



CSR Report

Communication on Progress

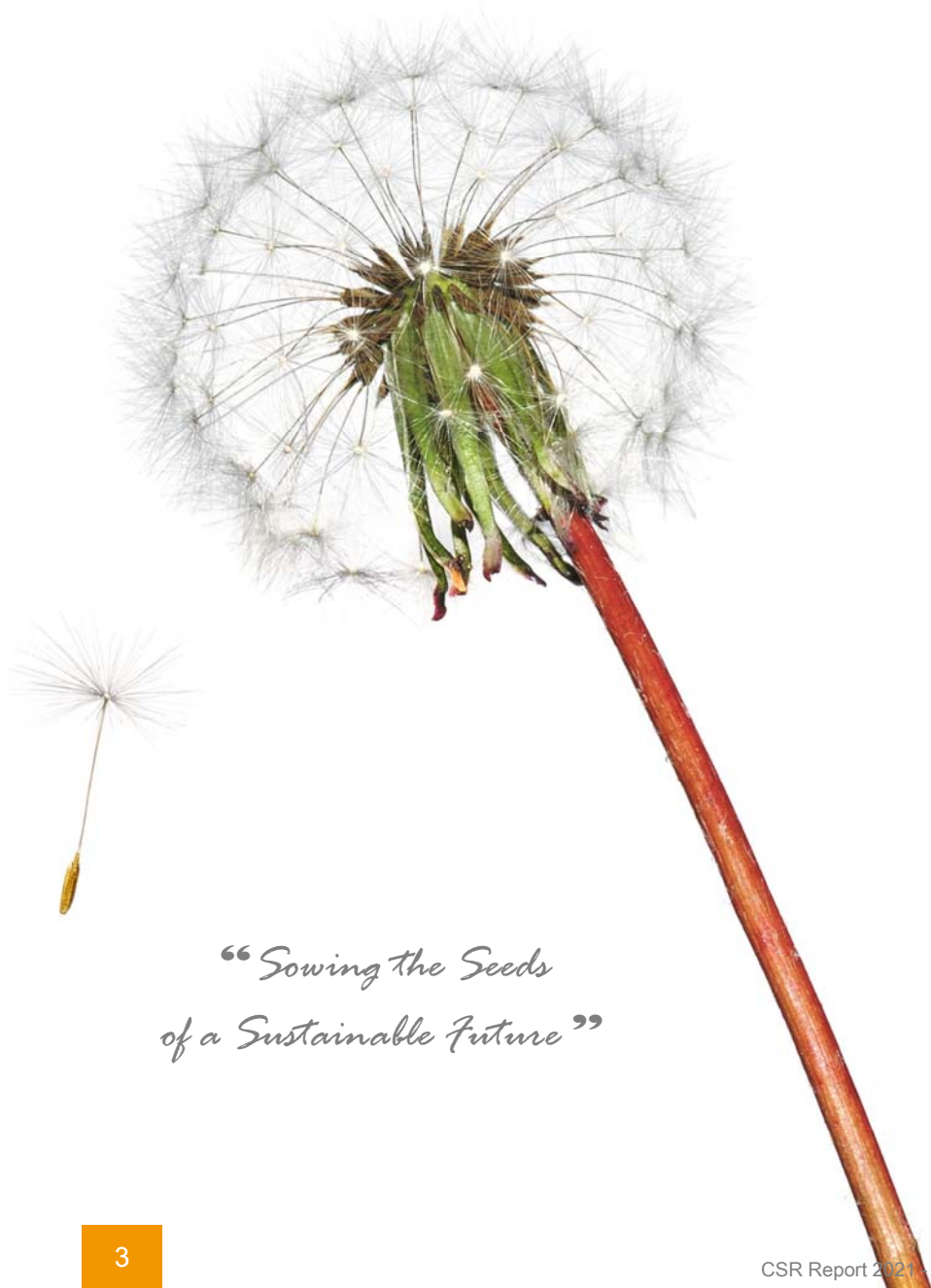
- 2020 -



PRODUCTS & SERVICES

ROSSOW





*“Sowing the Seeds
of a Sustainable Future”*

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PRESENTATION

Established in 1955, the ROSSOW company is specialized in **the import, the trading and the creation of products for the cosmetic and industrial fields**. It offers a range of specialty ingredients designed and developed by internationally renowned industrial partners: active ingredients, waxes, oils, emulsifiers, texturing agents, polymers, stabilizers, etc.

