

# NON FINANCIAL REPORTING STATEMENT

# 2023



**CONDAT**

Groupe

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# Message from the C.E.O.

Industry will inevitably have to reconsider its production methods, and more broadly move towards clean technologies. This means pulling many different levers, because transforming means having an impact on structures, processes, activities and behaviour. The Condat Group has already started to move in this direction, in direct line with its reason for being: **«To encourage social and environmental commitment by offering a safe, effective and least-impact product offer»**. We are aiming to decarbonise our sites, reduce our shipping flows to Asia, become more energy-efficient and move away from fossil fuels, and redefine our product offer to include eco-designed, low-consumption products. In order to grow in a sensible and sustainable way, we are accelerating our development through business diversification. It's also a way of conveying our values in France and abroad, to build a Group rich in cultural differences, socially advanced, serving a transition towards a contributive model.

Building a new corporate project quickly leads us to reconsider the evolution of the world as a whole. The challenges are numerous and all interdependent, and there is already an initial question here: how can we, on our own scale, ensure our development without further altering the state of the planet, and at the same time be part of a collective and civilisational approach? Confronting the boundaries of our planet, we need to think about the future and embark on a form of transition, avoiding fatalistic or, on the contrary, excessively audacious thinking.. Our reason for being announces itself as a promise, and this should urge us to reconcile technological progress with human progress. It may well be that a different definition of performance is needed as the first response to the inevitable need for transformation.

Many of the actions we are taking now will not have visible effects for several years, so we need to make our social cohesion the first cog in the wheel of our project, the strong element of our model, in order to move forward, albeit step by step, but with determination.



Our greatest challenge is to decarbonise our offer, but reinventing our future will not involve making radical transitions in the short term. We may regret this, but we must remain clear about our ability to influence our suppliers, our customers and the alternative technologies available to us. However, we want to affirm a culture of co-development with our stakeholders, our partners, to go beyond our respective roles in favour of a shared commitment or objective.

Put another way, it's a question of proactively setting the company in motion, with proACTivity to be able to meet the expectations of our employees and our markets, to be well-positioned to support the sustainable transformation of the economy, and of course, at our own level, it involves contributing to the systemic change that the world requires.

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

# CONDAT

## 170 years of expertise

Grande

**245 M€**  
turnover for  
the Group



Headquarters  
in France



**10** subsidiaries

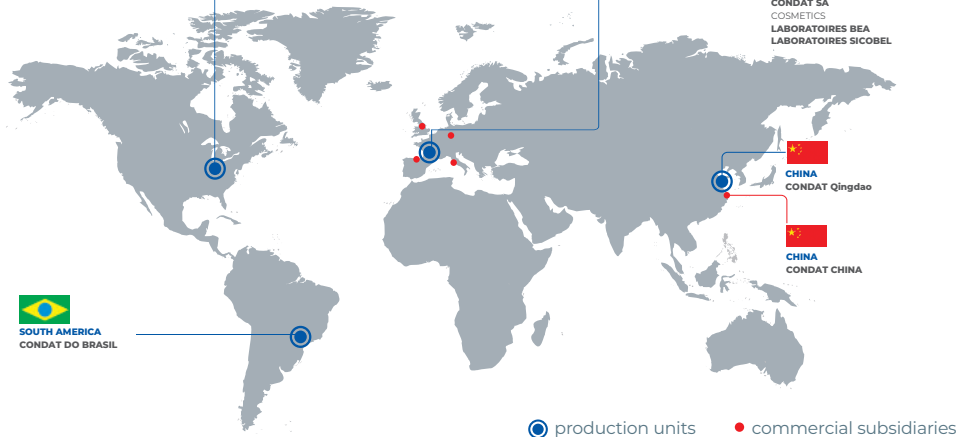
**NORTH AND  
CENTRAL AMERICA**  
CONDAT CORPORATION

**FRANCE**  
LUBRICANTS  
CONDAT SA  
COSMETICS  
LABORATOIRES BEA  
LABORATOIRES SICOBEL

**CHINA**  
CONDAT Qingdao

**CHINA**  
CONDAT CHINA

**SOUTH AMERICA**  
CONDAT DO BRASIL



● production units ● commercial subsidiaries



**ISO 9001 certification on 6 production sites**

### OUR STAFF:



**683**  
Employees worldwide  
of which **522** in France

**3,9%**  
of the wage bill  
dedicated to training  
in France



Employees of companies covered by the NFRD

### 2 POLES OF ACTIVITIES:

**15%**  
Health  
and  
Beauty



**85%**  
Industrial  
lubricants and  
special products

CONDAT

### LUBRICANTS AND SPECIAL PRODUCTS

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

**5 200**  
product references

**42**  
markets and fields of application

**78%**  
of export turnover

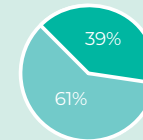
### SANTÉ & BEAUTÉ

LABORATOIRES  
SICOBEL

#### DISTRIBUTION

**3 850** points of sales

**41 brands:**  
own brands  
distributed brands



**820** products

**67%** of products  
certified BIO<sup>1)</sup> or natural  
origin  
Labels Cosmos, Nature et Progrès, AB, Ecocert  
Co-founding member of Cosmebio

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

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

LABORATOIRES  
BEA

#### PRIVATE LABEL

**161 customers**

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



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

Certified site  
**ISO 22716 (BPF)**

**100%** of products  
made in France

**66%**  
of export turnover

# Business model



GROUP

## OUR RESOURCES

**Employee commitment:**  
Number of employees: 683 people  
Shared values  
Satisfaction survey

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

## VALUE CREATED

**Employability:** 62% of collaborators trained

**Staff commitment:**  
average of 8,2/10 on the commitment score (for companies surveyed)

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



LUBRICANTS AND SPECIAL PRODUCTS

## OUR RESOURCES

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

**Global presence and local proximity:**  
4 production sites  
Representation in 81 countries

**Innovation:** 16% Turnover from products less than 3 years old

**Sustainable procurement strategy:**  
28% renewable carbon on the raw materials portfolio

## VALUE CREATED

**Global technical offer:** 1800 products

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

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

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

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



HEALTH AND BEAUTY

## OUR RESOURCES

**Specialized sales force:** 45 employees to animate the various points of sale: pharmacies, beauty salons

**Diversified brand portfolio:**  
63% organic or natural brands

**International presence:** 30 export countries

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

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

**Innovation:** 16% of turnover related to innovation

**Sourcing strategy:** on average, 99% of raw materials of natural origin in the 56 organic cosmetic products (own brands)

## VALUE CREATED

**Full offer:** Health and Beauty: 41 brands

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

**Quality of service:** integrated platform

**Certifications:**

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



HEALTH AND BEAUTY

## OUR RESOURCES

**Dedicated project teams**

**International presence:** 66% for export

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

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

## VALUE CREATED

**Co-development:** with stakeholders

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

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

# Our convictions

## Our values

For over 20 years, the CONDAT Group has been committed to developing solutions that are more respectful of people and the planet. This commitment, which is shared by all our employees, is based on the Group's core values:



### Build to last

It means **undertaking**, with the common objective of achieving **responsible performance** that takes into account social and environmental issues. It means **bringing to life a corporate culture of more than 170 years**, by sharing our **experience** and our **know-how** to achieve our **respective ambitions** together, always with the aim of protecting our ecosystem.



