



# Azelis

Communication on progress 2020

## To our stakeholders

At Azelis, we are acutely aware of the challenges posed by climate change, the depletion of natural resources and the ever-increasing global population. The significance of these issues leaves Azelis no other option but to move towards sustainable solutions in all our activities. Our company does not operate in isolation. We are part of a global industry that plays a significant role in the economy of the world, impacting many of the challenges noted above. We have an obligation to utilize the world's resources in a sustainable manner. Furthermore, we are convinced that sustainable business principles and good economic performance go hand-in-hand.

Our Corporate Social Responsibility (CSR) program was initiated in 2015 after the Paris Agreement on climate change and the release of the 2030 Agenda for Sustainable Development by the United Nations. We have based our CSR program on the United Nations Global Compact (UN GC) initiative, ISO 26000 and the Global Reporting Initiative (GRI). These frameworks have set clear goals and defined a structure that companies can use to implement sustainability processes and accelerate changes to their businesses.

Sustainability is not only important for climate change and social environment. It also has the potential to benefit the bottom line by addressing the supply chain risks in order to avoid operational disruption. Risk mitigation is what Azelis has set as a priority from the beginning, evaluating the operational and strategic risks or challenges for our company and turning them into new commercial opportunities benefiting society, thus creating shared value. With (sustainable) innovation at the center of our business model, we have defined a set of indicators, including 26 KPIs, within the following pillars of our sustainability program: People, Sustainable procurement, Fair business practices and Resources and environment.

Azelis has chosen to be among the companies that are planning a transition towards a sustainable business model, since “business as usual” is no longer an option. We are confident that working together for more sustainable solutions will strengthen the relationships with our business partners who are equally responsible, and equally dedicated, to preserving resources for future generations.

**Dr. Hans-Joachim Müller**  
Azelis group Chief Executive Officer



Innovation  
through  
formulation

## Description of our actions, commitments, and measurement of outcomes

Azelis supports the participation of its operating companies in Responsible Care or Responsible Distribution programs of the International Chemical Trade Association through national associations. These are voluntary initiatives from the chemical industry, for the continuous improvement of HSE (Health, Safety and Environment) standards. Responsible Care, Responsible Distribution and our sustainability strategy, provide together a comprehensive framework for the efforts 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. This is stated in our [Group CSR policy](#), where our commitments towards environment, UN Global Compact and Responsible Care/Distribution are explained.

In 2018, the Azelis group-wide CSR performance was recognized with the EcoVadis Gold rating, which placed Azelis in the top 1% distributors assessed by this organization and earned us an Advanced rating for our CSR engagement. In March 2020, we were awarded with our second, consecutive EcoVadis Gold rating. The EcoVadis overall score (0-100) reflects the quality of the company's CSR performance at the time of the assessment. To obtain the Gold rating, a company must score between 62 and 100. Azelis achieved 68 points in 2018, an 8-point increase in a year's time and 70 points in 2020.

Obtaining the Gold rating twice confirms that our group-wide CSR performance is evolving and improving every year and that CSR is truly embedded throughout our processes and practices. This accolade is an appraisal of the group-wide efforts and commitments to install the same high standards for performance across all regions in which we operate. It is an important motivation to stay on this track and continue creating a positive impact on improving fair business practices, labor practices, environment and sustainable procurement globally and to set an example for others.

Also in 2020, Azelis joined Together for Sustainability (TfS), a joint initiative and global network of chemical companies, delivering the de facto global standard for environmental, social and governance performance of chemical supply chains. Azelis' membership to TfS complements both our membership to UN Global Compact and our Gold rating from EcoVadis, making Azelis part of the global network of 25+ TfS member companies. It is an honor for Azelis to belong to this elite group of forward-thinking and future-facing companies; we all share the vision and determination to drive the much-needed change towards a sustainable way of running business.

Through its commitments, Azelis is helping to achieve a better and more sustainable future. The UN Sustainable Development Goals (SDGs) are integrated in our commitments and we have deployed a series of indicators to measure these commitments. In this letter, we explain per pillar of our program how Azelis contributes to address global challenges like inequality, climate, environmental degradation or prosperity through the UN SDG.

