensuring access to quality education for all.**

The company deploys its actions at all levels of the hierarchy with the implementation of specific career paths: Cléa (certificate of professional knowledge and skills for operators), Challenger (skills development) and Master (contributors to change).

In conjunction with various schools, the company offers numerous internships and professional training courses every year (from the 3rd year of secondary school to university courses).

ENSURE GOOD WORKING CONDITIONS

1

2

3

4

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

Our main actions focus on reducing handling, strain and exposure to pollution in order to reduce the risk of accidents at work.

The CONDAT Group places the Health and Safety of its employees 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, occupational injuries and illnesses.

The Group's Health and Safety Policy aims to move towards zero accidents by improving safety at work through risk reduction and accident prevention, and by implementing the Group's 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:

- Reinforcing the Group's safety culture through activities and by raising awareness
- Fire risk prevention
- Preventing handling risks by improving the ergonomics of workstations
- The prevention of risks specific to its activities



CONDITIONS AND QUALITY OF LIFE AT WORK

Investments in workplace well-being are based on capital goods (grippers, dust extraction systems in the workshop, etc.) but also aim to offer services to employees. These actions contribute more specifically to the **SDOs 1- No poverty and hunger, 2 - Ensure food security, improve nutrition and promote sustainable agriculture and 3 - Good health and well-being.**

As an example, a certain number of actions are being carried out on the Chasse-sur-Rhône site; so that everyone can have access to a healthy and balanced meal, the on-site company restaurant offers a complete meal based on local and organic products, as well as vegetarian dishes, for the sum of 3€. Conferences are also regularly organized (sleep management, smoking, mental load or psycho-social risks, road accidents, etc.) as well as events on the theme of nutrition and the promotion of local producers.

The on-site nurse offers vaccination sessions during the winter period and osteopathy sessions are partially paid for by the company. A social worker is available to help employees with administrative procedures and housing assistance.

Finally, free relaxation areas (petanque, table tennis, etc.) and sports sessions (gym, yoga, cross-training, etc.) are offered to all employees.

INSURING THE RIGHT RECRUITMENT



The main risk is a lack of attractiveness to talent

Our main actions focus on improving our visibility on job boards and social networks as well as strengthening the quality of animation of our partners.

Faced with a job market that is becoming selective, we have to be resourceful in recruiting. This already involves offering a better visibility of the company on professional social networks. This is a key point for a company like ours, which is above all BtoB oriented. Accustomed to doing rather than saying, the CONDAT Group must open its doors and highlight its successes, its struggles, its ambitions in which our employees are involved on a daily basis. We are re-examining our practices in order to stick to expectations where the CV is no longer the cornerstone of the recruitment process.

The evolution of professions and skills makes the future need for technical skills uncertain. There is an increasing need to continually learn and train in techniques that are becoming obsolete faster than ever before and thus continue to master one's craft.

In fact, it is less necessary to find "knowledgeable" candidates, but rather candidates with the ability to learn. Hence the importance we attach to the soft skills of our candidates: interpersonal skills, behavioral skills, personal qualities, and cross-functional skills, which are essential performance levers.

ENSURING PROFESSIONAL EQUALITY & PROMOTION



The main risk is professional inequality and discrimination

Our main actions relate to the development of training courses for all (second-chance schools) and the fight against wage discrimination.

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

- **Recruitment:** to give equal opportunities to all, without any form of discrimination
- **Training and qualification:** to guarantee equal access to vocational training for all people
- **Internal promotion:** to remove the obstacles to the professional advancement of women, young people, people with few or no qualifications
- **Classification:** to enhance the value of so-called "female" jobs in a logic of professional equity
- **Working conditions, health and safety at work:** to create the conditions for an environment free of discrimination
- **Actual remuneration:** to eliminate all forms of pay inequalities between women and men
- **Articulation between professional activity and private life:** to balancing life time to allow for optimal professional fulfilment
- **Communication:** to develop inclusive communication, free of discriminatory stereotypes

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

REDUCE INEQUALITIES

Numerous actions are carried out within the Group to support employees' personal development and skills and participate in **SDO 10 - Reduce inequalities and 8 - Decent work and economic growth**. French courses are provided to fight against illiteracy and for the past two years, books have been offered to employees. For a decent remuneration of all employees, a policy on low salaries has been in place for more than 8 years.