### Responsible

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



### Company in motion

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



### Relationship quality

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

# Our reason for being

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

## ENCOURAGE SOCIAL AND ENVIRONMENTAL COMMITMENTS BY PROPOSING A SAFE, EFFECTIVE AND LEAST-IMPACT PRODUCT OFFER

### ENCOURAGING SOCIAL AND ENVIRONMENTAL COMMITMENT

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

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

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

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



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

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

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

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

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

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



- CSR Governance** that ensures that CSR is taken into account as a strategic axis of development and that it is implemented in each of the Group's processes with the objective of continuous improvement.
- Leadership and co-developments** that reflect CONDAT's desire to influence its entire value chain (customers, suppliers, partners) through the implementation of a joint responsible development approach.
- Eco-products and Eco-production** that allow us to reduce our ecological footprint and those of our customers, by offering high-performance and responsibly produced solutions.
- A **social performance** whose objective is to encourage the development of our employees, based on a professional environment that respects health and a fulfilling work environment.
- A **Business Ethic**, which guarantees constructive and lasting relationships with all our stakeholders and on which our requirements regarding the safety of our products are based.

These 5 commitments, the pillars of the Group's policy, have been translated into objectives and action plans in all the Group's departments. They form part of the Perform 2023 corporate project, which is being developed from 2021 to 2023 around 3 axes (economic performance, social performance and sustainable performance). A new corporate project for the period 2024-2026, called ACTIV 26, has been defined. The new CSR scorecard for 2026 is obviously part of this framework and is supported by the following 6 pillars: Decarbonisation of our sites, Reducing consumption -Sobriety, Eco-design, Biodiversity, Eco-system and Social model.



To illustrate the basis of our approach, the correspondence between the Group's commitments and the Sustainable Development Goals is shown in the infographic below, and examples of actions are given in the body of the text.

		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
GOVERNANCE	<b>Governance</b>																		✓
	<b>Responsible purchasing</b>								✓				✓	✓	✓	✓	✓	✓	✓
LEADERSHIP AND CO-DEVELOPMENT	<b>Co-developments Customers</b>									✓									✓
	<b>Internal awareness</b>	✓			✓							✓			✓	✓			
ECO-PRODUCTS AND ECO-PRODUCTION	<b>Eco-products</b>			✓						✓			✓	✓	✓	✓			
	<b>Eco-production</b>						✓	✓		✓				✓	✓	✓			
SOCIAL PERFORMANCE	<b>Social performance</b>	✓	✓	✓	✓	✓			✓		✓								
ETHICS	<b>Ethics</b>																		✓



# Governance

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

- The CSR Committee, made up of the Chairman of the Group, the Development, Human Resources and Operations Departments and the Head of CSR, monitors the deployment of the Group's CSR policy and adjusts its course according to the context and changing data.
- The Group CSR Manager provides the CSR Committee with new ideas for developing the CSR approach, ensures that the CSR policy and roadmap are implemented in all processes, and assists the Process Managers to facilitate deployment. She is a member of the Process Management Committee.
- The Process Leaders implement the elements of the CSR policy and roadmap relating to their own activity. Through the Implementation Committee, they ensure the cross-functionality and inter-process coordination of these actions. They report to the Executive Committee on progress, gaps and any corrective action taken at the quarterly Process Review or, for subsidiaries, at the biannual CSR Steering Committee meetings.
- The Quality and Performance department is responsible for assessing the CSR performance of processes in the same way as other key performance indicators (economic, operational, etc.). To do this, it uses and deploys the EFQM excellence model, which is perfectly aligned with CSR principles. The Group Quality and Performance Director has a team of internal quality auditors to assess and drive 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, the application of laws, codes and ethical rules, and ensures that a risk map is drawn up.

In order to objectively assess the results obtained and to define possible areas for improvement, the Group is regularly audited.

third-party organisations (ECOVADIS, customer audits, EFQM external assessment, ISO 9001 certification, etc.).

The ECOVADIS evaluation<sup>(1)</sup> guarantees our Group's level of CSR performance on 4 criteria: Social, Environmental, Ethical and Responsible Purchasing. Our commitment to CSR and our results have enabled the CONDAT Group to be awarded the Platinum medal for the second time in 2023, placing us in the top 1% of the best-rated companies in the world.



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

The aim of this programme is to help companies and their managers to move towards the «regenerative company», i.e. to go beyond the ambition of a company that is «regenerative». by moving towards a business model that contributes to the environment and society. At the end of an 11-month training and co-construction programme, the company directors produced engaging roadmaps for moving away from «business as usual» and towards an economy with a positive impact on the environment.

The CONDAT roadmap submitted at the end of 2023 was published on the CEC website in March 2024.



<sup>(1)</sup>ECOVADIS, a French company based in Mission, was set up in 2007 and to date has assessed more than 100,000 companies in 175 countries.

# Leadership and co-development

## Responsible purchasing

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

### Raising awareness and training in responsible purchasing

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

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



### Supplier Code of Conduct

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

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

Deployed in all Group subsidiaries, the Code of Conduct was signed in 2023 by 80.6% of all CONDAT SA suppliers and 71% of CONDAT China suppliers of materials and packaging. Signature of the Code of Ethics is taken into account when determining which suppliers to audit.

## Qualification and evaluation of suppliers and subcontractors

In its process of qualifying suppliers and subcontractors and evaluating them over time, the Purchasing Department uses a variety of tools and criteria that include aspects of social responsibility:

- A questionnaire asking suppliers and subcontractors about their performance and compliance aspects, enabling CONDAT to assess their ability to meet the Group's requirements in terms of ethics, safety and the environment, social responsibility and product quality. For raw materials purchases, this includes questions about their management system, their adherence to the principles of the chemical industry's Responsible Care® programme, and their ISOtype certifications. Since 2021, information is also required on the proportion of renewable or recycled content and the carbon footprint of their products. BEA laboratories also conduct targeted audits on this subject, and 4 audits were carried out in 2023. A similar level of requirements applies to transporters, and for CONDAT SA, for example, 31% of transporters have CSR certification.
- ECOVADIS platform ratings. In 2023, 66% of the suppliers approached in this context underwent this evaluation, representing more than 85% of critical sales, compared with only 57% in the last survey in 2022, representing 66% of sales. With an average score of 68/100, up 4 points on the last survey, their performance is better than the average score of 49/100 recorded for ECOVADIS as a whole (vs. 43 in 2020).

These scores are included in suppliers' annual performance reviews.

In line with CONDAT's HSE (Health, Safety and Environment) policy, the Purchasing Department regularly analyses the HSE performance of the staff of its main service providers working at Group sites.

These performances are systematically discussed on during contract reviews. CONDAT places the safety of these people on the same level as that of its employees and includes them in the Group's safety performance.



### Our suppliers' perception of our CSR policy

In 2023, for CONDAT SA, we surveyed our main suppliers of raw materials and packaging to find out how they perceive our CSR policy. Their answers were anonymous to ensure the utmost sincerity.

77% of supplier respondents say they are informed of CONDAT's CSR commitment. 56% of them are informed directly by their buyers. Our suppliers cite CONDAT's ECOVADIS assessment and our search for solutions to reduce our carbon footprint as the 2 most wellknown actions.

### Risk management

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

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

## Customers

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

We are convinced that our CSR policies need to be demonstrated and explained. In 2023, we therefore increased the number of opportunities for discussion on this subject, both by raising awareness among our customers and partners and by asking them about their perception of our commitment.