Sustainability is in the fabric of our company, and of course is high on the agenda of our Executive Committee and our Advisory Board: both Azelis group CEO - Dr. Hans-Joachim Müller, and EMEA CEO - Anna Bertona, are

the ExCom sponsors of sustainability at Azelis, together with Dr. Alexandra Brand from the Advisory Board. The Azelis ExCom consists of the Group CEO Dr. Hans Joachim Müller, regional CEOs, Frank Bergonzi for Americas, Anna Bertona for EMEA and Laurent Nataf for Asia Pacific, and Group CFO Thijs Bakker. ExCom members Dr. Hans-Joachim Müller, Azelis group CEO, and Thijs Bakker, Azelis group CFO, are members of the Advisory Board, together with our partners from EQT, Bert Janssens and Kristiaan Nieuwenburg. Dr. Alexandra Brand, Jürgen Buchsteiner and Dr. Antonio Trius - Dr. Trius chairs the Board - are acting as Non-Executive Directors.

Azelis has furthermore a CSR & Sustainability Steering Committee led by Dr. Hans-Joachim Müller and consisting of Group CFO (Thijs Bakker), Group SHEQ & Sustainability Director (Maria Jesus Almenar Martin), Group General Counsel & Chief Compliance Officer (Gerrit De Vos), Group HR Director (Emanuele Ferrero), Group Communications Director (Marina Kaptein) and, on a rotating basis, business representatives from the regions. The CSR & Sustainability Steering Committee, in place since 2015, is responsible for our CSR policies and guidelines, ensuring their correct implementation throughout the company, whilst generally directing and monitoring the CSR & Sustainability Strategy and Program. A multidisciplinary global sustainability task force with representatives from all regions and led by EMEA CEO Anna Bertona was moreover created in 2020, with the objective to align our sustainability strategy with the emerging sustainability challenges faced by our businesses.

Our majority stakeholder EQT is passionate about instilling sustainable business solutions in all companies within its portfolio. This shared vision and focus on corporate social responsibility has been both influential and invaluable in our sustainability journey.

## A. People

Azelis employs over 2,400 people across the world in more than 50 countries. We value highly competent, forward-looking talents 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 recognize 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.

Through our commitment to our people, Azelis contributes to the following UN Sustainable Development Goals:

- 3 - Good health and well-being
- 4 - Quality education
- 5 - Gender equality
- 8 - Decent work and economic growth

## Indicators

### 1. Enable our employee development

Maintaining and developing a learning culture is a key success factor of the Azelis business. Therefore Azelis is committed to training and developing employees to their full potential. At Azelis learning is highly valued and every individual has a responsibility to manage their own learning. Azelis will furthermore encourage its employees to take ownership of their own development. Consequently, Azelis will ensure that appropriate procedures are put in place to plan, deliver and evaluate training and development activities.

In 2018, we launched the first edition of the Sales Academy across the EMEA region. The first session of the EMEA Sales Academy took place in Antwerp in July 2018. Since then 5 editions with 126 participants from 20 different countries have taken place. The objective of the Sales Academy is threefold. Firstly, we want to support our sales team so they can achieve even better results for our customers. Additionally, the Sales Academy ensures a harmonized way of working based on our best practices and business ethics; and last but not least, we want to start forming a network of Azelis representatives across all countries and market segments.

As developing talent and succession planning are an important focus for Azelis Americas, particularly for the sales force as its largest group, Azelis Americas University (AAU) was established in 2019 to help meet this need. AAU is a new program that will recruit candidates for the CASE (coatings, adhesives, sealants and elastomers) market segment from on-campus recruitment at a few selected universities such as Texas A&M, University of Georgia, University of Cincinnati, and University of Texas. Chosen candidates will move through a rotation program to learn about our company, products and business. The rotation program includes, for example, three to six months in a lab, one to two months working with a supply chain team, and some time working with an inside sales team. Participants will then shadow a few different technical sales representatives until they move into their own sales territory. The effectiveness of this approach will be evaluated with the target of extending the program to all market segments in the Americas.