OUR ETHICAL PRIORITIES: THE ISSUES AROUND ETHICS AND CORRUPTION

ENSURING ETHICAL MANAGEMENT OF OUR ACTIVITIES

1 2 3 4

The main risk is not respecting the ethical rules enacted by the Group and expected by its stakeholders

Our main actions concern the formalisation of good practices.

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

As such, the Group undertakes to comply with the laws and regulations applicable in all countries where it conducts business, refuses 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 prohibits 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 nature whatsoever, of which the purpose would be to obtain a business relationship or any other facility. The partners concerned are, in particular, the depositaries of the public authority, intermediaries sales staff, employees of customers and political parties
- Facilitation payments are prohibited
- A definition of the rules to be applied with regard to gifts, conflicts of interest, patronage, donations and sponsoring is set out
- Financing of political or religious parties is prohibited
- All employees must respect the principles of competition law
- All commercial negotiations must be held in a climate of mutual respect with the partners involved in the negotiation

The notion of ethics also applies to personal data, their collection and use. The group ensures that the RGPD is applied within its European subsidiaries or any other similar regulations applicable in its other subsidiaries. This commitment is reflected in the Group's Information Technology Charter, applicable to all its employees.



OUR ENVIRONMENTAL PRIORITIES: THE ISSUES SURROUNDING THE IMPACT OF OUR ACTIVITIES

ENSURING ENERGY OPTIMISED CONSUMPTION



The main risk is energy waste

Our main actions relate to the optimisation of our production processes.

Monitoring the consumption of the different energy sources enables the identification of the main levers for progress.

Actions to reduce the temperature of some of our processes and to maximise production batch sizes are examples of how to improve the situation.

Concerned about preserving the planet's resources, CONDAT opts for renewable energies. Since 2019, **100%** of the electricity consumption of our French sites comes from **renewable energies of European origin**.

ENSURING AN HEALTHY ATMOSPHERE



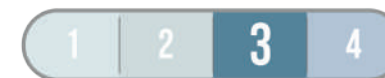
The main risk is the emission of pollutants and the degradation of air quality

Our main actions focus on reducing emissions.

We comply with obligations regarding air emissions (ICPE regulations), by upgrading and investing in facilities.

The monitoring (via measures), continuous upgrading and maintenance of air emission facilities ensure regulatory compliance.

ENSURING CONTROLLED WATER CONSUMPTION



The main risk is the waste of water

Our main actions relate to the optimisation of our production processes.

We carry out actions to optimise production processes in order to reduce water consumption, for example by improving production sequences. The monitoring of consumption and the various projects to optimise the production tools and processes tend to reduce this risk.



ENSURING GOOD WATER QUALITY



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

Our main actions relate to the control of the quality of the discharged water.

We comply with our water discharge obligations by maintaining the facilities, this is monitored (via measurements) and supervised by a maintenance protocol for the discharge facilities.

ENSURING SAFE INDUSTRIAL OPERATION



The main risk would be linked to failures in prevention of industrial accidents and accidental pollution

Our main actions consist of mapping the major risks weighing on the installations, providing an action plan in the event of a disaster, and preventing accidental pollution.

This is what has been set up on the CONDAT site, which is an ICPE classified site, not Seveso (hazard study, Internal Operation Plan). The other sites are not classified and are not considered to be concerned by the issue.