It is by sharing a common vision of CSR where the stakes are high and numerous that we will be able to achieve the ambitious objectives of our roadmap.

One of our values is «build to last», but we could just as easily say «coconstruct to last», because we believe that co-construction and codevelopment are essential if we are to achieve common objectives with our partners, moving from a simple customer-supplier relationship to a partnership in which everyone is committed.

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

We have the technical and human resources, and we can develop tailor-made solutions for both the Lubricants and Specialty Products division and the Health & Beauty division.

We have been able to work with a variety of partners from different backgrounds, in the industrial world (watchmaking, glassmaking, construction and public works, component manufacturers, etc.), but also in the artistic world (BEA Laboratories have forged fine partnerships with artists wishing to offer a specific brand of cosmetics) or locally (development of an endemic plant species used as a raw material), relying on a high quality relationship with the aim of meeting different types of common challenges:

- Use eco-designed products with the lowest possible impact on human health and the environment;
- Use high-performance products to improve productivity;
- Use products that have been developed specifically to meet your needs;
- Use products that comply with international regulations;
- Develop local sourcing and preserve traditional know-how;
- To have a supplier committed to a Corporate Social Responsibility approach in favour of sustainable development (qualified ECOVADIS Platinum for the second time in 2023, proof of recognition of our actions by a third-party organisation).

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



partner customers to encourage constructive technical exchange.

## External stakeholders

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

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

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

- Courses on CSR and responsible innovation given to engineering students at CPE Lyon;
- Course on quality and CSR (QWL) approaches for students in Masters 1 at the Faculty of Pharmacy in Lyon;
- Course on lubricants and introduction to CSR at the ITECH engineering school at the University of Savoie Mont-Blanc.

The integration of our plants with local residents also involves research and investment to ensure the best possible cohabitation. This was the case, for example, in the United States, where work was carried out to eliminate the odours inherent in certain production processes, or at Chasse sur Rhône, with the reduction in outdoor night-time lighting to limit the impact of these lights on the immediate environment.



In addition, the CONDAT Group promotes actions in favour of biodiversity through 3 sponsorship programmes.

Since 2014, the Group has supported Plantons pour l'Avenir. This endowment fund aims to relaunch reforestation in France as part of sustainable forest management.



### DONATION CO-BENEFITS

Concrete commitments for measurable actions !  
Donations made by CONDAT since 2014, through Plantons pour l'avenir, contribute to :



Equally concerned about the health of the marine environment and aware of its importance to the Earth's natural balance, the CONDAT Group has been supporting the protection of the oceans alongside Project Rescue OCEAN since 2021 and Longitude 181 since 2023.



Project Rescue OCEAN aims to raise awareness and take collective action to pick up litter at sea and fight against the pollution of oceans and seas. This year, thanks to the support of the CONDAT Group, the association has been able to acquire a CleanUp Box installed at Valras-Plage. The aim is to make a container available free of charge with all the necessary collection equipment for organizations, communities or companies wishing to carry out eco-citizen waste collection actions.



Finally, the CONDAT Group supports the Longitude 181 association, which works to preserve the seabed in several ways:

- Share the richness of the ocean, its biodiversity, its wonders and mysteries through photos and reports;
- Raise awareness of the threats to these ecosystems and take action against destructive activities;
- Participate in research and awareness-raising activities to promote eco-responsible activities.

Longitude 181 came to present its work with CONDAT SA employees and the research carried out on sperm whales.



These sponsorships, run by the CONDAT Groupe CARES (see opposite), help to protect the planet and are a way of mobilising people internally around contemporary environmental issues.

## CONDAT Groupe Cares



Voluntary, socially committed action to protect the planet

With the objectives

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

The «CONDAT Groupe Cares» group, made up of volunteer employees, is responsible for organising events to mobilise Group staff around 4 themes:

- Preserving water ;
- Preserving biodiversity;
- Act locally ;
- Educate, train.

CONDAT Groupe cares also organises meetings with our patrons to help raise awareness of their cause and to provide them with physical assistance when necessary.

In addition to the many fundraising, donation, training and information initiatives, the aim is to cultivate an altruistic spirit and a strong commitment to society among CONDAT Group employees, and to have a positive impact on society.



## Internal stakeholders

Taking ownership of CSR issues involves educating the Group's internal players. Various initiatives have been organised to raise employee awareness and make them real contributors to change:

- Charitable actions in favour of the underprivileged for CONDAT Corp, CONDAT DO Brazil, CONDAT China, CONDAT SA, Laboratoires SICOBEL, Laboratoires BEA;
- School supplies collected by CONDAT Corp ;
- Creation of a vegetable garden at CONDAT CORP ;
- Planting 290 trees on the CONDAT DO Brazil site with the Simbiose association.

All these initiatives supported by the Group are in line with our values: they help to preserve biodiversity, support the community and raise awareness among different stakeholders (our Responsibility value), with a long-term vision (our Build to last and Enterprise in motion values).



## Encouraging soft mobility

Raising awareness and involving staff in respect for the environment is also based on the theme of more responsible transport. At the Chasse sur Rhône site, a group of employees is in charge of promoting soft mobility initiatives to raise awareness among all staff of the need to make home-to-work journeys that have less impact on the environment. The Klaxit car-sharing platform has been promoted for the past two years, and maps showing the various forms of public transport and their cost according to place of residence have been distributed to all staff. Finally, since 2012, CONDAT SA and Laboratoires SICOBEL have taken part in the Rhône Alpes Mobility Challenge, winning a number of prizes (1st prize for the Pays Viennois in the category for companies with more than 100 employees). In 2023, a free bike servicing service was set up at the event.

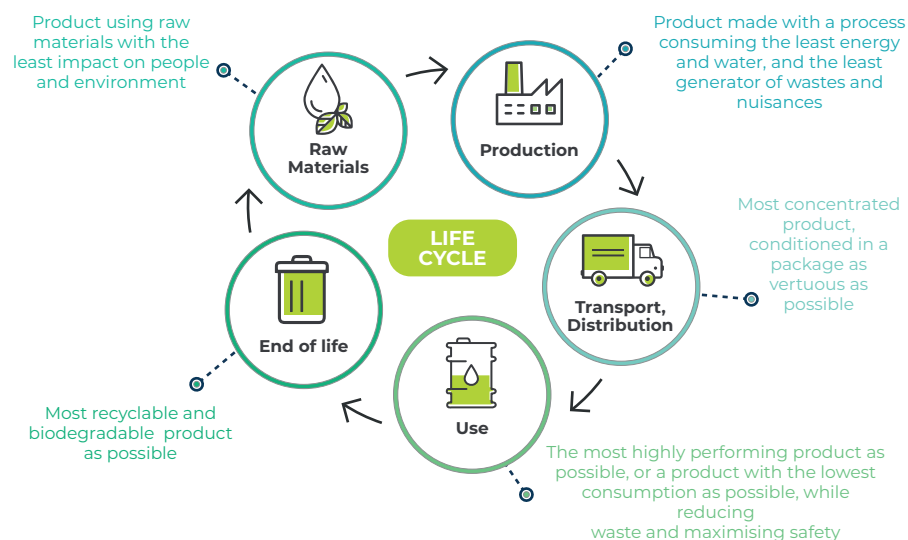


# Eco-products

## Eco-design

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

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



## Lubricants and Specialty Products Division

For the Lubricants and Specialty Products business unit, the LUBRISCORE tool® can be used to assess a product's level of ecodesign, taking into account the 5 stages of its life cycle and the main impacts on which action can be taken.