Natural or synthetic, the products have been rigorously selected to meet customers' expectations.

Building on its experience and the skills of its teams, ROSSOW offers efficient and innovative solutions to its customers, with a constant commitment to **sustainability and environmental and social responsibility**.

This commitment is reflected in numerous initiatives and actions such as the use of certified sustainable palm oil, of renewable raw materials, but also by **obtaining certifications** (ISO 9001), signing of numerous **charters and commitments** (Responsible Care program, FECC Ethical and Business Principles, United Nations Global Compact), Ecovadis, etc.), and obtaining international recognition (Ecovadis, CDP).

In addition, all products marketed by ROSSOW meet **REACH's** requirements.

For more than 65 years, customers, both international groups and SME, have relied on ROSSOW due to its ability to find exclusive suppliers and ingredients, as well as for its values: **professionalism, responsiveness, diligence and respect for confidentiality**.



PRESIDENT'S WORD

According to the definition of the ISO 26000 standard, a company's social responsibility lies in its responsibility for the impacts of its decisions and activities on society and on the environment, resulting in ethical and transparent behavior [...].

→ For us, CSR is:

- A responsible value chain that provides a **durable link within the supply chain**.
- A chain that integrates in full transparency the **respect of the environment and People**.
- A **positive impact** chain.

These values have long been part of ROSSOW's overall policy. Today, we wish to formalize our commitment through this report and thus express our aspiration to work for a « *development that meets the needs of the present without compromising the ability of future generations to meet their own needs.* »⁽¹⁾

On this occasion, we renew our commitment to the **ten principles of the UN Global Compact**.

We are firmly convinced that making all our collaborators aware of these social and environmental considerations is necessary to preserve the balance between Man and the Planet.

This first social responsibility report intends to share these commitments and achievements with all our stakeholders, with the aim of encouraging all parties to build with us a more sustainable and virtuous economy.

A handwritten signature in blue ink, appearing to read 'N. Rossow'.

Nicolas ROSSOW

⁽¹⁾ Definition of sustainable development according to the Brundtland Report, 1987

CHALLENGES

We are currently witnessing a global awareness of the urgency of protecting the environment but also the populations.

Sustainability is becoming a global challenge. It takes into account three dimensions: **social, environmental and economic**, which are included in the three main axes of our CSR Charter.

These three axes are all challenges for the development of our Company and our stakeholders..



Social



Environmental



Economic



CHALLENGES - continued

Social

Our social challenges go first through our strict compliance with all the regulations in force on **human rights** and **labor rights**, acting with full respect for individuals and freedoms.

The environment and working conditions provided to all our employees must be optimal with the aim of increasing **well-being** and **safety at work**, as well as offering quality social support.

We make a point that all these elements are also respected by our suppliers.

Environmental

As environmental issues are at the heart of all current concerns, the challenges of **reducing our direct and indirect impacts** are major.

In this context, the **selection of our partners** is a key step in our activity, thus enabling us to act at all levels of our sphere of influence by promoting our values such as the use of renewable resources and eco-responsible processes, protection of health and biodiversity, optimization of transport flows, good waste management, reduction of pollution risks, etc.

Economic

The economic challenge lies mainly in making our **society sustainable** over time, making it **sustainable** and **virtuous**.

To this end, our global strategy integrates with our partners and our teams requirements such as compliance of commercial practices, **ethical behavior** and the fight against all forms of corruption, respect for confidentiality and know-how.