RESPONSIBLE CONSUMPTION AND PRODUCTION

As an industrial company, the Group is well aware of the risks and challenges associated with production activities. As such, it not only applies them for its own account, but also incorporates them into its R&D policy and product development for the benefit of its customers, thus making its contribution to **SDO 12, responsible consumption and production, at several levels.**

According to its concept of **responsible performance** mentioned above (p6), the lubricants and special products activity has been working for many years to develop responsible products that reduce dust emissions in wire drawing plants or reduce lubricant consumption (concentrated or recyclable versions).

In order to guarantee optimized water consumption for our customers, dosing, microspraying and distribution equipment is developed and offered.

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

OUR SOCIETAL PRIORITIES: THE CHALLENGES AROUND THE QUALITY AND SAFETY OF OUR PRODUCTS

ENSURING SAFE USE OF OUR PRODUCTS FOR USERS AND THE ECOSYSTEM



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

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

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

- A policy of non-development of products based on toxic and hazardous substances RMC
- Several products innovations: reduction in the number of oil changes, biodegradable products, Ecolabel labelled, products without or with little Borax amount, removal of chlorinated paraffin, elimination of the formation of PAHs (Polycyclic Aromatic Hydrocarbons) or BaP (Benzo[a]pyrene)

ENSURING THE REGULATORY COMPLIANCE OF OUR OFFER



The main risk is not to guarantee the conformity of the offer

Our main actions focus on product stewardship.

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

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

In the "Health and Beauty" business group, additional specific regulations are taken into account (cosmetic products, dietary supplements) by dedicated and specialized teams (including a qualified pharmacist), reporting directly to the group management to ensure the same level of requirements in all our subsidiaries.

BENEFICIAL SYNERGIES FOR THE GROUP AND ITS PARTNERS

Relying in particular on the synergy between 'world' and European regulations, the CONDAT Group is proactive in its different fields of application (by proposing, for example, cold heading oils eliminating the risk of BaP formation, without limiting them to machining operations) and in different geographical areas (by encouraging, for example in the United States, the use of products without or with little borax for the wire industry). In addition, a collaborative economy strategy is based on co-development actions with our customers. This dynamism contributes to **SDO 9 - Industry, innovation and infrastructure.**



ENSURING VIRTUOUS DESIGN



The main risk is not to offer low-impact products

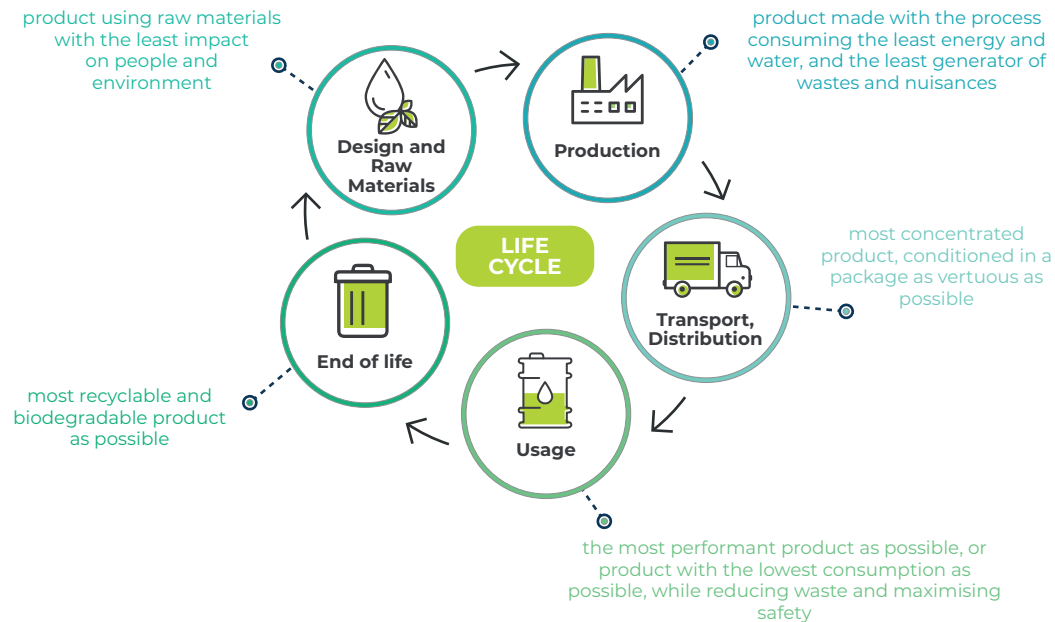
Our main actions relate to the development of eco-designed products.

