

Sustainability Report
2020-2021



The
DURABLE Link:
moving forward





EDITORIAL

Dear Reader,

Over the past several years, Safic-Alcan has been on a journey to become a leading speciality chemical distributor by integrating sustainability and its principles into our business strategy, culture and operations. As you will see in this progress update, we have made solid strides in our journey, and we remain committed to do even better.

The difficulties of the Covid crisis tested our resilience and adaptability, but we continued to act on our commitment to be the long-lasting, durable link connecting both principals and customers together in the implementation of sustainable innovation in the marketplace.

In 2020, Safic-Alcan conducted its first materiality assessment, a formal process of listening to and consulting with stakeholders on ESG topics. The assessment has brought genuine added value by confirming the adequacy of ESG initiatives already in place and suggesting pathways for improvement.

We are now in the process of integrating those initiatives into our businesses.

I can't talk about sustainability without mentioning the Safic-Alcan team. Our people are the reason why we can continue to invest in innovation and have a positive impact on our value chain. I'm proud of the foundation we are building: sustainability is not something we do; it is becoming an integral part of who we are.

"Our first materiality assessment has meant that we know where to focus our efforts and can make sure that Safic-Alcan's overall ESG policy is coherent."

Philippe Combette
Chairman, Safic-Alcan

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- 6-7** Our 2018 – 2020 ESG strategy
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Governance

A New Executive Committee



Martial Lecat
Chairman, Myrtill
(Holding)



Philippe Combette
Chairman, Safic-Alcan



Jean-Michel Guyon
Chief Financial Officer



Philippe Cenreud
Managing Director,
Rubber & Plastics Group



Juliette Gamez
Chief Digital Officer



Yann Lissillour
Head of M&A Group and Managing Director,
of CASE & Industrial Specialties Group



Jose Lora
Managing Director,
Life Sciences Group

As we move into 2021, Safic-Alcan has been strengthening its governance practices and responsibilities to reflect the strong growth of the Group. As of September 2020, a new Executive Committee has been formed which includes within its ambit the development of policies and actions to support the company's corporate responsibilities. It is composed of seven members, all long-serving experienced senior managers of the company, enhancing the former three-member team.

Reporting to the Supervisory Board, this reshaped Committee drives the Group's overarching strategy, ensuring that implementation in our business has full leadership support.

Safic-Alcan in 2020 at a Glance

Who we ARE

Founded in 1847, Safic-Alcan was historically a French trader in tropical products before focusing on the rubber industry thanks to a deal with DuPont in 1928. Over the years, Safic-Alcan has diversified into many other markets to become a global specialty chemicals distributor that offers direct access to a large and diverse portfolio of innovative and responsible products. It has expanded well beyond France and now has a network of subsidiaries, offices and warehouses strategically located in Europe, America, the Middle East, Asia and Africa.