→ In order to meet these challenges, we must ensure that the policy implemented is well conducted by all employees of our company and is also respected by all of our partners. Thus, we share our ambition with our suppliers and service providers to make them adhere to our values and guarantee the **respect of our commitments**.

Because a CSR policy cannot stop at the present, we have set ourselves a course of excellence to be reached according to the deadline of **The 2030 Agenda**.

We aim at the following **OBJECTIVES**:

- ☞ **100%** of our portfolio's raw materials from renewable sources or recycling.
- ☞ **100%** of our economy in accordance with a sustainable economy.
- ☞ **50%** reduction in our carbon impact with a neutral carbon footprint of our buildings



CONTRIBUTIONS TO SUSTAINABLE

Rossow helps meet the sustainable growth challenges set by the 17 Sustainable

17 - Partnerships for the Goals

Integrating SDGs into our policies and decision-making.
Long-term partnership with our manufacturers.

16 - Peace and Justice Strong Institutions

Raising awareness of the ethical and anti-corruption behaviour of our employees.

15 - Life on Land

Carrying out of an environmental impact assessment.
Preservation of ecosystems through the control of products issued from palm (RSPO Mass Balance certification) and wood (FSC certification).

14 - Life Below Water

Prevention of water pollution with accidental spill avoidance measures.

13 - Climate Action

Annual realization of our carbon footprint, analysis of our impacts and objectives and reduction of our emissions linked to the operation and the chain supply.

12 - Responsible Consumption and Production

Protection of consumer health and safety.
Control of the tracability and origin of all our materials.

11 - Sustainable Cities and Communities

Creation of added value and employment.
Business continuity management..

10 - Reduced Inequalities

Leadership in gender equality and the fight against all types of discrimination.
Fair remuneration policy.



DEVELOPMENT GOALS

Development Goals (SDGs) adopted at the United Nations Summit in September 2015.

1 - No Poverty

Creation of sustainable and fairly remunerated jobs. Support for the development of local suppliers and service providers.

2 - Zero Hunger

Contribution to the development of sustainable and ethical agriculture through our responsible sourcing.
Creation of wealth and income for our partners.

3 - Good Health and Well-Being

Leadership in Occupational Health and Safety.
Balance in private and professional life.
Protection of consumer health and safety by ensuring full traceability of materials.

4 - Quality Education

Development of the skills and employability of our collaborators.
Transmission of knowledge to future generations.

5 - Gender Equality

Respect for gender equity and human rights at all levels.
Facilitation of women's involvement throughout their careers.

6 - Clean Water and Sanitation

Control of our water consumption.
Recovery and recycling of stormwater runoff.

7 - Affordable and Clean Energy

Control of our energy consumption.
Choice of "green" renewable energy supply.
Reduction of our fuel consumption with our fleet of hybrid vehicles.

8 - Decent Work and Economic Growth

Ensure favorable working conditions and advantageous social protection. Investment policy fully integrating sustainability criteria.

9 - Industry, Innovation, and Infrastructure

Collaborative innovation with our raw material supplier's partners.
Promotion of the principles of "green chemistry".
Development of sustainable and resilient infrastructure and buildings.



COMMITMENTS

→ In order to realize and share our values more effectively, we are committed to various initiatives:

WE SUPPORT



Since 2019, ROSSOW has been committed to the **United Nations Global Compact** Social Responsibility Initiative and its 10 principles on human rights, labor standards, the environment and the fight against corruption.



ROSSOW offers COSMOS certified products (COSMetic Organic Standard), guaranteeing the implementation of manufacturing and processing processes that **respect the environment** and human health, according to the concept of «**Green Chemistry**».



Voluntary commitment since 2003 for **sustainable chemistry** and continuous improvement of performance in the areas of health, safety and environment (HSE).



Since 2017, ROSSOW has had an **RSPO distributor license** to ensure the traceability of RSPO Mass Balance certified products by manufacturers.