#### Our metrics:

- Number of training hours per employee across the Azelis group on average in 2019: 9,4 (+14,6% vs. 2018).
- Percentage of internal promotions versus opened job positions in 2019: 37% in 2019 (+19,3% vs. 2018).
- One of the main drivers of satisfaction, motivation and loyalty is 'Learning & Development'. We measure the level of satisfaction & motivation every 2 years by means of group-wide employee satisfaction surveys: the last one - rolled out in 2018 - showed an increased engagement of 1 point on a group level versus our previous rollout in 2016. The overall rating for the driver 'Learning & Development' was 75, which is a high score, certainly considering the fact that the external benchmark was 67 (i.e. +11.9%). We will measure progress again in the 2020 employee satisfaction survey which has been rolled out in quarter four.

## 2. Promote employee life balance and well-being

Azelis values the importance of a healthy work-life balance for its employees by respecting rest times and implementing flexible working schedules, offering Health Care Programs and rolling out initiatives to support and/or improve the wellbeing of its employees continuously, to name only some of the measures.

### Our metrics:

- In the 2018 Employee Survey we added the following new, additional statement: “It is easy to combine a career and my personal life in my company” to the questions and statements dedicated to the driver “Working Conditions”. The aim was to integrate the results and the improvement actions related to this statement with our CSR Program. This question was measured for the first time in 2018 and was rated 70. Obviously we cannot benchmark the score against the previous rollout in 2016. However, 70 is a high average score (only 5 points away from being recognized as a high rating). The score of 70 is 2 points higher than the overall rating of “Working Conditions” (i.e. 68) and on the same level as the overall rating of Satisfaction & Motivation across the Azelis Group (i.e. 70). Hence, a good score which offers room for improvement: the ambition of Azelis is to reach a score of at least 73 in the next survey.
- In terms of health and wellbeing, Azelis operates different Health Care Programs in more than 60% of its local companies across the world. Health Care Programs are offered in the following countries: Canada, US, Vietnam, Australia, New Zealand, Thailand, Malaysia, Singapore, Indonesia, India, China, Belgium, Netherlands, Croatia, France, UK, Turkey, Greece, Serbia, Norway, Poland, Spain, Italy, Switzerland, Denmark, Norway, etc.

## 3. Ensure equal opportunity and diversity

The Azelis group is committed to supporting the principle of equal opportunities and opposes all forms of unlawful or unfair discrimination on the grounds of race, color, nationality, ethnic origin, gender, sexual orientation, marital status, working time status, age, unrelated criminal convictions, religion or religious beliefs, political views and disability. Furthermore, Azelis attaches great value to and respects the diversity of its employees.

### Our metrics:

- At year’s end 2019 Azelis employed 1143 female FTE’s, i.e. 53,3% of all Azelis staff (51,7% in 2018). The absolute number of female employees increased by 12,3% vs. 2018, which means that Azelis was able to keep the same ratio female employees to total employees in spite of a significant staff growth.
- In 2019, 13 women are part of our senior management team (GMT), i.e. 20,6% of the total.
- Azelis deploys proactive measures to prevent discrimination during recruitment phase. All Azelis vacancies across the entire group are open for everyone to apply, among other things regardless of age. Hence, we recruit people of different age categories. In 2019, the Azelis population consisted of 13,0% FTEs between 20 and 29 years of age; 26,1% FTEs between 30 and 39 years of age; 26,8%

FTEs between 40 and 49 years of age; 24,6% FTEs between 50 and 59 years of age and 9,5% FTEs aged 60 years and above.