€602m

turnover

644

employees

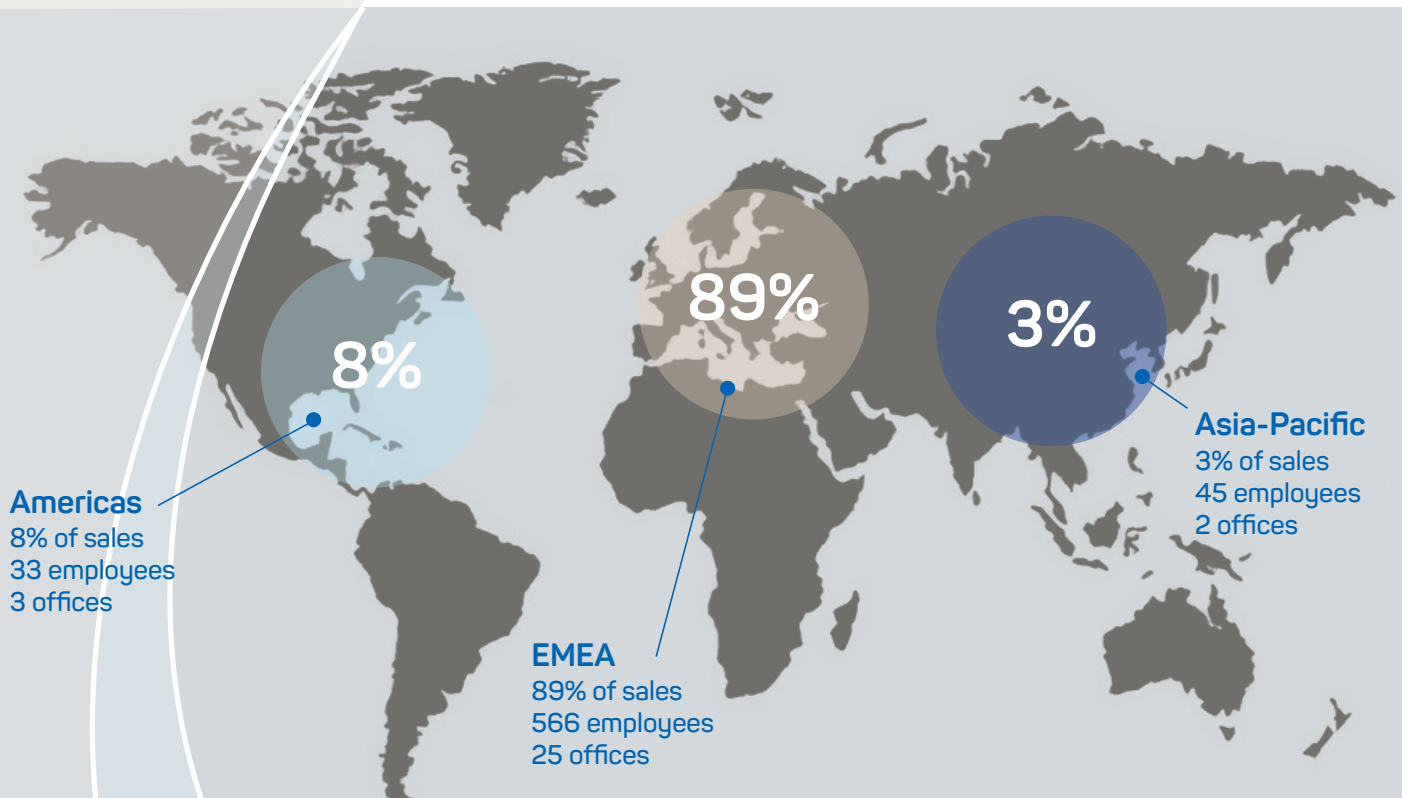
30

locations

*This includes
our offices
and subsidiaries.*

More than
50

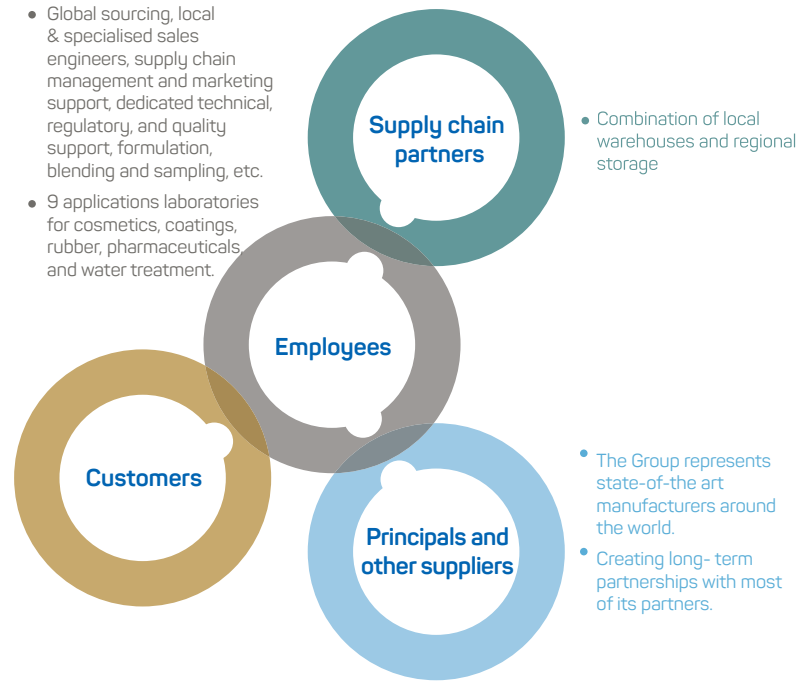
*countries
covered*



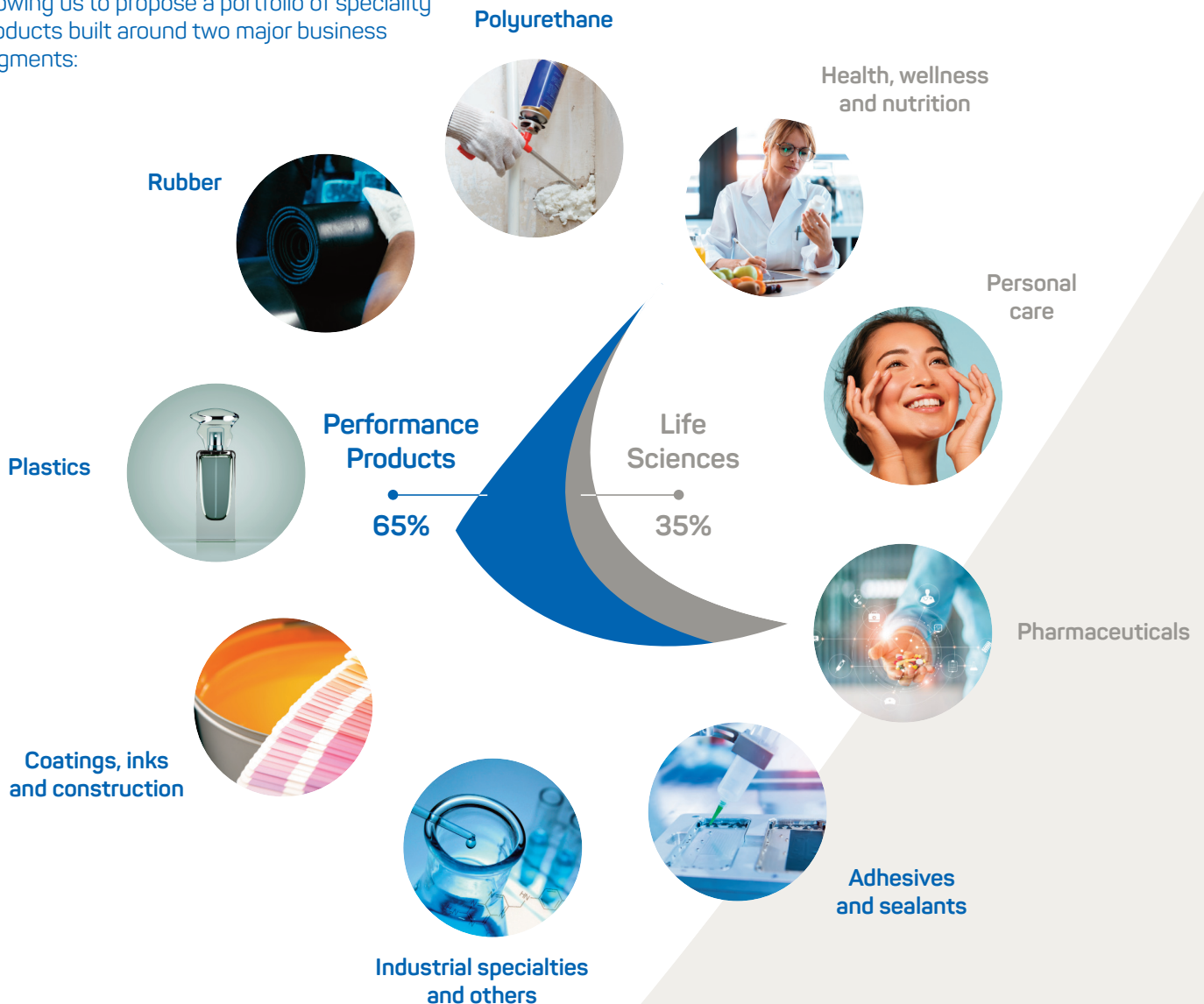
The Durable Link

At Safic-Alcan, our mission is to provide "Innovative Solutions" by creating and maintaining collaboration across the value chain. In fact, we are in the best position to be the link that brings both principals and customers together to understand what consumers need, so that we can then, together, implement sustainably-advantaged innovations in the marketplace.

- Global sourcing, local & specialised sales engineers, supply chain management and marketing support, dedicated technical, regulatory, and quality support, formulation, blending and sampling, etc.
- 9 applications laboratories for cosmetics, coatings, rubber, pharmaceuticals and water treatment.



Our innovative solutions are built on long-term collaboration with our principals, allowing us to propose a portfolio of speciality products built around two major business segments:



Our 2018-2020

ESG Strategy

Fostering positive changes in the value chain

In this section, we will outline the actions and results that came out of our first ESG strategy, which we implemented in 2018. In 2020, Safic-Alcan invested a large amount of time in performing its first materiality assessment. This process, described in this report, has brought genuine added value by confirming the adequacy of ESG initiatives already in place and suggesting pathways for improvement in our 2021 ESG Strategy. We are using it to apply a sustainability focus to prioritise our resources for issues that matter most to our business and stakeholders. 2020 was a year like no other for all of us and the difficulties of this tragic year tested our resilience and adaptability, but we continued to act on our commitment to be the durable link connecting chemical manufacturers (our principals) and chemical users (our customers), as such, we provide complete distribution solutions.

We deployed our **Innovation Link** by collaborating in full transparency along the value chain to develop innovative solutions and drive positive changes. Developing sustainable products drives our business growth and provides a foundation for our future success. (See Initiatives 1 & 2)

Respecting our **Environmental Link** continues to be an important part of our culture and our brand. The principles have been included in our Corporate Environmental Stewardship Policy as well as our Third-Party Code of Conduct. (See initiatives 3 & 4)

In a changing world, our company culture serves as our compass for our day-to-day actions. Responsible behaviour and adaptation have been at the heart of our business, from focusing on the **Human Link** to influencing strategic business policies and governance. (See initiatives 5 & 6)

Our 2018-20 ESG strategy, with its strong commitment to anti-corruption, has contributed to 5 of the 17 Sustainable Development Goals, focusing on 6 key initiatives.