INDICATORS & PROGRESS 2020



In order to continue our policy of **continuous improvement**, we have set ourselves a number of **indicators and targets** for the current and future years. This **measurement of progress** allows us to identify the potential for improvement in each of our business processes.

Our medium-term objective is to obtain joint certification of these **3** ISO standards:



Our key indicators allow us to monitor our **economic, environmental and social performance**. We have set up a reporting system to collect the data needed to calculate the indicators based on the participation of everyone, each at his or her level of expertise.

Our performance indicators are calculated in accordance with the requirements of **ISO26000**, **ISO140001**, **ISO45001** and sometimes in connection with the Global Reporting Initiative.



→ Our indicators are broken down according to the three main axes of our Charter:



Social



Environmental



Economic

INDICATORS & PROGRESS 2020 - continued



Social

Rossow's social policy aims to uphold **fundamental rights** and ensure legal compliance through strict law enforcement.

With **respect for individuals and human rights** at the heart of our concerns, our actions revolve around the following major orientations:

1 - Create and sustain employment

We have implemented a dynamic employment policy offering employees **job security**.

During this particular year related to the Covid-19 epidemic, we have redoubled our efforts to maintain employment and wages for all through the implementation of several measures adapted to each individual's needs: childcare leave and/or telework.

94% of employees on permanent contracts

7 new hires in 2020

(including 2 conversions of an apprenticeship contract and an end-of-study internship into permanent contracts)

2 - Train and promote each other's skills

The training of our employees is a priority so that everyone can carry out his job with the **appropriate means and skills**. Through to a biennial professional review carried out with the line manager, we are attentive to the projects of our employees in order to build their **personal and professional development** together.



OPTIMIZATION OF SKILLS

42% of staff received training in 2020 = **210 hours** of training.



PROFESSIONAL EVOLUTION

Since 2019, support for **2 employees** in long training transition and skills development.



TRANSMISSION OF KNOWLEDGE TO FUTURE GENERATIONS

20 apprentices and professional contracts have been welcomed over the past 5 years! Representing **8%** of our workforce in 2020.

INDICATORS & PROGRESS 2020 - continued

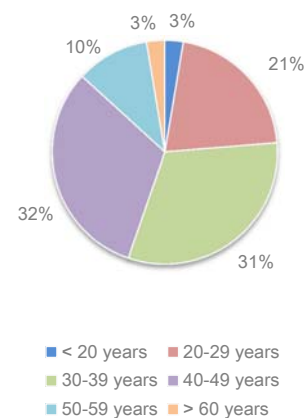
3 - Promote equality and diversity in the workplace

We guarantee **non-discrimination** in hiring and **respect** for all employees and their **diversity**.

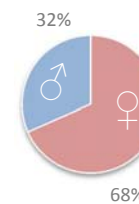
We have a fair remuneration policy based on the recognition of the skills and performance of employees.



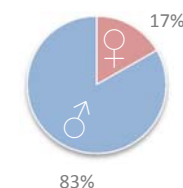
Breakdown of workforce by age group



Breakdown of the workforce by gender



Breakdown of the Executive Committee by gender



INDICATORS & PROGRESS 2020 - continued



4 - Guarantee health and safety at work

We make every effort to ensure **optimal working conditions** for our employees and thus preserve their health and safety. All employees are made aware so that **health and safety** are essential components of professionalism and that everyone is involved in their own safety and that of others.

👉 **73% of the training** carried out in 2020 covers security topics (ADR, electrical accreditation, First Aid Worker, Safe driving aptitude certificate...)

👉 We thus maintain a constant rate of about **17% of First Aid Worker** since 3 years.

👉 **Every two years** at most, all staff are trained in the use of fire extinguishers and evacuation instructions.