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

In 2023, 12 eco-designed products have been developed, exceeding the target of 10.

For the CONDAT Group, the aim of the «Perform 2023» corporate project was to generate over 50% of sales with eco-designed products by the end of 2023. This has been achieved, with over 52% of sales generated by eco-designed products.

In addition, one of the ways we can reduce the environmental impact of our products is to use, as far as possible, renewable raw materials that have a low environmental impact. The percentage of raw materials emissions in 2023, at Group level, is still at a very significant level of 28% for the majority of our purchasing portfolio (80% of the total), with a maximum of 43% for Condat Corp.

Another option is to use recycled or waste raw materials (re-refined oils, for example).

## Health & Beauty Division

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

### Laboratoires BEA

The objective was to have at least 30% of the new formulas validated by customers in 2023 comply with ecodesign criteria. The result is 45% in 2023.

By 2023, the total number of products certified with a label (Cosmos, Ecocert, Ecodetergent, NOP, BDIH) will be 624, with a regular renewal of ranges. Lastly, a major drive to raise awareness among customers and prospective customers of the need for eco-design of packaging has been undertaken, in particular by promoting the '3R' concept (Reduce, Reuse, Recycle) for new projects.



### REDUCE



### REUSE



### RECYCLE



### Laboratoires SICOBEL

The 2023 eco-design objectives cover both SICOBEL's own brands and the brands it distributes. Action has been taken on both formulas (natural ingredients, absence of controversial ingredients) and packaging (French manufacture, recycled or recyclable materials).

The product catalogue contains 704 references(2) , 475 of which are certified organic (i.e. 66%).

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

In terms of our own brands, out of 24 new products launched in 2023, 15 are certified ORGANIC or NATURAL (in accordance with ISO 16128) and 37% of our innovation sales are made with ORGANIC or NATURAL products (in accordance with ISO 16128).

We're taking our commitment one step further by offering a range of GREEN TRIBU cosmetics that are certified organic and made in France, as well as containing a selection of upcycled ingredients (recycled fruit waste) of French origin.

The packaging is recyclable and sourced in France. The bottles are made from bio-sourced materials, and the boxes come from ecomanaged forests and are printed with vegetable-based inks.

The same goes for the OSMAE range of shower gels, natural and ORGANIC, made in France with recyclable bottles and sourced in France.

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

Naturalness of the formulas*				
	2020	2021	2022	2023
% of references certified ORGANIC	14%	16%	26%	33%
of ISO 16128 references	37%	32%	36%	37%
% of ORGANIC or ISO 16128 references	51%	48%	62%	70%

\* own-brand cosmetics, excluding Thalac

(2) Excluding Thalac products (distributed exclusively in beauty salons)

## Carbon footprint

Reducing the carbon footprint of its products is also an ambition of the CONDAT Group, to enable its customers to reduce their own impact. For several years now, the Lubricants and Specialty Products business has been using more than 28% bio-sourced materials, which directly reduce greenhouse gas emissions. We also promote the use of recycled raw materials, both in our packaging and in our formulas. It's also a way of guarding against the impact that climate change could have on the sourcing of plant-based materials.

Another way of reducing the carbon footprint is to reduce consumption during use, by offering 'long-life' products (which allow oil changes to be spaced out) or concentrated products (which reduce the amount transported), or even new technologies. New types of grease for mold release in glassmaking can cut the consumption of lubricants by a factor of four and reduce the number of rejects. The R&D teams are fully mobilised, applying all their expertise to this major challenge.

Boosted by its natural, low-carbon-impact products, the Health & Beauty division is not stopping there. Raw materials from up-cycling (e.g. prune pits, 'ugly' fruits that are not the aesthetic standard for food) are used in cosmetics, reducing their environmental footprint. The promotion of new types of cosmetics, such as solid cosmetics, has an impact on the environmental footprint on several levels, by avoiding the use of water, and reducing the quantities transported and the packaging used.

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

## Biodiversity

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

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

Preserving biodiversity also means regenerating plant species. Laboratoires BEA is involved in a project to grow local plants, thereby preserving species specific to the Lubéron, maintaining local know-how and using these plants in its cosmetics (see below).

Laboratoires BEA and IES Labo are leading a project to preserve and develop a Provençal plant: the *Inula montana*.

The collaboration has a number of objectives: to regenerate biodiversity, preserve Provençal species, promote regional know-how and develop local raw materials. *Inula montana* is renowned for its soothing properties after sports activities, and will shortly be included in the Dolpic range from Laboratoires Sicobel. Its cultivation will be certified organic.



## Product safety, substitution policy, anticipation of regulations, consumer safety

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

Where countries do not have specific regulations on chemicals, the European REACH regulation is applied by default, as it is one of the most stringent in terms of safety for humans and the environment. A team of chemists, specialised in product regulations and covering all our geographical areas of activity, works closely with R&D to anticipate changes in the classification of chemical products and to guide design towards the safest possible products. The Lubriscore also assigns a penalty to products with unfavourable health or environmental classifications, so as to encourage virtuous development. The CONDAT Group goes further than the law by implementing an internal policy that prohibits or requires the substitution of substances with the most severe human health classifications.

For the Health & Beauty division, additional specific regulations are taken into account (cosmetic products, dietary supplements) by dedicated and specialised teams reporting directly to Group Management, so as to guarantee the same level of requirements in all our subsidiaries.



# Eco-production

As a responsible industrial company, the Group has an active policy at all its sites to reduce its environmental footprint, whether by cutting greenhouse gas emissions, resource consumption (e.g. energy, water) or waste.

## Production Sites Carbon Footprint

To take action against climate change, the CONDAT Group has identified the main sources of greenhouse gas emissions from its business and is working to reduce them at all its sites (scopes 1, 2 and 3 carbon footprint<sup>(3)</sup> or scopes 1 and 2 ).<sup>(4)</sup>

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



<sup>(3)</sup>Lubricants and Specialty Products Division

<sup>(4)</sup>Health and Beauty

# Eco-production

For Lubricants and Specialty Products, the optimisation of manufacturing processes, such as lowering temperatures, maximising batch sizes and modernising equipment, is being studied with a view to improving energy efficiency. Overall, for CONDAT SA, we can see a 3% reduction in greenhouse gases between 2015 and 2023 for the energy item, while tonnage has increased significantly over the same period. In addition, modifications to the boiler at CONDAT SA, with the recovery of waste heat, will make it possible to save 30% of gas consumption in 2024 compared with 2023.

CONDAT Corp has already carried out several projects (installation of LEDs, installation of wifi thermostats, lowering the temperature in the warehouse, modernisation of certain equipment) to reduce energy consumption. The objective of reducing energy consumption has been achieved, with a reduction of 2.5% in 2023 compared with 2022 as a ratio.