Deploying our Innovation Link

Initiative No.1

Continue delivering strong value creating growth

Initiative No.2

Collaborate with our partners to develop new business opportunities with sustainability-advantaged products.

Respecting our Environmental Link

Initiative No.3

Join forces to promote sustainable consumption.

Initiative No.4

Deploy sustainable procurement to improve working and environmental conditions in our value chain.

Human Link as a business model

Initiative No.5

Maintain our strong commitment to our company's culture for health, wellness, and ethics.









Initiative No.6

Pursue responsible business practices.



Our 2020

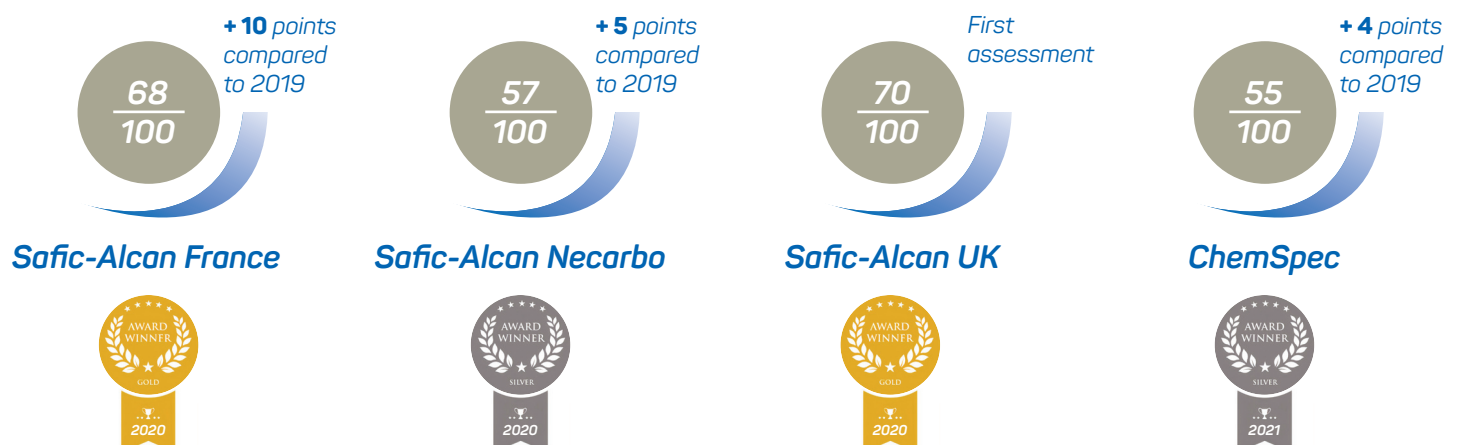
ESG Performance

Our initiatives	Our target	Our 2020 results	Comments
1. Continue sustained growth	CAGR of 10% from 2015 to 2020	 67%	From 2015 to 2020, our revenue has grown from €466m to €602m. 2020 was an atypical year due to the Covid crisis.
2. Collaboration with our partners	Minimum 2 joint projects per year	 100%	Of 3 projects launched in 2020, 2 were finalised and focused on health & wellness and sustainable procurement for our principals.
3. Promote sustainable consumption	Contribute to a minimum of 3 initiatives jointly with our partners	 100%	Two new projects in 2020 added to another one from 2019.
4. Deploy sustainability procurement	80% of revenue to come from Suppliers who comply with our Third-Party Code of Conduct by 2020	 66%	66% of our partners are compliant in our targeted group.
5. Maintain the company culture	Achieve 100% deployment of our Code of Conduct by end of 2019	 100%	At the end of 2019, 96% of employees had signed the Code, and this figure then reached 100% in January 2020.
	Complete our 1 st materiality assessment by the end of 2020	 100%	This assessment was a major focus for 2020 and we are now integrating the insights into our businesses.
6. Pursue responsible business	EcoVadis CSR rating: 62 points and gold recognition level by 2020 for France	 100%	Our 2020 result of 68 points gives us Gold status, ranking us in the top 1% of our category.
	Improvement of our score in other subsidiaries under assessment	 100%	Netherlands, UK and US affiliates have improved their scores.

2020 was a year in which Safic-Alcan repositioned itself strategically to go further with our ESG management and our actions, with a long-term vision. The difficulties of this tragic year tested our resilience and adaptability, but we continued to act on our commitment to be the long-lasting and Durable Link.

Recognition of our extra-financial performance.

Safic-Alcan decided to implement a CSR (Corporate Social Responsibility) ongoing assessment process in order to enhance the quality of the company's Sustainability Strategy at Group level. We use the **EcoVadis** CSR rating methodology which is widely recognised and used by our suppliers as well as our customers. This framework assesses the policies and measures published by companies with regards to the environment, labour practices & human rights, fair business practices and sustainable procurement issues.