Our **overall prevention approach** results in particularly low accident rates:

1 single work accident with stoppage since last 10 years

We pay particular attention to the **PENIBILITY** factors that may affect our employees and have thus carried out with the Occupational Medicine:



an assessment of noise levels in 2018



an ergonomic study of workstations in 2019

5 - Improve the quality of work life and offer social benefits

Concerned about the well-being of our employees, we have subscribed, in addition to the compulsory social cover provided for by the legislation in force, additional social cover :

100% of employees are covered by a mutual insurance and a supplementary pension.

We act with kindness to enable everyone to achieve the right balance between personal and professional life by offering the possibility of:

- **teleworking** (1 day per week),
- **adjustment of daily schedules**,
- **family part-time work** representing **12%** of our workforce.

Moreover, we hold **monthly meetings with the Economic and Social Committee** to promote respectful, frank, sincere and constructive social dialogue for the company and its employees.

INDICATORS & PROGRESS 2020 - continued

6 - Ensure the health of consumers

Providing **zero risk** products for the health of consumers is one of our top priorities. Therefore, in order to guarantee the control and complete knowledge of our materials, we have relied on the development of expert teams within :

Our **characterisation laboratory**

- 5 people -

studies the physico-chemical properties of our materials, their **formulation potential** in order to determine the best conditions for safe use.

Our **regulatory department**

- 2 people -

checks and validates all material files and their **regulatory compliance** in the various countries distributed. We are also members of two regulatory watch services: Cosmed and UFCC.

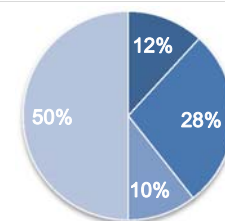
Our **technical sales department**

- 11 people -

exclusively composed of chemical engineers with a solid knowledge of the **technical applicability** of our materials, thus guaranteeing quality support for customer projects.



100% of our Raw Materials comply with the European REACH Regulation



MP = Matières Premières

- Exempted RM (Polymers)
- Exempted RM (Annex V)
- Exempted RM (< 1 ton/year)
- Registered RM



👉 **100%** of our materials comply with the ECHA recommendations on the regulatory content of SVHC substances (Substances of Very High Concern).

👉 **100%** of our materials have an MSDS (Material Safety Data Sheet).

👉 **100%** of our customers are informed of the recommendations for the use of our materials in accordance with the regulations in force in the various downstream user countries.

INDICATORS & PROGRESS 2020 - continued

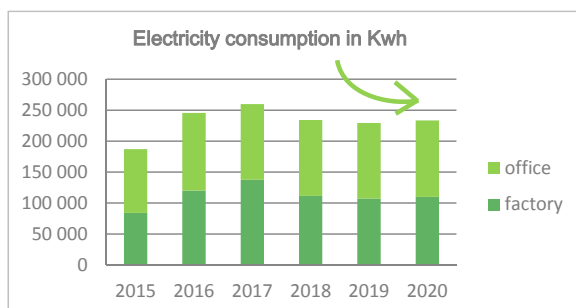
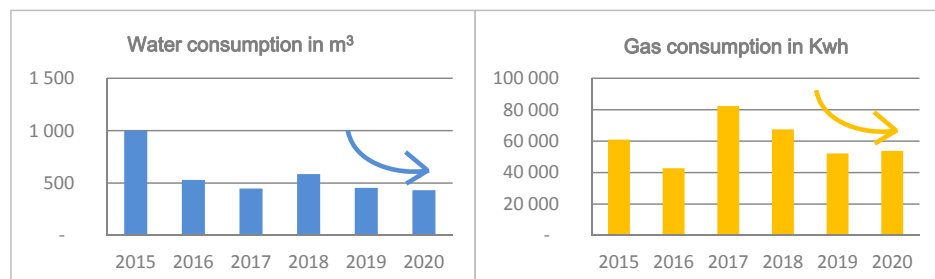


Environmental

As part of its environmental policy, Rossow contributes to the development of sustainable consumption and production patterns and is based on **eco-responsible management** at all levels of the company's activities.