Our R&D and marketing teams are mobilized to design solutions with the minimum impact throughout the product lifecycle.

In the Lubricants and Specialty Products division, a self-assessment system for the eco-design of products (Lubriscore®) has been set up based on the life cycle, established with the help of an automatic, scalable and traceable computerized calculation tool.

In the Health and Beauty division, eco-design criteria are taken into account in the preparation of specifications, whether in the case of product development or in the search for brands to distribute.

At the Group level, we have initiated a process of continuous improvement in the eco-design of products in terms of their impact on human health, safety and the environment.



COMMITMENT TO PROGRESS

To be as virtuous as possible, the eco-design policy formalizes the commitment to progress that must be accomplished by CONDAT. Thus a measure of the eco-design character of our product portfolio is set up to follow the evolution towards more eco-design. The objective is to make sure that each new product has a rating of the eco-design criterion superior or at least equal to the product it replaces. This will contribute to **SDOs 3 - Good Health, 6 - Clean Water and Sanitation, 7 - Clean and Affordable Energy, 12 - Responsible Production and Consumption and 13 - Fight against Climate Change.**

ENSURE EFFECTIVE COLLABORATION WITH OUR STAKEHOLDERS



The main risk is not to anticipate 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 been putting into practice for a long time, principles of co-development and collaborative innovation.

Close links have thus been established with a network of public or private partners such as Engineering Schools, Universities, Public Research Establishments, Technical Centers, Competitiveness Clusters, etc...

This network enables us to develop R&D projects both in upstream chemistry (e.g. new bio-based raw materials, sustainable chemistry) and in tests to characterize the performance of our products (e.g. performance optimization 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 well adapted to their needs and most often with reduced impact on people and the environment.

In the Health and Beauty business group, co-development is also common practice.

Laboratoires BEA's products are developed in partnership with customers, sometimes with several back and forth trips between our partner and our formulators, until the final product is produced.

At SICOBEL Laboratories, THALAC brand products are developed in close collaboration with our beauticians and our partners Beauty Institutes. As for the PLACENTOR and BcombIO brands, they benefit from the relationships maintained with a wide range of suppliers, in order to make them evolve according to the needs and societal trends.



COMMITTED FOR MORE DIALOGUE

By supporting associations in its territory and by promoting an open and transparent dialogue with local residents and local authorities, the CONDAT Group wants to be part of a relationship of exchange with its stakeholders. The CONDAT academy, which brings together family shareholders 2 to 3 times a year to take stock of the Group's challenges, gives also concrete expression to this strong commitment to dialogue. In the same way, a relationship of equal partners is privileged with our suppliers. The advantage is given to sourcing in France for the development of new products in the Health & Beauty division, and to products manufactured in France for distributed products. A range of actions that participates in **SDOs 8 - Decent work and economic growth, 16 - Peace, justice and effective institutions and 17 - Partnerships for the achievement of objectives.**