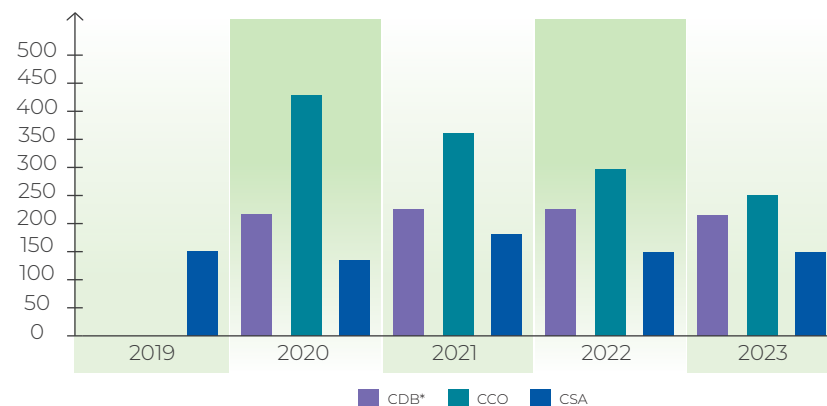
By the end of 2023, Laboratoires SICOBEL will have reduced its electricity consumption by 11% compared with 2019, thanks to new settings for its air filtration systems. At BEA Laboratories, tests are also being carried out to reduce product manufacturing temperatures and develop new formulas using a cold process.

Electricity consumption ratio (KwH/unit<sup>(5)</sup>)



Energy data for Condat Qingdao is not included this year, as the plant is still in the start-up phase (and continuing work). In addition, the ratios for Sicobel have been recalculated for all periods and now exclude the consumption of a small site used solely for tertiary purposes.

Gas consumption ratio (KwH/unit<sup>(5)</sup>)



\*CONDAT Do Brasil's gas consumption is converted from fuel oil consumption to consumption in KwH

To avoid using fossil fuels that emit large quantities of greenhouse gases, the CONDAT Group has opted for renewable energies. Since 2020, CONDAT Do Brasil has been sourcing its electricity from a renewable supplier, as has CONDAT Corp since 2021.

<sup>(5)</sup> Production volumes are expressed in tonnes for lubricants and in thousands of units for Health and Beauty. In order to be closer to the data used operationally, Condat SA's production volume data for 2019 has been adjusted to 2020.

A review of the modes of transport used for our shipments has been initiated to meet our greenhouse gas reduction targets. CONDAT SA and Laboratoires SICOBEL's FRET 21 commitment aims to reduce greenhouse gas emissions from their shipments by 8% over 3 years (by 2022 and 2023 respectively). Between 2019 and 2023, there has been a 17% reduction in greenhouse gas emissions at the CONDAT SA site.

The teleworking agreement at CONDAT SA has also reduced the number of car journeys made by our employees by 6.7%, and by 4.3% overall at our French sites.

The creation and destruction of materials generate greenhouse gases. So it is important to keep waste generation as low as possible. This also helps to protect resources by avoiding wastage of materials.

Each Group site has an action plan. The primary objective is to reduce waste at its source. A major investment at CONDAT SA enables pipes to be scraped, which optimises the emptying of installations and limits product losses associated with rinsing between campaigns. Between 2019 and 2023, CONDAT SA has also reduced its total volume of waste by 9%. At the same time, the reuse of co-products or manufacturing balances is being studied, and CONDAT Corp has thus been able to revalue 46 tonnes of lubricants for sale between 2021 and 2023.

The reduction of plastic packaging in production is a theme addressed in the «Lubricants and Specialties» and «Health & Beauty» sectors.

Where waste is generated, sorting is organised so that the appropriate treatment or recovery (e.g. energy) channel can be used to reduce the impact on the environment.

## Environmental impact

### Action on water

Water resources are becoming a major issue in the current climate. We are using a number of levers to reduce our impact.

The first priority is the reduction of our consumption.

At CONDAT SA, we have been able to reduce our water consumption by more than 29% between 2019 and 2023, thanks to a very wide range of

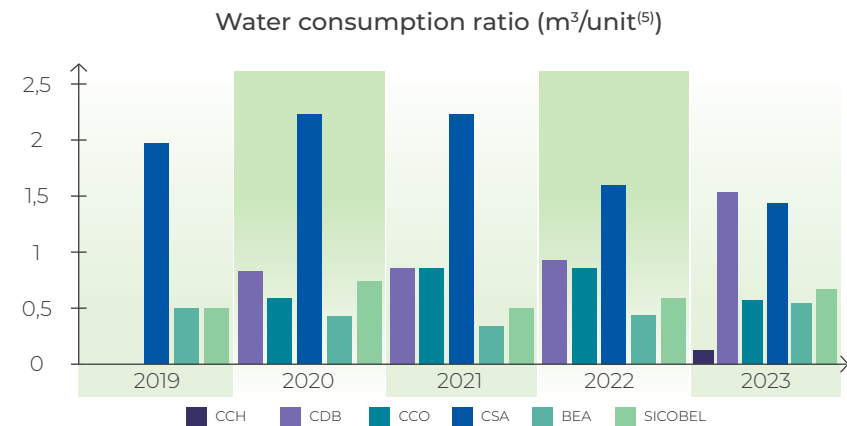
actions, from improving the efficiency of production tools to automating manufacturing processes and measuring consumption in real time to be more responsive in the event of deviations.

The CONDAT do Brasil plant has been designed to be waterefficient thanks to closed-loop cooling water circuits, although its consumption ratio remains dependent on the manufacture of aqueous products.

CONDAT Corp is currently implementing an action plan to reduce process water consumption.

At the Qingdao plant in China, an innovative process recondenses the evaporated water so that it can be reused in future production runs. Compared with a traditional process, 85 litres of water are saved per 500kg batch.

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



Water consumption data for Condat Qingdao are not included this year, as the plant is still in the start-up phase (and work is continuing).

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

## Action on water discharges

Only the registered Chasse-sur-Rhône site is subject to specific measures, as described below:

	2019	2020	2021	2022	2023
Compliance with ELVs*	96	97	98	95	98

% average

\*ELV: Emission Limit Values

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

## Atmospheric impact

Finally, there is another dimension to our activities: air quality. We have to ensure that none of our emissions are a source of dust or other chemical compounds. To achieve this, we carry out regular and precise monitoring. We invest regularly to become ever more effective in this area, whether through innovative treatment solutions or continuous measurement equipment that improves our level of monitoring.

## Preventing a major industrial accident

### All sites

The prevention of major accidental risks (fire, pollution, explosion), which concerns only the production sites of the Lubricants and Specialties division, is an integral part of the management of our activities. Risk analysis is carried out not only on existing facilities, but also on the design of new equipment and the manufacture of new products. Internal technical standards incorporate the requirements of applicable regulations and refer to best practices.

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

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

## Crisis exercises

At the Chasse-sur-Rhône site, we test our ability to act on average 10 times a year, using different formats, procedures and scenarios. The members of the crisis unit are trained and supported so that they can respond to any situation, even in degraded mode. This crisis unit relies on two internal entities: a group of second intervention team members trained to act in situations such as a fire (and as such trained to wear an Insulated Breathing Apparatus [IBA]) and a group of first aiders supervised by our nurse, capable of dealing with injured people.

Fire safety drills are also organised on a monthly basis in Brazil.

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





# Social Performance

By placing the concept of attractive work at the heart of our practices, we intend to assert our social uniqueness and contribute to our overall performance. Making work attractive means enriching it in a powerful way, so that we can attract young people and seniors, and retain employees over the long term. This first involves deploying a certain management model.

## An empowering management model

Being an empowering manager means:

- On the one hand, define for each employee his or her role in the company, his or her «raison d'être», what gives meaning to his or her work;
- And on the other hand, to give them full authority to decide freely on their actions, within the defined framework. By giving employees a voice they can give sense to their work.

This means encouraging the principle of autonomy for the players involved, to free up energy and initiative.

What challenges does this approach to management address?