1 - Control of our water and energy consumption

Awareness of our impact on natural resources begins with careful and **measured monitoring** of our electricity, gas and water consumption **over the past five years**.



In order to reduce our impact, we have opted for a new 'green' electricity supply contract from May 2019.



51% of our electricity consumption is from **renewable sources***.

* wind, solar and marine energy.

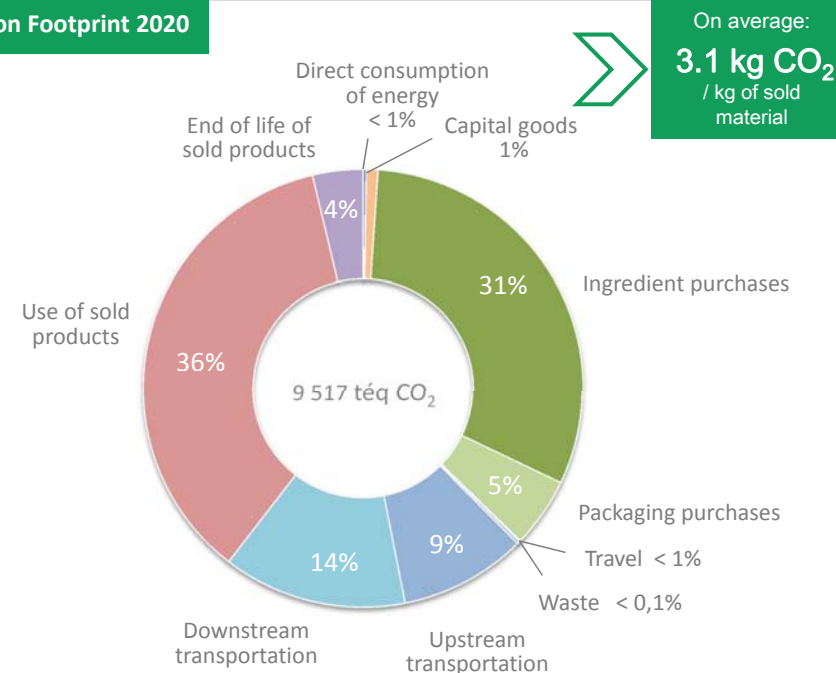
INDICATORS & PROGRESS 2020 - continued

2 - Establishment of our greenhouse gas emissions balance

For 5 consecutive years, we have been carrying out an assessment of our environmental impact by carrying out our **Carbon Footprint**.



Carbon Footprint 2020



→ This analysis enabled us to identify our majority impacts and prioritize the implementation of **reduction targets** for:

- ingredients manufacturing processes,
- upstream and downstream transportation,
- use of sold products.

INDICATORS & PROGRESS 2020 - continued

3 - Optimization of the impact of transport related to our activities

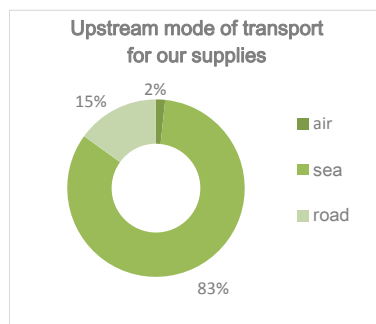
At the heart of our activities, the transport of goods and people, has been identified as one of the main levers to **reduce our environmental impact**.

Of our goods

Depending on the location of our partner suppliers, we favor road or sea transport in order to limit the use of air freight as much as possible.

We are proud today to reach a very low threshold of only **2%** by air compared to **15%** by road and **83%** by sea.

We also work to optimize our purchases by studying with our customers their **forecast needs** so as to group orders to suppliers and, for example, proceed to monthly arrivals by full sea container.



On average over 2020
1.5 tons per shipment.



100% of our company vehicles are hybrid

Of our employees

We also pay special attention to transporting our employees on business trips or simply on home/office trips.