RESPONSIBLE PURCHASING

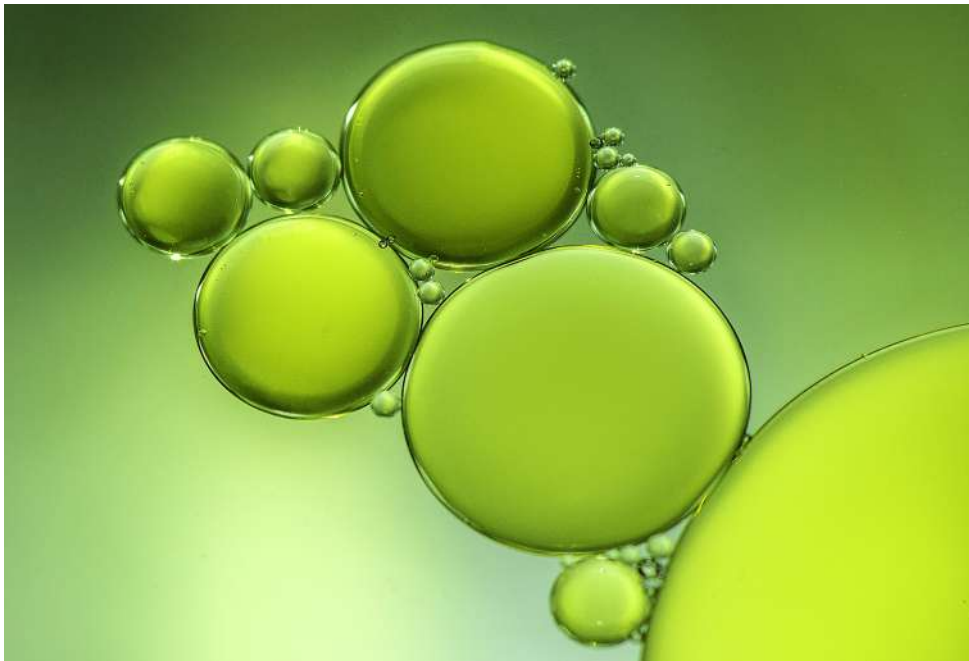
1 2 3 4

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.

Purchases are an essential link in 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 raw materials and packaging. Because of their significant impact on our activity, it is essential that the CONDAT Group's commitments are implemented within a responsible purchasing policy.

The analysis of substances and their classifications, both from a health and environmental point of view, has been practiced in the Group for many years, which has enabled CONDAT to offer its customers products free of carcinogenic substances, or Ecolabel or biodegradable ranges.



THE CHALLENGES OF OUR RESPONSIBLE PURCHASING POLICY ARE THEREFORE BASED ON THE MAIN LINES OF OUR CSR POLICY:

- **Act as a responsible industrial company through our engagements in terms of eco-design and eco-production**

Qualify the environmental and health footprint of our raw materials and packaging by rating different criteria in order to list the most impacting products to be quickly substituted and increase our purchase of low impact raw materials. The energy used in our production processes must also be decarbonated. We are committed to measuring and increasing our share of purchases of decarbonated energy, particularly electricity.

Use materials from the circular economy: our activities allow us to use raw materials or packaging from recycled products. The proportion of use of these products must be constantly increasing.

Use renewable raw materials.

- **Inspire and engage our value chain towards change through leadership**

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

- **Creating shared value over time through the requirement focused on performance management**

Purchase products or services that meet a high level of quality, regulatory and CSR requirements: to date, 67% of our raw material suppliers have been evaluated by ECOVADIS with an average score of 42%. 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 management is implemented, led and monitored by different departments, bodies and functions.

- Process Drivers implement the elements of the CSR policy and road map relevant to their own business. 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 actions during the Quarterly Process Review.
- The Group CSR Manager provides the Executive Committee with new ideas to develop the CSR approach, ensures the implementation of the CSR policy and roadmap in all processes, and assists the Process Drivers to facilitate deployment. He is a member of the Process Management Committee.
- The "Quality and Performance" department is responsible for evaluating the CSR performance of processes in the same way as other key performance indicators (economic, operational, etc.). To achieve this, it uses and deploys the EFQM excellence model, perfectly aligned with CSR principles. The Group Quality and Performance Manager has a team of internal quality auditors for the 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 Chairman of the Group, ensures the overall regulatory compliance of our activities, particularly in terms of the impact of these activities on our stakeholders, on the environment, on the application of laws, codes and ethical rules, and ensures that a risk map is drawn up.