ESG Leadership

Sustainability Management at Safic-Alcan

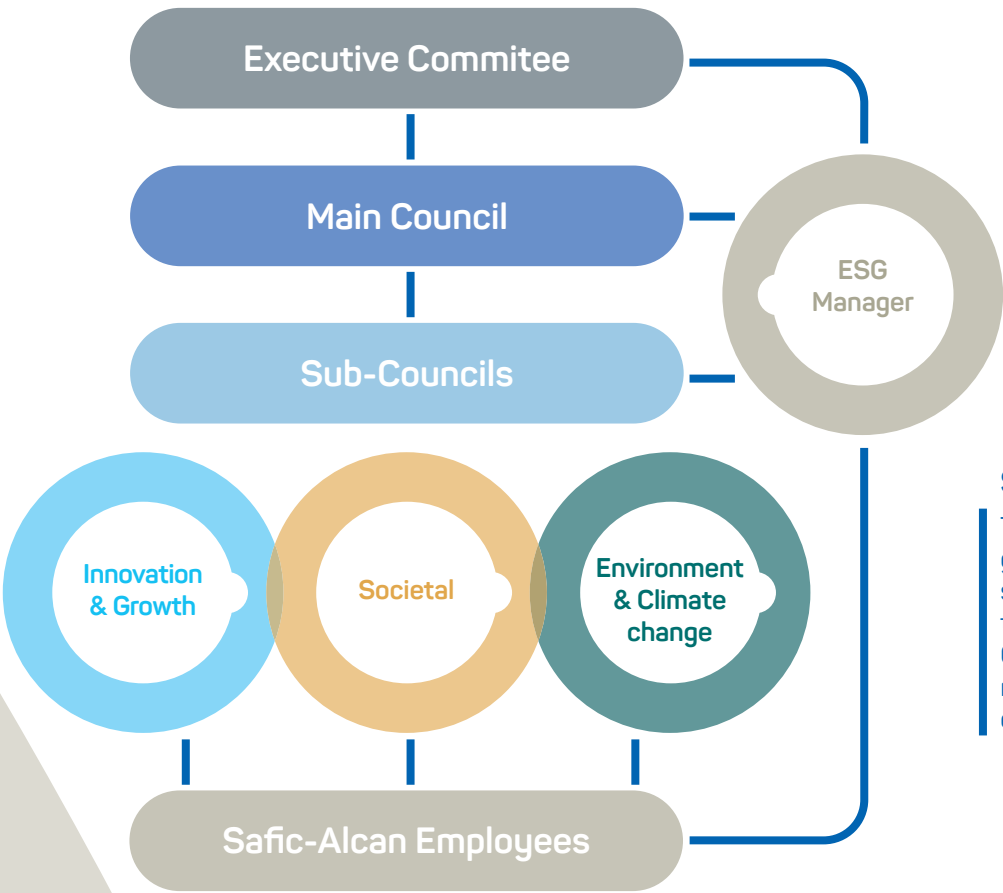
Creating sustainable value for our stakeholders is important to Safic-Alcan, and how we achieve those results is just as important. We are committed to conducting all business activities in accordance with the highest legal and ethical standards, and sustainability is ingrained in our governance structure at every level.

Executive Committee responsibility

Because sustainability is fundamental to Safic-Alcan’s values and to the company’s business strategy, members of our Executive Team carry responsibility for our environmental, social and governance policies, processes and commitments. Safic-Alcan’s Chairman, Philippe Combette, has executive responsibility for the company’s strategy and performance, including sustainability performance as it aligns to the corporate strategy. In fact, the Global ESG Manager reports directly to him.

Innovation & Sustainability Council

Safic-Alcan’s global ESG strategy is driven by the leadership of Safic-Alcan’s Innovation & Sustainability (I&S) Council. The I&S Council, which held its inaugural meeting in 2019 and meets quarterly, provides direction on sustainability-related issues that fall within the standard environmental, social and governance (ESG) framework across the company, leveraging sustainability as a key driver of innovation and growth. Internally, the Council ensures collaboration and communication across all three focus areas for sustainability.



Structure & Mission

The Council is structured as one governing body with three sub-council teams representing the three focus areas of the Council. The sub-councils are responsible for defining economic, environmental, and societal goals.

Sustainability Sub-Councils

Reporting to the I&S Council are three sub-councils representing the three focus areas of the Council: Innovation & Growth, Environmental Stewardship and Societal. They are designed to stimulate deeper integration of sustainability into the company strategy. The sub-councils proactively identify emerging issues, assess internal gaps, engage cross-functional teams and execute strategically where Safic-Alcan can make the most impact.