To this end, we have gradually changed our car fleet towards less polluting vehicles. In 2017, we had 50% diesel for 50% hybrids and at the end of 2020, we are proud to be fully equipped with **hybrid vehicles**, with a real average consumption of **6L/100km**.

During this year 2020 affected by the Covid-19 epidemic, we took the opportunity to reduce our carbon impact by **reducing our business travel**, in particular by offering digital meetings to our customers.

INDICATORS & PROGRESS 2020 - continued

4 - Integrated waste management

In accordance with the Environmental Code, our waste management is based first on the willingness to **limit waste generation**, then it declines depending on to the potentialities towards recycling or recovery channels. As a last resort, we dispose of the waste in approved treatment centers.



All of our employees are made aware of waste sorting, both at the office, the refectory or the warehouse. Specialized bins are set up in these different areas.

We are seeking to develop new recycling and recovery channels in order to fully integrate the principles of the **circular economy** into our processes.

→ Our goal is to achieve a recycled waste threshold above the recovered waste threshold.



We also contribute to the preservation of ecosystems by combating any risk of **local pollution** through the implementation of all the necessary measures to prevent any accident.



0 accidental spillage
of products on our site and during the transport of our materials.

INDICATORS & PROGRESS 2020 - continued

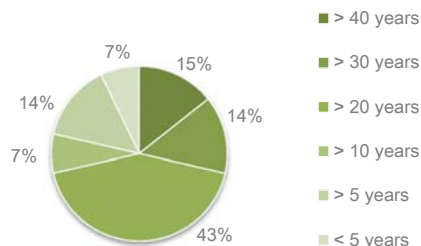
5 - Responsible for our purchases



Our Suppliers

For many years, we have been in favor of using renewable resources. We work hand-in-hand with our suppliers to foster innovation and integration into our portfolio of **eco-friendly and sustainable** materials, while ensuring complete **traceability** of our supplies.

Breakdown of our suppliers by duration of collaboration



→ We have developed with our **14** current suppliers a longterm relationship with an average of **24 years** of collaboration!



100% of our suppliers are committed to a responsible and sustainable approach

- 👉 **100%** have a CSR policy
- 👉 **57%** are ISO14001 certified
- 👉 **36%** publish an annual CSR report
- 👉 **7%** are UEBT* members

* Union for Ethical BioTrade

INDICATORS & PROGRESS 2020 - continued



Our Materials

Our supplies of **materials from renewable sources** have been growing strongly over the past 5 years, with the aim of offering a **100% eco-designed product portfolio** in the medium term.

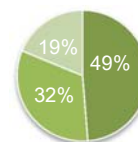
→ Certifications to serve our customers' expectations:

COSMOS



68% of our catalog products comply with the Cosmos standard.

- % Cosmos certified
- % Cosmos compliant
- % non compliant



RSPO



Only **28%** of our catalog products are ingredients derived from palm oil.

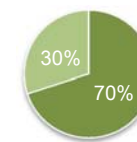
55% of these palm oil derivatives are from RSPO Mass Balance certified origin.

FSC



70% of our catalog products from the wood industry come from FSC certified resources (Forest Stewardship Council).

- upstream FSC sourcing
- cannot be guaranteed

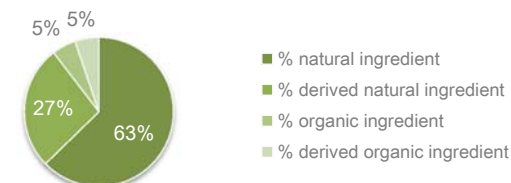


We aim to continue to increase these percentages, with a priority of **100% RSPO Mass Balance sourcing** for palm oil-derived ingredients.

Naturalness

68% of our cosmetic ingredients meet the global definition of "natural ingredient" of the ISO 16128 standard and more precisely:

Naturalness mapping of our ingredients according to ISO 16128



Biodegradability

Mindful of the end of life of our products, we have also determined that **58%** of our ingredients are easily biodegradable (according to OECD standardized methods).