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



KEY FIGURES

ENERGY

		LUBRICANTS		HEALTH & BEAUTY	
		2018	2019	2018	2019
ELECTRICITY	Kwh	8 369 695	8 275 521	2 015 244	1 857 475
	Production volume (*)	50 503	51 618	18 346	18 122
	Ratio	165,73	160,32	109,85	102,50
GAS	Kwh	7 675 527	7 509 170		
	Production volume (kg)	50 503	51 618		
	Ratio	151,98	145,48		

*the volume for the production activity is expressed in tonnes for the lubricants activity and in thousands of parts produced for the HEALTH & BEAUTY activity

The improvement in the ratio between 2018 and 2019 is mainly due to the work carried out on optimising production batch sizes. Manufacturing in larger quantities reduces the number of manufacturing batches and thus helps to reduce the corresponding energy consumption.

Concerned about preserving the planet's resources, CONDAT is now opting for renewable energies. Since 2019, **100%** of the electricity consumption of our French sites comes from **renewable energies of European origin**.



REJECTS

Atmospheric emissions

Measurements of atmospheric emissions are carried out in the various production workshops on the Lubricants and Special Products Division site as a classified facility and transmitted to accredited bodies.

Every year, our investment programme includes operations aimed at minimising atmospheric emissions. An investment of more than 100k€ has thus been made over the last few years to capture dust.

Aqueous discharges

		LUBRICANTS		HEALTH & BEAUTY*	
		2018	2019	2018	2019
WATER	m ³	90 678	94 099	7 717	8 299
	Production volume	50 503	51 618	18 346	18 122
	Ratio	1,8	1,8	0,4	0,5

*the companies in the Health & Beauty division use city water both for production needs and for amenities

The change in ratios is mainly related to a change in the product mix in 2019 compared to 2018.

The Company is also in compliance with regulatory requirements with respect to aqueous discharges:

	2018	2019
compliance with the ELV*	97	96

% Average

* ELV : Emission Limit Values

SECURITY

With the same concern for **safety**, the Group pursues an active policy of **preventing workplace accidents**, as well as training its employees in fire risk and, more broadly, in the various **safety issues**.

	LUBRICANTS		HEALTH & BEAUTY	
	2018	2019	2018	2019
Dedicated training budget	41 993	47 127	7 955	13 543
Total training budget	181 620	254 283	100 000	67 127
Ratio	23%	19%	8%	20%
Number of hours of dedicated training	1 514	1 377	389	485
Total number of training hours	5 975	6 400	1 207	1 763
Ratio	25%	22%	32%	27%

Operating in a **strong regulatory environment**, including the REACH¹ regulation for the lubricants business and Organic certification for the cosmetics business (under its own brand name or through contract work), the Group is also engaged in a voluntary process 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 CMR², etc.).

This voluntary policy is reflected in a **reduction in the number of classified raw materials** used by the Group (substitution of unclassified raw materials for classified raw materials in formulas), 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 measures for employees (specific PPE, workstation layout).

¹ Registration, Evaluation, Authorization and Restriction of Chemicals (règlement Européen 1907/2006)

² Carcinogenic, Mutagenic and Reprotoxic materials (category one and two) but also toxic raw materials

In terms of accidents at work, the results obtained are presented below. The differences observed between the Lubricants activity and the Health & Beauty division (accidents being more numerous and more serious within the latter) can be explained by the differences in production methods, with less automation, more staff in production and more handling. In addition, part of the division's activity is based on contract work, which also increases the risk of accidents due to the lower level of automation and automation.