Materiality Matrix

Our Stakeholder input

Focusing on what matters

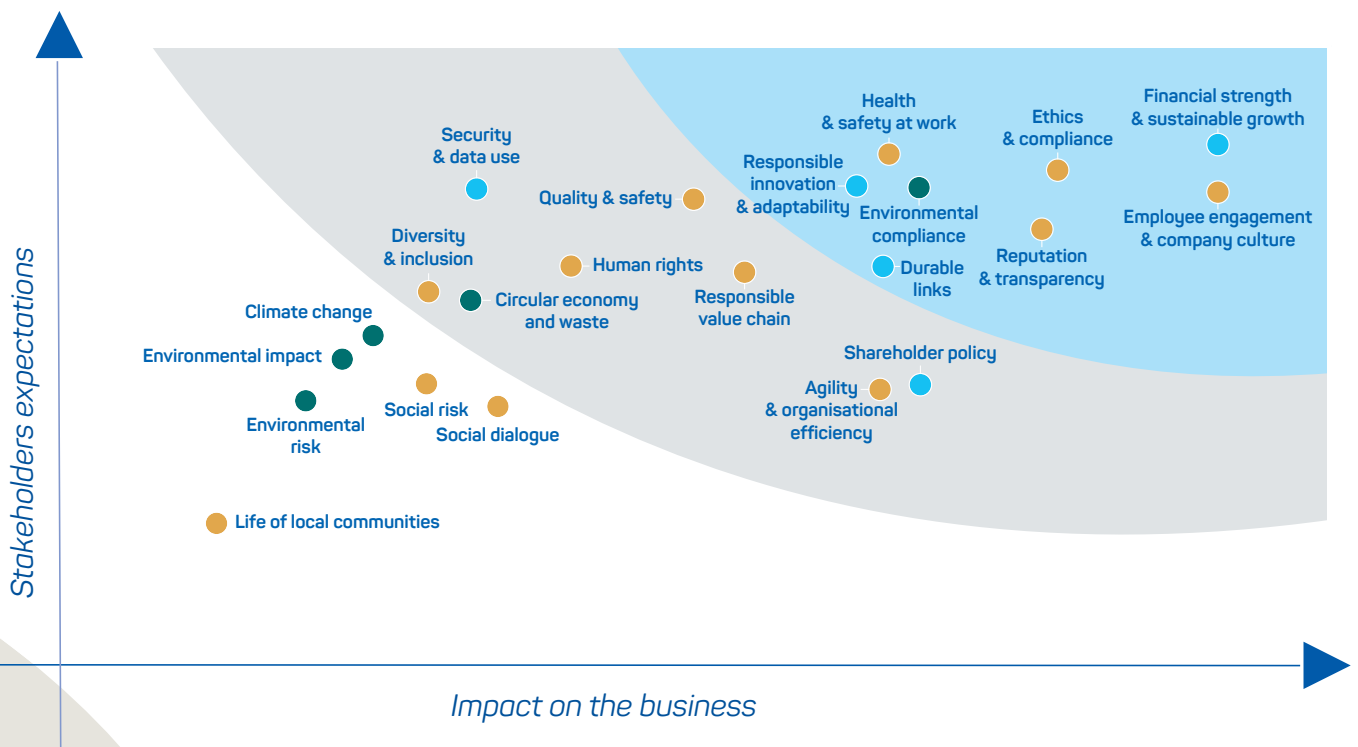
Initially focusing on the three pillars of sustainable development (economy, environment and social), in 2020 Safic-Alcan conducted its first materiality assessment. This formal process of listening to and consulting with stakeholders was used to clarify and strengthen the Group's ESG strategy to cover both historical and emerging issues.

As such, the I&S Council initiated the process of identifying, refining, and assessing numerous potential ESG challenges that could affect our business. Those challenges were ranked based on the importance that our internal and external stakeholders place on ESG challenges and the level of impact that an issue may have on our company. Prioritisation and effective management of these ESG challenges and opportunities are integrated into our new strategy and governance, driving continued commercial success.

● Economic challenges

● Societal challenges

● Environmental challenges



Defining materiality priorities

First, we identified internal and external stakeholders; a randomly representative sample of the Group's employees, works councils, customers, principals and, sub-contractors for warehousing/logistics and production were selected.

We also identified 22 relevant ESG challenges based on several third-party ESG assessments and reporting frameworks, Responsible Care® and the United Nations Sustainable Development Goals.

Then, we designed our survey and asked our external and internal stakeholder groups to rate the importance of each of our 22 ESG challenges. Once we gathered these insights, we formalised a matrix graph that plots how each challenge ranks for the two groups. Finally, we conducted an internal corporate assessment to prioritise the issues and adjust the company's overarching ESG strategy as well as business priorities and initiatives.