INDICATORS & PROGRESS 2020 - continued



Economic

We have developed an economic growth strategy based on a **sustainable and perennial vision** of our activities. Thus, ethical behavior, customer satisfaction and operational excellence are at the heart of our concerns.

We make a point of ensuring **transparency** and reliable communication on information related to our activities and products.

1- Growth and economic performance

Family company that turned **65 years** in 2020, Rossow defines itself as a **stable and sustainable** company. In a difficult 2020 context, Rossow maintains a constant business of flow.

We ensure regular and transparent communication on our results and our projects. In addition, we involve our employees in the development and success of the company through the implementation of a **profit-sharing agreement**.



We carry out an **investment policy** in order to develop the company towards its future and achieve **operational excellence**. These investments are based on:

Material issues

with the expansion of **laboratory capacity**

- ➔ increase in surface area,
- ➔ additional equipment.

Human issues

with the recruitment of **two directors**, in the sales and supply chain departments.

- ➔ optimization and profitability of the supply chain, cost analysis of non-quality...

Rossow has also appointed an internal resource dedicated to the deployment of our **CSR approach**.



Christine ZIEGLER,
Quality & CSR Manager

INDICATORS & PROGRESS 2020 - continued

2 - Our central objective: customer satisfaction

At the heart of our business as an ingredient supplier, our main goal **customer satisfaction** is to deliver our customers on time and with quality products that scrupulously respect the specifications of our customers' orders.



In 2020, we are proud to achieve
99 % of OTIF
(On Time in Full)

We have also been able to adapt to the sanitary situation and limited customer contacts by developing the **Sample Box!** Tailored to customer needs, we were able to continue to offer quality support for our customers' projects.

3 - Ethical behavior

We are committed to respecting the rules of economic exchanges and we strive to establish ethical behavior in our internal and external professional relations.

An initial awareness of the sales team to **ethical and anti-corruption behavior** was carried out in early 2020, which was then recently supplemented by the awareness of the entire supply chain team.



57% of employees including
100% of sales department
are aware of the risk of corruption

Ethics are for us an inherent condition in the development of any upstream or downstream business relationship. We choose to work with suppliers and customers who share this same value.

Based on the analysis of the organization *Transparency International*, which scores the corruption risks by country (CORRUPTION PERCEPTIONS INDEX), we obtain on average

➔ for our suppliers: **72,4 /100**

➔ for our customers : **68,4 /100**

We also pay particular attention in the **choice of our service providers**, particularly carriers, and we ensure their good compliance and practices in terms of declaration of employees, charges....

AWARDS

Through several voluntary initiatives, we have undertaken to self-assess the different axes of our **CSR approach**. They reflect our commitment and actions in recent years.



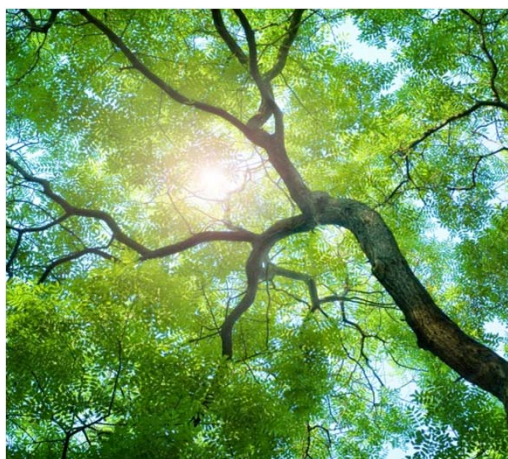
CONCLUSION

The work that we carry out within our own company and in collaboration with our partners, based on a **virtuous ethic**, contributes to the improvement of the **quality of life** of our societies, to the preservation of the **future of the planet** and works for an optimistic future of which we can be proud.



NB: This report, as presented, which is as sober and synthetic as possible, weighs 2.5 Mo, equivalent to 35 g of CO₂.

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