



Azelis

Communication on Progress 2017

To our stakeholders:

Our commitment to sustainability

Azelis is committed to working with its partners to create value and grow together in a sustainable way. As a global business, with operations across EMEA, Asia Pacific and Americas, Azelis takes its responsibilities very seriously, always looking for new ways to make a positive impact on society and minimise its footprint, whilst delivering the best possible products and services.

At Azelis we consider Corporate Social Responsibility (CSR) necessary for managing our business sustainably. Therefore during this year, Azelis has implemented its CSR strategy with regards to labour practices, environmental protection and operating practices. Based on ISO 26000 and linked with the United Nations Sustainable Development Goals, the strategy started its deployment worldwide in December 2016 and will be monitored through a reporting system, leading to our first annual report in 2018.

It was therefore obvious to us that we needed to prove our commitment to sustainability through our membership of the United Nations Global Compact initiative. I am pleased to confirm that Azelis reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of human rights, labour, environment and anti-corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Dr. Hans-Joachim Müller
Azelis Group Chief Executive Officer



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Description of our actions, commitments, and measurement of outcomes

A. Human rights & labour practices:

Azelis currently employs around 1,700 people across the world in more than 40 countries. We value highly competent, forward-looking people with a passion for entrepreneurship.

Being an integrated international group, we provide an opportunity for professional growth and progress as Azelis too continues to grow and develop. We deeply care about our employees, putting in place mechanisms that allow us not only to recognise their talents and career aspirations, but also help them fulfil those aspirations and develop in their respective areas. We always encourage our employees to express their opinions, which in turn gives us the opportunity to act upon their feedback and continually improve the work atmosphere.

We are an equal opportunities employer, offering a great work environment, challenging career opportunities, professional training and competitive remuneration.

Our commitment to human rights & labour practices:

Enable our employees' development, promoting their life balance and well-being, and ensuring equal opportunity and diversity.

Indicators:

1. Enable our employee development

Our metrics:

- Number of training hours per employee
- % of internal promotions vs. opened jobs/positions
- Score of one of the drivers of engagement - learning & development - from an employee survey

2. Promote employee life balance and well-being

Our metrics:

- Index of satisfaction and motivation from an employee survey

3. Ensure equal opportunity and diversity

Our metrics:

- Total remuneration as a driver of engagement
- Total No. and % split of men/women
- No. of and % of men/women in **general management**



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B. Environment:

Responsible Care and Responsible Distribution, the voluntary initiatives from the chemical industry worldwide for the continuous improvement of health, safety and environment standards, have become part of our daily work life.

Responsible Care/Responsible Distribution and our Corporate Social Responsibility strategy, together provide a comprehensive framework for all the efforts that Azelis makes throughout the entire supply chain and beyond.

As a company we ensure that we provide a safe environment to work in and make sure all our employees are suitably trained. We regularly assess and continually improve our operating systems, distribution network and understanding of our products, with respect to their impact on the health and safety of our employees, customers and the general public.

We aim to surpass the legislative requirements, while being responsive to the concerns of our employees and the public. At Azelis we ensure that all our products are used, packaged, labelled, dispatched and disposed of in accordance with the local and governmental legislation.

Azelis proactively provides the necessary advice to all partners along the supply chain to help them ensure their safety and health, as well as the protection of environment.

Our commitment to the environment:

Make sustainable use of our resources and minimise the impact of our activities on the environment.

Indicators:

4. Reduce energy consumption while maximising renewable energy sources

Our metrics:

- Ratio of carbon emissions per employee

5. Reduce waste while maximising recycling

Our metrics:

- Total waste per employee
- Ratio: weight of products sent to destruction (quarantine, out of specifications, damaged) vs. weight of products sold
- % of recycled waste

6. Prevent environmental incidents

Our metrics:

- Number of environmental incidents in owned warehouses
- Number of environmental incidents in external warehouses
- Number of incidents during transport



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C. **Societal and economic (anti-corruption):**

Great companies are judged by what they do, not by what they say. Azelis is respected as a company that not only delivers on our commitments to principals, customers and shareholders, but also adheres to the highest of ethical standards in the conduct of our business.

The reputation of Azelis and the trust and confidence of our current and future customers, employees, principals and other stakeholders are crucial to the continued success of our business.

Our Code of Conduct reflects who we are and how we work. It is based on our beliefs and values, and encompasses our commitment to honesty, integrity, mutual respect and an open and diverse corporate culture. It furthermore provides ethical guidance in key areas of Azelis' operations and supports our endeavour to create a constructive and efficient working environment where people feel confident in raising concerns and seeking advice. Our Code of Conduct truly embodies "the way we Act at Azelis".

Our commitment to society and the economy:

Conduct our business in a responsible way.

Indicators:

- % of employees being trained in CSR (Corporate Social Responsibility) policy

7. Sustainable procurement

Our metrics:

Assessment of principals/suppliers

- % of principals/suppliers who received the sustainable procurement policy
- % of principals/suppliers who signed the sustainable procurement policy

8. Fair operating practices

Our metrics:

- Number of breaches in ethical behaviour policies (Code of Conduct)
- % of employees being trained in ethical behaviour policies (e-learning on code of conduct, anti-bribery, IROP, competition)

9. Participate in the development of the society

Our metrics:

- % of offices involved in social development actions (charity)



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About Azelis

We deliver best-in-class service in the distribution of speciality chemicals and food ingredients to our customers, principals, investors or any other stakeholder. These are our partners, and with them we build solid and reliable relationships that deliver innovative solutions bringing growth to all.

At Azelis we give our all to continuously create value. With a can-do attitude and a creative, innovative zeal our people succeed in developing new solutions that give our customers the competitive edge they are looking for. And our people are right there, by their side. We focus on medium and smaller customers who demand comprehensive technical assistance, formulation support and product quality assurance, while answering to the specific needs of their local markets. We speak their language and know their businesses as if they were our own.

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