Our New ESG strategy

Moving forward

Using the materiality assessment, Safic-Alcan updated its priority issues and selected 6 ESG challenges to guide our efforts towards a responsible transformation. Our updated strategy will enhance our focus on our vision and mission as a specialty chemicals distributor committed to continuous improvement, innovation and responsibility.

Since February 2018, Safic-Alcan has been committed to the **UN Global Compact** corporate responsibility initiative and its principles in the areas of human rights, labour, the environment and anti-corruption. Until now, the Company has been aiming to contribute to five of the Sustainable Development Goals (SDGs), but following our updated strategy we have decided to concentrate on four SDGs.



While our initial strategy was based on the usual three pillars of sustainability (economy, environment and social), Safic-Alcan felt that it was more judicious to build our updated strategy around our critical role, emphasising the strong linkage that we represent in the value chain for the promotion of collaboration and innovation.

Overview of our new objectives

Our new strategy is more mature and is based on five objectives with nine key initiatives. The new initiatives will create a baseline for understanding our impact. We will launch new targets and new actions as we go forward. Our goal is to introduce this new roadmap in our largest entities that are covering 80% of our turnover and to add the others as we gain traction and maturity.

With our first objective: **“Develop a sustainability-advantaged product portfolio”**, we want to focus our efforts on the selection of new suppliers and the identification of products in our current portfolio that contribute to sustainable development goals.

We are retaining one 2019 objective as our second objective, **“Deploy Sustainability in our Value Chain”**, focused on joining forces and promoting industry-wide practices to drive change along the value chain and to go further with our actions.

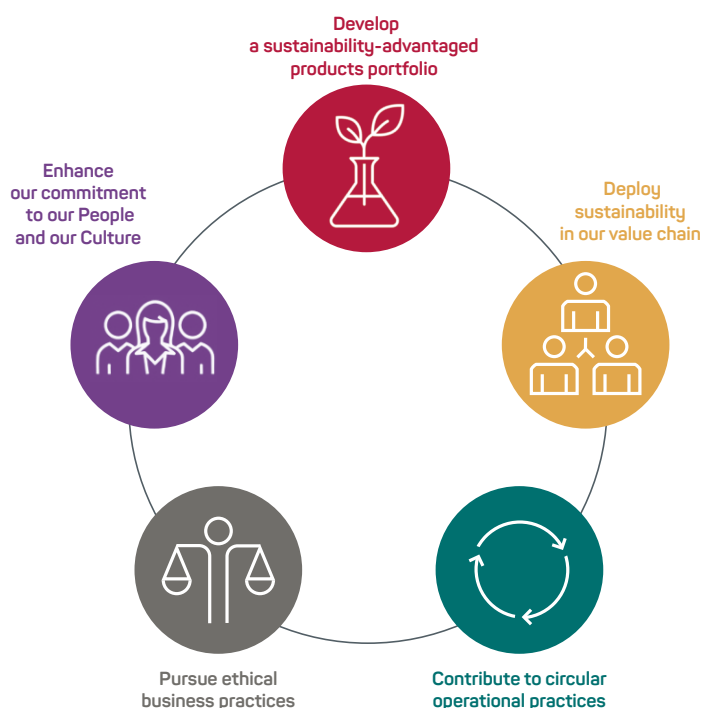
Our third objective, **“Contribute to circular operational practices”**, is aimed at embedding circular economy principles into our way of doing business and in the services we provide in the value chain to our customers, principals and warehousing/logistics partners.

In the long-run, health, wellness and ethics are the values that underpin our development and guarantee our performance. Consequently, we want to enhance our efforts to ensure responsible behaviour and our fourth objective is to **“Pursue ethical business practices”**.

Our fifth and final objective is to maintain a strong link between Safic-Alcan employees, fostered by our company culture, to **“Enhance our commitment to our people and our culture”**.

Our priority ESG challenges

- Employee Engagement & Company Culture
- Ethics & Compliance
- Reputation & Transparency
- Responsible Innovation & Adaptability
- Responsible Value Chain
- Circular Economy & Waste Management





Enhance the Durable Link Everywhere and for Everyone

Safic-Alcan believes that the way a company does business is as important as its financial performance and the quality of its products and services. As a durable link in the value chain, Safic-Alcan allows its customers and principals to access innovation for final consumers, guaranteeing that it does its business as a distributor in a responsible way.

Our vision is to be recognised as a premier speciality chemicals distributor with a genuine and deep-rooted commitment to sustainability. It is embedded in our new business strategy, representing our culture of continuous improvement, innovation and responsibility.



our Innovation Link

Develop a sustainability-advantaged product portfolio



Developing a sustainability-advantaged product portfolio will drive our business growth and provide a foundation for our shared future success. It will deliver innovative and sustainable solutions to our customers throughout the world. As a distributor, we are focusing our efforts on both the future, with our future partners, and the present, by understanding the impact of our current portfolio to identify not only innovative but responsible solutions.