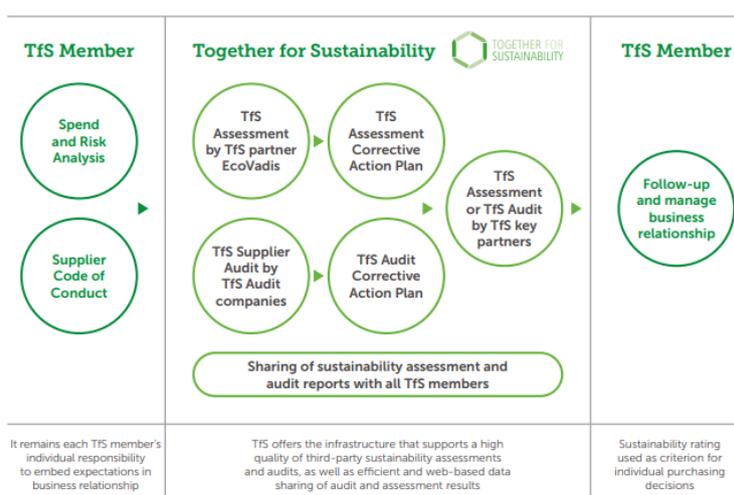
- In 2019, we employed persons of 44 different nationalities.
- Wage equality: At Azelis each employee is given fair access to available opportunities in terms of training, career development, promotion and remuneration. References to how Azelis promotes and implements wage equality can be found in our Code of Conduct and local Work Regulations/Employee Handbooks across the group. To measure the level of satisfaction & motivation as regards compensation and wage equality, we ask all our employees across the group to rate the statement “There are equal opportunities for everybody no matter who you are” under the Driver “Total Remuneration” in our biennial employee satisfaction survey. In 2018 this question was rated 70, a high average result, and an improvement versus the 2016 rollout of our employee satisfaction survey when it was rated 69 (+1 point). In comparison with 2014, when this statement was rated 60 we have an overall improvement of +10 points. We will measure progress again in the 2020 employee satisfaction survey which has been rolled out in quarter four.

## B. Sustainable procurement

Azelis has committed to the principles of sustainable procurement through a global charter for the evaluation of our supply chain. We have conducted an internal risk assessment and we will continue working with our suppliers and principals in order to make sure the principles of CSR are respected throughout the entire supply chain.

With our recent membership to Tfs we are able to implement a strong due diligence procedure in our supply chain. EcoVadis assessments allow us to evaluate our principals and suppliers against CSR principles including social issues, environmental issues and governance practices. Tfs then provides the necessary infrastructure to organize on-site supplier audits against the same CSR principles. Through our supplier due diligence procedure, we reduce multiple risks for our customers: supply security, reputational risks and regulatory risks.

The Tfs process is explained in the figure below:



Source: Together for Sustainability

We also use our company intranet (InterAct) to promote sustainability and our CSR program. Apart from the training sessions for members of the Azelis team, we also organize customer seminars (with our sales colleagues) on specific sustainability topics.

The original design of the Sales Academy includes a CSR presentation with the aim to introduce the concept of sustainability and EcoVadis to the newcomers and business managers. Sessions of our Sales Academy routinely highlight business cases where sustainability is an integral part. We try to differentiate ourselves in the market by proactively promoting sustainable solutions that will solve current market challenges. The business case takes up to 50% of a typical agenda of the Sales Academy and so the message of differentiation through sustainable product innovation is thoroughly instilled in the mindset of our sales people and of course discussed during the different role plays in the exercise.

Since the introduction of our brand promise “Innovation through formulation” in 2019, we are working on upgrading our presentations to include this differentiated approach in our sales pitches. The first revised session will take place early next year. Sustainable procurement concept is firmly embedded in the 3 pillars of our sales process: from finding customers to winning customers and ultimately retaining customers. They all reference innovation through formulation as well as sustainable products and procurement.

Through Sustainable procurement, Azelis contributes to the following UN Sustainable Development Goals:

- 8 - Decent work and economic growth
- 9 - Industry innovation & infrastructure
- 12 - Responsible Consumption and production
- 15 - Life on land, and
- 17 - Partnerships for the goals

## Indicators

### 1. Promote sustainable product development of Azelis suppliers

As a distributor, we have a privileged position between suppliers and customers that gives us the ability to cascade our customers’ requirements – including sustainability – to our many principals and suppliers, and to leverage our partnerships with both our suppliers and customers to further develop their sustainable product offerings. This structure puts us in an ideal position to maximize customer satisfaction on sustainability.