		LUBRICANTS		HEALTH & BEAUTY	
		2018	2019	2018	2019
Employees	Number of accidents*	2	2	6	13
	Number of hours worked	453 809	463 315	300 812	313 082
	Rate for frequency	4,41	4,32	19,95	41,52
WORK INJURY RATE	Number of days off	27	188	244	271
	Number of hours worked	453 809	463 315	300 812	313 082
	Severity rate	0,06	0,41	0,81	0,87

		LUBRICANTS		HEALTH & BEAUTY	
		2018	2019	2018	2019
Employees and temporary workers	Number of accidents*	3	3	6	15
	Number of hours worked	476 651	481 214	345 043	341 436
	Rate for frequency	6,29	6,23	17,39	43,93
WORK INJURY RATE	Number of days off	35	200	244	276
	Number of hours worked	476 651	481 214	345 043	341 436
	Severity rate	0,07	0,42	0,71	0,81

*out of travelling accident, accidents loss of time

MEN AND WOMEN

Surveys are a real performance lever to challenge our day-to-day managerial practices. It has been a regular practice for more than 3 years. We now want to involve our managers even more closely by allowing them to take ownership of the results and their evolution more easily and immediately, so that they can be transformed into action plans which are faster and better targeted.

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

Training is a key lever for the development of our skills. We devote substantial resources to these programs, with a budget of around 4% of total payroll. Talent and its promotion should not be reserved for an "elite" who are often already well trained, but for all those who demonstrate aptitude and above all, unfailing motivation. Therefore it is a question of activating the mechanisms of the social elevator in the company to allow everyone to flourish and come out of their experience within the CONDAT Group.

Our market dynamics and our growth lead us to carry out about 80 recruitments for our French sites and this must be understood with a turnover of around 5%.

THEME	INDICATOR	CONDAT ⁽¹⁾	CONDAT ⁽¹⁾	HEALTH & BEAUTY BEA ⁽²⁾ SICOBEL ⁽³⁾	HEALTH & BEAUTY BEA ⁽²⁾ SICOBEL ⁽³⁾
		2018	2019	2018	2019
Training	Number of employees trained per year (ratio to total workforce)	304 (95%)	272 (84%)	112 (52%)	119 (53%)
Recruitment	Number of recruitments per year	53	45	41	58
Workforce management	Interim (ratio on total workforce)	3,73%	2,93%	19.55% ⁽²⁾ - 2.53% ⁽³⁾	13,23% ⁽²⁾ - 1,02% ⁽³⁾
Workforce management	Absenteeism (ratio to total workforce)	4,40%	3,65%	4,80%	4,81% ⁽²⁾ - 6,12% ⁽³⁾
Policy of remuneration	Professional equality (gender equality index)	81	81	N/A	96 ⁽²⁾ - 75 ⁽³⁾
QWL policy	Investment in health and number of events/year	96 sports sessions and health ⁽¹⁾⁽³⁾	160 sports sessions and health ⁽¹⁾⁽³⁾	96 sports sessions and health ⁽¹⁾⁽³⁾	160 sports sessions and health ⁽¹⁾⁽³⁾
Management empowering	Share of the training budget	Not analysed	14% of training budgets	Not analysed	14% of training budgets
Employee commitment	Satisfaction survey (result)	93%	85% of employees are motivated	N/A	72% of employees are motivated ⁽³⁾

The most important points in the management of our workforce are, first of all, our concern to fight against the precariousness that can result from temporary contracts. An in-depth review of workload management has been carried out in particular within our Custom Cosmetics Manufacturing entity in order to reduce the interim share to 4.45% (compared to more than 22% previously).

"Mens sana in corpore sano". We work the body as well as the mind. With our Health and Safety and investment policies, our QWL policy is based both on the promotion of sport in the workplace and on a permanent work on work spaces conducive to well-being. For example, we run between 5 and 10 sessions per year on all our sites. The events are balanced between those related to health, sport and well-being.

The theme of professional equality is a key issue in an industrial company seeking to feminize its functions. To date, just over a third of our workforce is feminine. Every year we carry out a comparative analysis of M/Fs in identical positions and share the results and related corrective action plans with employee representatives.

CONDAT

Groupe



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