With the accelerating pace of technological, social and economic change, working practices and customer expectations are changing very fast. Managerial support is the key to getting employees involved and enabling them to constantly reinvent the way they work. We need to be able to create a new way of working within the organisation that encourages each employee to be more responsible and more autonomous. That's why we launched the ToGeTHER project in 2021 and will continue to do so in 2023, particularly abroad. By training managers in the principles of empowerment and autonomy, this project has laid the foundations for this new approach. And to ensure that it permeates the whole organisation, workshops have been held to train around a hundred employees in problem-solving and co-development.

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

- Employees are in the best position to decide what they want to do. Trusting their ability to solve problems helps to strengthen their sense of belonging and involvement in the company;
- The manager is at the service of its teams to help them think through their actions and organise themselves. They don't tell everyone what to do, but let them take ownership of the issues;
- To better work together, the company unites its employees around a common set of values. These values are shared by all employees. This helps to ensure that everyone does their utmost to ensure that their work serves the common project as well as possible;
- The right to make mistakes is one of the principles of our empowering management approach. It is a way of encouraging creativity and accepting that you do not necessarily know everything before you start to act;
- The company's management system must be less hierarchical and based on a network organisation, structured around cooperating communities.



## Recruiting and building loyalty

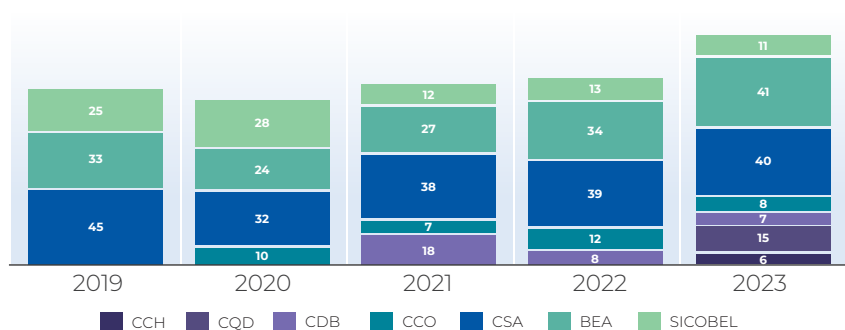
### Using ingenuity to recruit

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

Changes in professions and skills mean that the future need for technical skills is uncertain. It is becoming increasingly necessary to continually learn and train in techniques that are becoming obsolete faster than ever before, so that you can continue to master your trade.

As a result, there is less of a need to find 'knowledgeable' candidates, and more of a need to find candidates who are able to learn. Hence the importance we attach to the soft skills of our candidates: interpersonal skills, behavioural skills, personal qualities and crossdisciplinary skills, which are essential levers of performance.

Number of recruitments per year



## Building on employee expectations to boost loyalty

For a number of years now, we have been conducting satisfaction surveys to understand our employees' perceptions of key aspects of their employee experience. The survey results already show a high level of commitment and sustained participation in this approach. Working groups are set up following the surveys to ensure that our actions are part of a dynamic of progress.

Employee engagement rate

	Lubricants and Specialty Products					Health & Beauty		Average
	CSA	CCO	CDB	CCH	CQD	BEA	Sicobel	
2023	7,9	8,9	9,1	8,7	8,7	not realised	not realised	8,7

Absenteeism (ratio to total workforce, sick leave only)

	Lubricants and Specialty Products					Health & Beauty	
	CSA	CCO	CDB	CCH	CQD	BEA	Sicobel
2019	3,65%					4,81%	6,12%
2020	3,12%	2,80%	5,22%			3,46%	7,30%
2021	4,39%	2,15%	6,31%			2,54%	7,48%
2022	5,86%	2,82%	2,92%			3,92%	9,55%
2023	4,93%	2,19%	3,14%	0,42%	0,25%	2,51%	6,12%

The encouraging results are the result of action plans defined earlier, which will continue to be implemented over the coming year.

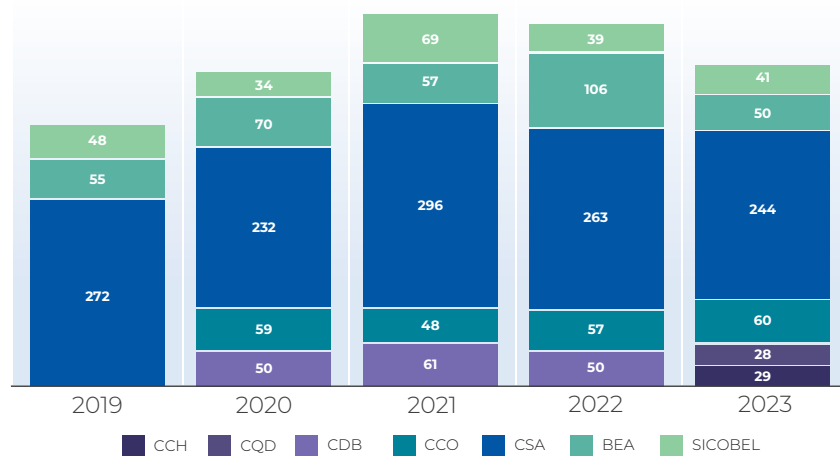
## Leveraging skills management

Today, skills management is the key to ensuring a company's competitiveness and, by extension, its long-term viability. With our different approaches, we are betting on 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. An LMS (Learning Management System) platform implemented in France enables us to coordinate our training initiatives globally.

An e-learning approach based on short modules has also been introduced, allowing regular assessment of what has been learnt, so as to give a clear idea of how the training is progressing. Some training courses need to be repeated every 2 or 3 years (safety training), or new programmes require all staff to be trained (Together training in 2022 and 2023 for CSA and its subsidiaries), so the number of people trained over the last two years has remained high.



Number of people trained<sup>(6)</sup>



<sup>(6)</sup>Over the financial year, whether or not the employees were still on the payroll at 31 December.

## Health and safety

The CONDAT Group places the safety and physical and mental health of its employees and partners working on its sites at the heart of its concerns, and strives to provide them with a healthy and safe working environment, preventing hazards, reducing the risk of accidents at work, injuries and occupational illnesses, and limiting drudgery and damage to health.

Health and safety is an integral part of the Group's management. The Condat Group is committed to the principle of continuous improvement, to ensure that the health and safety of its employees is a permanent concern, with a dynamic of progress and a lasting culture.

In addition to compliance with the law and the deployment of appropriate equipment, the implementation of CONDAT's safety policy is based on human commitments, which are the real foundation of its progress::

- A collective responsibility, where everyone contributes to the safety of the whole group, in particular by reporting and helping to make safe situations that are risky or have an impact on health.
- Individual responsibility, where everyone makes safety an integral part of their job
- The quality of relations at all levels of the company: we believe that transparency, the sharing of information, consultation and the participation of stakeholders, employees and their representatives are essential to guarantee the improvement of our results and their sustainability.

Every year, part of our investment is dedicated to making our facilities safer and improving working conditions. In 2023, major investments were made to reduce the risks of fire, handling and exposure to dust at various sites.