Our suppliers expect us to actively promote the sustainable development of their product portfolio. We provide our customers with formulation support, application kits and videos as well as organize customer days in our application labs with an emphasis on sustainable alternatives.

The French Food & Health team for example organized several events to inform customers and suppliers about the new needs and expectations that were created following the introduction of the labeling regime of Nutri-Score. There was also a Nutri-Score Customer Day with a conference, workshops, tasting sessions and a market review of trends linked to the new food label. Other Azelis countries have adopted their tools as well.

### 2. Continually assessing our principals and suppliers and implementing due diligence processes for CSR

Sustainable sourcing is embedded in our existing sourcing procedures; sustainability is now an additional parameter that is added to our selection of principals and suppliers, as well as our supplier onboarding processes. With the roll-out of TFS we are not only committed to evaluating our supply chain, but also to help improve the performance of our suppliers on their CSR efforts. It is therefore not a 'pass or fail' system but a collaborative approach which fosters the development of new partnerships.

Several local Azelis entities have for example been members of the RSPO (Round Table for Sustainable Palm Oil) for a long time before Azelis Holding SA was granted group membership in 2017. Since then, our RSPO membership counts 20 entities with distribution licenses in Europe, Americas and Asia Pacific. Additionally, the United Kingdom and Germany hold an RSPO certificate for repacking and relabeling.

RSPO membership is an assurance to our customers that the standard of palm oil production is sustainable, an important step in demonstrating ethical standards and promoting the sustainable use of resources. By joining RSPO, Azelis is committed to sourcing palm oil products and derivatives from producers that have the lowest environmental impact, hence contributing to the protection of forests and biodiversity. This was outlined in the Azelis Corporate Palm and Palm Kernel Oil Policy in 2018 signed by the Azelis top management.

### 3. Stimulate innovative sustainable formulation development in our formulation labs

Azelis believes in innovating for a sustainable future. Working together with our customers for a more sustainable future, we offer the right ingredients and demonstrate innovative formulations created and evaluated in our labs. To cater to the sustainable product demand of our customers, our application labs increasingly strive to offer sustainable innovations and concepts. We firmly believe in 'Innovation through formulation' and have been heavily investing in our application laboratories to be able to fulfill this brand promise. Innovative formulations that come out of our laboratories have received more than 20 innovation awards from independent industry bodies in the past years.

Here are just a few sustainable formulations that our technical experts have developed in our application laboratories:

#### A.) Waterborne Elastomeric Roof Coatings (CASE, Americas)

Azelis develops multiple formulations for white elastomeric roof coatings. These contribute to energy conservation, extend building life, and protect the environment by using water rather than organic solvents. A challenge is to ensure that the coating adheres well to the many types of roofing material, to prevent rainwater leakage. Different formulations have been developed for different roofing materials. A recent development is our new Multi-Purpose Primer formulation, which will prepare almost any roofing material for coating with a common topcoat formulation.

#### B.) Natural surfactants for body, face and hair care (Personal Care, Asia Pacific)

In search of natural surfactant solutions for rinse-off products for body, face and hair care applications, Azelis developed a customized, plant-based blend of surfactants, with three specialty ingredients from two different suppliers. This natural solution resulted in a soft foam which is easy to rinse off and comes with great sensorial properties.

## C. Fair business practices

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 high 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 endeavor 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".

Through our commitment to fair business practices, we contribute to the following UN Sustainable Development Goals:

- 9 - Industry, innovation and infrastructure
- 11 - Sustainable cities and communities
- 16 - Peace, justice and strong institutions

## Indicators

### 1. Conduct our business in a responsible way

With the launch of the Azelis Code of Conduct back in 2010, we expressed the ambition to create a working environment that is safe for all employees and where we act with honesty, integrity and mutual respect. Today, our Code of Conduct remains the cornerstone of a robust compliance program and since its launch, it has been complemented with many other policies and guidelines which all serve that same purpose. Azelis is determined to create a culture where employees are encouraged to speak up in a safe environment, where they will not feel victimized or retaliated against.