Lubricants and Specialty Products											
Employees		2019	2020	2021	2022	CCO	CDB	CSA	CCH	CQD	2023
Rate of frequency	Number of accidents <sup>(7)</sup>	2	4	6	4	2	2	6	0	0	10
	Number of hours worked <sup>(8)</sup>	463 315	553 958	673 913	676 518	97 328	99 156	492 850	54 097	46 181	789 611
	Frequency rate	4,3	7,2	8,9	5,9	20,5	20,2	12,2	0,0	0,0	12,7
Severity rate	Number of days off work	188	299	426	373	0	10	278	0	0	288
	Number of hours worked <sup>(8)</sup>	463 315	553 958	673 913	676 518	97 328	99 156	492 850	54 097	46 181	789 611
	Severity rate	0,4	0,5	0,6	0,6	0,0	0,1	0,6	0,0	0,0	0,4

Health & Beauty							
2019	2020*	2021	2022	BEA	Sicobel	2023	
13	5	1	3	7	1	8	
313 082	300 870	326 009	312 933	188 751	131 879	320 630	
41,5	16,6	3,1	9,6	37,1	7,6	25,0	
271	179	210	182	110	4	114	
313 082	300 870	326 009	312 933	188 751	131 879	320 630	
0,9	0,6	0,6	0,6	0,6	0,0	0,4	

Lubricants and Specialty Products											
Employees and temporary workers		2019	2020	2021	2022	CCO	CDB	CSA	CCH	CQD	2023
Rate of frequency	Number of accidents <sup>(7)</sup>	3	5	7	4	2	2	6	0	0	10
	Number of hours worked <sup>(8)</sup>	481 214	568 997	708 486	706 088	102 496	99 156	506 412	56 393	46 181	810 637
	Frequency rate	6,2	8,8	9,9	5,7	19,5	20,2	11,8	0,0	0,0	12,3
Severity rate	Number of days off work	200	307	434	389	0	10	278	0	0	288
	Number of hours worked <sup>(8)</sup>	481 214	568 997	708 486	706 088	102 496	99 156	506 412	56 393	46 181	810 637
	Severity rate	0,4	0,5	0,6	0,6	0,0	0,1	0,5	0,0	0,0	0,4

Health & Beauty							
2019	2020*	2021	2022	BEA	Sicobel	2023	
15	5	2	3	7	1	8	
341 436	327 601	374 594	345 819	200 880	132 437	333 317	
43,9	15,3	5,3	8,7	34,8	7,6	24,0	
276	179	213	182	110	4	114	
341 436	327 601	374 594	345 819	200 880	132 437	333 317	
0,8	0,5	0,6	0,5	0,5	0,0	0,3	

<sup>(7)</sup>Accidents are accidents at work resulting in days off work. Commuting accidents are not taken into account.

<sup>(8)</sup>Hours worked are the actual hours worked by all employees over the year, including paid overtime and excluding absences. In other words, they are the normal hours (depending on the employee's work schedule) plus the overtime hours actually worked, including Sunday, public holiday and night work, as well as the time corresponding to stops, breaks and short rest periods in the workplace.

\*The 2020 figures have been adjusted to take account of a change in methodology.

## Health and safety

### Safety training

#### Lubricants and Specialty Products

	2019	2020	2021	2022	2023
Training budget dedicated to safety (€)	47 127	48 110	62 644	59 125	70 454
Total training budget (€)	254 283	183 899	162 457	181 505	324 573
<b>Ratio</b>	<b>19%</b>	<b>26%</b>	<b>39%</b>	<b>33%</b>	<b>22%</b>
Number of hours of training dedicated to safety	1 377	1 966	2 368	2 455	3 307
Total number of training hours	6 400	6 264	6 637	5 387	9 644
<b>Ratio</b>	<b>22%</b>	<b>31%</b>	<b>36%</b>	<b>46%</b>	<b>34%</b>

#### Health & Beauty

	2019	2020	2021	2022	2023
Training budget dedicated to safety (€)	13 543	15 828	11 819	25 358	12 744
Total training budget (€)	67 127	55 526	42 608	176 477	44 232
<b>Ratio</b>	<b>20%</b>	<b>29%</b>	<b>28%</b>	<b>14%</b>	<b>29%</b>
Number of hours of training dedicated to safety	485	607	464	970	358
Total number of training hours	1 763	1 265	1 513	2 875	492
<b>Ratio</b>	<b>27%</b>	<b>48%</b>	<b>31%</b>	<b>34%</b>	<b>73%</b>



The Condat Group pays particular attention to its safety training efforts. Changes in the scope of consolidation and renewals of compulsory training explain the high level achieved during the financial year on the lubricants side (conversely, renewals of compulsory safety training were lower in the Health & Beauty division).

In addition, the training effort also illustrates the development of soft skills or support for the personal development of employees (language courses, knowledge of the cultures of other countries, skills upgrading, etc.).

## Ensuring professional equality and promotion

Our main initiatives focus on developing training programmes for all and combating pay discrimination.

Change in this area can only be achieved through concrete action::

- **Recruitment:** giving everyone the same opportunities, without any form of discrimination. Increasing the number of women in production and operational logistics teams is a key objective on which we are making step-by-step progress.
- **Training and qualifications:** guaranteeing everyone equal access to vocational training.
- **Internal promotion:** removing the obstacles to career advancement for women, young people and those with few or no qualifications.
- **Effective pay:** eliminating all forms of pay inequality between women and men. Our dual approach, shared with our elected representatives, of constructing a professional equality index and an annual study comparing jobs with equivalent levels of responsibility, enables us to monitor changes in our situation on an annual basis. In addition, the Group is committed to raising salaries above the legal minimums in order to improve living standards.

### Gender parity

	Gender parity (Index)			Gender parity <sup>(9)</sup>			
	CSA	BEA	Sicobel	CCH	CQD	CCO	CDB
2018	81	-	-	-	-	-	-
2019	81	96	75	-	-	-	-
2020	81	96	66	-	-	-	-
2021	83	93	82	-	-	23%	60%
2022	79	89	79	-	-	17%	50%
2023	84	87	73	30%	33%	18%	33%

<sup>(9)</sup> % of female managers in the subsidiary



## Promoting internal and external education

Convinced that education is a key to shared development, the CONDAT Group invests 3.9% of its turnover in employee training and encourages initiatives in favour of public society. Every year, our French sites offer work placements to schoolchildren and students in order to validate their studies and maintain relations with local schools for future employment. With a common goal of investigation and learning, we offer universities research subjects to develop innovative solutions. Finally, school classes are also invited to visit our facilities to illustrate the chemistry professions and discover the professional world.

In our American subsidiaries, social initiatives are also being put in place. CONDAT Corp subsidises part of the cost of scholarships for children of employees who need them, and CONDAT Do Brasil covers part of the cost of training courses taken by its employees outside working hours.

- **Work-life balance:** balancing life's demands to achieve optimum professional fulfilment. We conduct regular surveys among our employees to find out their perceptions and experiences, including on this subject. In addition, our very open and ultimately original approach to teleworking (with virtually no rules) means that we can take this issue into account as effectively as possible.

- **Communication:** developing inclusive communication, free from discriminatory stereotypes. This is obviously already the case in all our recruitment processes at Group level.



## Promoting the integration of people with disabilities

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

The company has a number of initiatives in place, including internal measures to keep employees who have suffered life-threatening accidents in their jobs (studies and job adjustments or reclassification) and external measures to subcontract to ESATs<sup>(10)</sup>.

The launch of a partnership with AKTISEA, a consultancy specialising in disability support in the workplace, is designed to broaden the scope of our actions, while also seeking to raise awareness among our employees of these solidarity and bonding initiatives, which are essential within a company.