### 2. Adhering to fair operating practices

The Azelis group operates a robust global corporate compliance program, which includes the Code of Conduct as a base policy dealing with ethical business behavior and is supplemented with ancillary compliance policies, such as the Anti-Bribery & Fraud Prevention Policy, the Competition (EU) and Antitrust (US) Policies and the Export Control Policy.

All compliance policies are part of Azelis' employee induction program and training sessions are foreseen for each policy as part of the implementation process. In addition, all employees are required to complete a mandatory annual on-line knowledge review of the Code of Conduct and ethical business behavior.

Any (alleged) violations of policies and procedures in relation to ethical business behavior are dealt with by a panel of Integrity Officers, which is composed of the Group HR Director and Chief Compliance Officer. The reporting mechanism (including whistleblowing procedure) as well as a description of the process for investigating such (alleged) violations are set out in the SpeakUp! Policy.

As a next step in further professionalizing its compliance framework, Azelis decided to install a third-party whistleblowing solution called "SpeakUp!". This solution is aimed for reporters of alleged malpractices that find other reporting channels in the organization unsuitable. The Azelis SpeakUp! line offers a low barrier solution for an anonymous and secure exchange of information between reporters and the aforesaid Integrity Officers and is accessible for both Azelis employees as well as third parties. In this way, the "SpeakUp" culture in Azelis will be enhanced and trust will be restored. Apart from the reporting process, the SpeakUp!

solution also offers a Case Management System, which facilitates compliance case handling from start to end. The implementation process for the installation of the SpeakUp! line was initiated in September 2019 and formally launched in April 2020.

In terms of monitoring and audit, Azelis has introduced an In Control & Compliance Self-Assessment software tool, which facilitates an annual self-assessment by management of the effectiveness of a pre-defined set of internal controls, including compliance. These self-assessments occur at entity, regional (Americas, EMEA and Asia Pacific) and corporate level. As from November 2019, Azelis has also established an internal audit function and formally appointed an internal auditor, who will amongst others focus on auditing compliance with Azelis' compliance policies and procedures (including the Code of Conduct and the Anti-bribery & Fraud Prevention Policy). In the event the Azelis group appoints a third party to act as its representative (e.g. sub-agent or sub-distributor), such third party representative will be subject to a compliance due diligence review and is required to execute a compliance declaration in which it confirms compliance with the Azelis Code of Conduct and ancillary compliance policies and procedures.

#### Our metrics:

- Number of material breaches in ethical behavior policies (Code of Conduct) in 2019: 2
- Percentage of active employees having participated in the annual on-line knowledge review on the Code of Conduct and ethical business behavior in 2019: 98,22%

### 3. Participate in the development of the society

In 2018, the Azelis charity fund 'Because giving back matters' was set-up as a part of our CSR program. Ethical and responsible behavior towards our people, our processes and our planet are held at the heart of our organization. That's why we decided to create this fund, allowing us to give back, as a company and as a community. Azelis intends to donate approximately €20,000 to a charitable cause every year, chosen by Azelis employees. We've identified three important areas to choose from every year: environment, nutrition and education.

After a donation to WWF in the first year, Azelis employees yet again chose environment as the area to donate to in 2019 and from a vast number of employee suggestions for the charity the money was given to The Union of Concerned Scientists. They will use our money to fund their priority strategies: ensuring the public, the media, and policy makers heed the urgency to respond to rising global temperatures; cutting carbon emissions from the energy and transportation sectors in key states; restoring the role of science in policy making; supporting sustainable agriculture; and lowering the risk of nuclear war.

At the beginning of the Coronavirus pandemic, the Azelis Executive Committee decided to allocate the Azelis charity fund to the donation of medical masks to hospitals and healthcare workers who are in desperate need of protective gear. Thanks to the dedication of our colleagues in Shanghai, we managed to purchase disposable surgical masks and K95 masks which we shipped to different locations, with the help of the local teams. We shipped masks to the UK, the US, France, Turkey and Belgium. Next to this corporate initiative, many of our Azelis offices provided help to local hospitals and care centers.

As we are increasingly focusing on CSR in everything we do, various teams in the company have chosen CSR-related activities as the theme for their team building events. Examples of it include, but are not limited to:

beach cleaning in Port Dickson, Negeri Sembilan, Malaysia; cleaning of Tegal Wangi Beach in Bali, with an additional goal to promote marine life and wildlife health; education about protection of elephants and how to fertilize a banana tree, main food source for elephants, in Elephant Conservation Center in Khao-Yai, Thailand.

**Our metric:**

- Number of social development actions (philanthropy) in 2019: 129 philanthropic initiatives

## D. Resources and environment

Our main objective for this pillar of our sustainability program is to reduce the environmental impact of our operations. For this we are investing in three main areas :

- Energy management and climate change
- Waste management
- Prevention of pollution

These are translated into three commitments:

1. Reduce energy consumption while maximizing renewable energy sources.
2. Reduce waste while maximizing recycling.
3. Prevent environmental incidents.

Through those commitments, Azelis contributes to the following UN Sustainable Development Goals:

- 12 - Responsible consumption and production
- 13 - Climate Action and
- 15 - Life on land

The above commitments are measured through different indicators (KPI). The measurement of these KPIs (together with the rest of CSR indicators) was initiated in 2018 (for the 2017 data); that was the launch of our first CSR collection indicators campaign. The year 2020 (for the 2019 data) has been the third year in which we have collected indicators - including the KPIs above.

### 1. Reduce energy consumption while maximizing renewable energy sources

Our main sources of carbon emissions are use of electricity in our offices and fuel for transport. We are currently implementing programs in order to reduce the ratio of carbon emissions per employee and achieve our targets for 2019.

**Our metric:**

- Ratio of carbon emissions per employee (scope 1&2) in 2019: 5.3 tCO<sub>2e</sub>/employee  
tCO<sub>2e</sub> = tonnes of carbon dioxide equivalent

## 2. Reduce waste while maximizing recycling

Azelis is working on action plans to reduce the waste that is produced as a result of our activity; for example, the paper used in the offices. We encourage employees to avoid unnecessary printing and hence reduce the consumption of paper. Used paper is collected and sent to recycling.

Furthermore, when products that are on stock in our warehouses can no longer be sold because of quality issues, they are systematically sent to specialized waste management companies that can either recycle them or give them a second use.

## 3. Prevent environmental incidents

Azelis gives utmost importance to the prevention of environmental incidents; therefore we have strong HSE procedures in place and emergency response system. Furthermore, a group of owners, members, corporate officers and critical stakeholders, including the highest level of management, are involved in the development, communication and implementation of Responsible Care & Responsible Distribution Programs, in order to reduce the number of environmental incidents.

### Our metrics:

- Number of environmental incidents in owned warehouses in 2019: 0
- Number of environmental incidents in external warehouses in 2019: 0
- Number of incidents during transport in 2019: 0

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Read more on Azelis' sustainability program and how our sustainability efforts are put into practice in the 2019 sustainability report: <https://www.azelis.com/en/sustainability-downloads-contacts>

### About Azelis

Azelis is a leading distributor of specialty chemicals and food ingredients present in over 50 countries across the globe with around 2,400 employees. Our knowledgeable teams of industry, market and technical experts are each dedicated to a specific market within Life Sciences and Industrial Chemicals. We offer a lateral value chain of complementary products to about 40,000 customers, creating a turnover of €2.15 billion (2019). Throughout our extensive network of more than 60 application laboratories, our award-winning technical staff help customers develop formulations. We combine a global reach with a local focus to offer a reliable, integrated service to local customers and attractive business opportunities to principals. And we believe in building and nurturing solid, honest and transparent relationships with our people and partners.

Impact through ideas. Innovation through formulation.  
[www.azelis.com](http://www.azelis.com)

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