<sup>(10)</sup>Help through Work Establishment and Service



# Ethics

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

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

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

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

To support its compliance with these various regulations and principles, the Group has set up a number of mechanisms available to its stakeholders:

- Son code éthique, destiné à ses salariés ;
- The charter of personal rights ;
- Supplier code of conduct ;
- The external code of conduct ;
- Its alert platform ;
- Its IT charter.

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

As well as highlighting the different facets of corruption, the Code of Ethics also emphasises fairness in commercial relations and the conduct to be adopted by our employees in various areas such as gifts and entertainment (whether offered or received), conflicts of interest and sponsorship.

The level of requirements applied to our suppliers, and reflected in the Supplier Code of Conduct developed for 2022, is the same as that expected of our employees.

In 2023, the Code of Conduct will also become the Group Code of Conduct, applicable to commercial relations.

The same high standards have led the Group to choose an independent organisation to host its alert platform<sup>(11)</sup>. All alerts are handled at Group management level.

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

Whistleblowers are free to choose whether or not to report anonymously.

The implementation of these various systems is based on a Groupwide risk analysis carried out by the Internal Audit department and approved by Group Management

<sup>(11)</sup>The purpose of this system is to enable employees and third parties to report any criminal behaviour or situations or behaviour that contravenes the Charter for the Respect of Individual Rights, the Group's Code of Ethics or applicable laws and regulations.



# Risk mapping

## Risk mapping methodology

In 2020, the company produced a materiality matrix, a key tool in developing its CSR strategy. It is used to prioritise issues according to their importance to internal and external stakeholders and their impact on the Group's economic success.

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

1. Assessment of the current situation: individual internal and external interviews with all our stakeholders, documentary and sectoral studies, link with the strategic vision and identification of around fifty potential issues;
2. Analysis, prioritisation, reformulation and selection of key issues, linked to a risk/opportunity analysis of 14 key issues;

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


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

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



The combination of these two analyses enabled us to draw up the risk map linked to CSR issues, as shown below.


Non-financial information category	Associated risks	Stakeholders	Policy	Risk	KPI	Reference
Social (gender issues)	Damage to the health and safety of employees (accidents at work and accidents in the workplace) occupational diseases)	Employees	Compliance with regulatory obligations Preventive actions Training courses Prohibition on the use of new CMR references or substitution of the use of existing classified references		Number of accidents at work Number of training hours	Pages 29 & 30
	Shortage of strategic skills, lack of attractiveness and decline in retention	Employees	Training courses Employee versatility (skills grid) Skills transfer (mentoring, skills mapping) Digital tools for capitalising on data (CRM, COPTIS, SAP EHS, LMS platform...)		Number of people trained Number of hours of training Training as a proportion of total payroll	Pages 27 & 29
	Reduced employee motivation / deterioration in the social climate	Employees	Promotion of values of Ensuring a constructive climate and wellbeing in the workplace Employee satisfaction survey		Level of employee commitment	Page 26
	Existence of professional inequalities and discrimination	Employees	Combating discrimination of all kinds, keeping disabled employees in work. Partnership with ESATs. Establishment of a whistleblowing channel to report offences or breaches of Group policy. Introduction of a Human Rights Charter. Assurance of a minimum living wage, above the minimum wage according to the legal obligations.		Gender equality index or share of female managers Share of female employees within the Group	Page 31

<sup>(2)</sup>Help through Work Establishment and Service

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

Non-financial information category	Associated risks	Stakeholders	Policy	Risk	KPI	Reference
Environment (issues surrounding the impact of our activities)	Increase global warming (energy waste, transport)	Civil society	Optimising the production process (including waste management) Raising awareness among staff and stakeholders Joining the Fret 21 initiative Carrying out a carbon footprint and greenhouse gas footprint (including mobility footprint) and action plan		Electricity and gas consumption Carbon footprint Tonnes of CO <sub>2</sub> saved by transporting our finished products	Pages 22 & 23
	Degradation of water, air and soil quality	Civil society	Investment in more efficient production facilities, maintenance of installations		On-site measurement of Emission Limit Values	Page 24
	Increasing scarcity of resources (waste of water, raw materials)	Civil society	Optimising the production process Search for renewable or recycled raw materials Eco-design		% renewable PM Number of eco-designed products, of sales generated by ecodesigned products Water consumption	Pages 17 & 23
	Deterioration of biodiversity	Civil society	Selecting responsible sources of supply Controlling the number of environmentally hazardous materials			Page 19
	Industrial accident	Employees Civil society	Prevention and awareness policy Disaster action plan		Number of industrial accidents Number of exercises carried out Specific safety training courses	Pages 24 & 28

Non-financial information category	Associated risks	Stakeholders	Policy	Risk	KPI	Reference
<b>Societal</b> (the issues surrounding the quality and safety of our products)	Damage to the health and safety of users (risk of generating a hazard related to the use of finished products for safety, human health and the environment)	Customers	Product compliance with the law Application of European standards (REACH, cosmetics regulation), in the absence of local regulations		Number of health-related losses due to non-compliance	<a href="#">Page 20</a>
			Eco-design (including a ban on the use of new CMR references or substitution of existing classified references, better conditions for implementation)		Number of eco-designed products	<a href="#">Pages 17 &amp; 18</a>
			Implementation of a policy of collaboration with stakeholders to develop solutions with less impact (safety, environment, etc.).		CSR-related co-developments	<a href="#">Page 13</a>
	Purchases of raw materials that are not compliant (environmental impact, laws and regulations) or from suppliers who do not comply with regulations	Supplier Community	Responsible purchasing policy Control over our suppliers Approval policy for raw materials by the Product Regulatory Affairs department Carbon footprint		Number of suppliers committed to CSR (score above 47 in ECOVADIS) 100% of PM approved (from a safety point of view)	<a href="#">Page 12</a>

Non-financial information category	Associated risks	Stakeholders	Policy	Risk	KPI	Reference
<b>Individual rights</b>	Purchases of supplies and services from suppliers who do not respect people's rights	Civil company Suppliers	To ensure that human rights and international conventions (ILO) are respected in all decision-making and in relations with partners, in particular : - No child labour - Responsible purchasing policy; - Setting up an alert platform - Specific clauses in contracts - Ethical assessment of third parties - Supplier code of conduct		Number of suppliers committed to CSR (score above 47 in ECOVADIS)	<a href="#">Page 12</a>
	Child labour	Employees				

# NFRD methodology

## Perimeter

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

- **Lubricants and Specialty Products:** commercial subsidiaries (which are not material) are excluded from the scope of consolidation. They include CONDAT SA (CSA, France), CONDAT Corp (CCO, USA), CONDAT Do Brasil (CDB, Brazil), CONDAT CHINA (CCH, China) and CONDAT Qingdao (CQD, China).
- **Health & Beauty division:** two of the three companies are included in this document, namely Laboratoires SICOBEL (SI, France) and Laboratoires BEA (BEA, France). GALA, which will be acquired at the end of 2023, is not included in the scope of this analysis.



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

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

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

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

The external audit (article R225-105-2 of the French Commercial Code), carried out by an independent third-party organisation, is deployed at the following levels the parent company (CONDAT SA) and subsidiaries

(by sampling indicators and/or issues). The independence of the auditors is defined by regulations.

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

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

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



**Headquarters CONDAT Group** : 104 Avenue Frédéric Mistral – 38 670 Chasse-sur-Rhône – France - Tel +33 4 78 07 38 38  
condat@condat.fr – www.condat.fr