ESG challenge: Responsible Value Chain
Steward: Innovation & Growth Sub-Council
Policies: Third-party Code of Conduct

Initiative No. 1

Integrate ESG criteria into the assessment process for new suppliers

Today, Safic-Alcan's Third-Party Code of Conduct ensures that suppliers, including contractors, are aware of Safic-Alcan's expectations. We want to go further with our actions, which is why our initiative is to integrate ESG criteria into our supplier management process in order to manage risks and improve responsibility across the value chain, for Safic-Alcan but also for our customers.

Key Measure No. 1

Integrate ESG criteria into the assessment process for new suppliers by 2022.

In addition to the local QHSE process to manage suppliers, our Development teams are developing a scoring tool to formalise the assessment of our new suppliers. We are integrating ESG items into this new tool to ensure that we are improving our sustainable procurement.



ESG challenge: Responsible Adaptation & Innovation
Steward: Innovation & Growth Sub-Council

Initiative No. 2

Identify sustainability-advantaged products in our current portfolio

Since we serve several industries, it is important to understand the impact of our portfolio and to highlight products that are better alternatives in our markets with the same or better functionality. Our sustainability-advantaged products are solutions that contribute to sustainable development goals on several criteria (toxicity, energy use, use of natural resources, emissions and waste, risks, health, etc.). By 2025, we want to have evaluated the portfolio of each Business Unit to identify products that contribute positively to the SDGs.



Reducing our footprint with our in-house water-based roof coating (Safic-Alcan Necarbo)

Safic-Alcan Necarbo has introduced a heat-reflective, water-based preparation to use in facade and roof coatings: **SAFIC-CHEM® FP 2361 K**. The use of heat-reflective or infrared-reflective (IR) coatings on buildings helps to reduce heat build-up in buildings and therefore reduces energy consumption from cooling devices. This is one example of in-house innovation which can help customers to develop more innovative and sustainable solutions for coatings.

Our innovative expertise for urban and e-mobility

The automotive industry is rapidly shifting from internal combustion engines to hybrid and electric vehicles, and this advancement brings some tremendous changes for rubber and plastic parts requirements. To address these challenges, Safic-Alcan, working with its suppliers, provides end-users with innovative and high-performance solutions. This covers technical fields such as flame retardancy, lightweighting, thermal management, electrical conductivity, magnetic shielding, and noise & vibration reduction.



Key Measure No. 2

Evaluate our product portfolio to identify "sustainability-advantaged products" from the top 10 suppliers per Business Unit in the Safic-Alcan entities that account for 80% of our turnover by 2022.



Philippe Villequey

Personal Care & Nutraceuticals
 Business Development Director

"Screening new suppliers for ESG and sustainability is about investing in the progress of those companies who are focused on contributing to solutions to environmental or social challenges. Safic-Alcan believes that these companies are well-placed for faster and longer-term growth. The idea is to evaluate new suppliers and to determine what effort they have made to develop pioneering operational, product or business strategies. On top of bringing innovative solutions to the market, do they properly address key ESG challenges?"



our Developing Link

Deploy sustainability in our value chain



As a distributor, we are committed to deploying sustainability in our value chain. Linked to our first objective, which enables us to understand the impact of our products, this objective aims to enhance collaboration between all our partners to improve our products and solutions and to foster clear and transparent communication.



ESG challenge: Responsible Value Chain and Reputation & Transparency
Steward: Innovation & Growth Sub-Council with the support of the Societal Sub-Council

Initiative No. 3

Improve communication with our stakeholders on sustainability

We place great importance on clear communication, not only about our products but also about who we are. As such, we are committed to communicating with our partners to manage chemical products and to provide comprehensive information on their sustainability performance in order to promote sustainable consumption. As a result, we ensure that our stakeholders have access to the right support to meet the increasing demands for health, safety and, environmental protection and sustainability along the value chain.

Key Measure No. 3

Adapt our communication tools and channels to promote sustainable consumption by the end of 2021.

As part of our digital strategy, we are launching our new website, which includes a blog section to share market expertise and trends as well as information on our products and company performance.

Sustainability-advantaged products for coatings (Safic-Alcan, France)

Following the evaluation of their top suppliers, the French Coating Team launched their first leaflet during Safic'Coat 2021 (a virtual coatings event), with all sustainability-advantaged products identified in order to guide our customers in their formulation of sustainably-advantaged paints.



ESG challenge: Responsible Adaptation & Innovation
Steward: Innovation & Growth Sub-Council

Initiative No. 4

Collaboration to create innovative and sustainable solutions

Driven by the importance of innovative collaboration, we are joining forces with our partners to co-develop eco-conscious solutions with an improved impact. The objective is to enable our partners to offer more sustainable solutions. As such, we have several areas for improvement including enhancing certifications for products or players in the value chain, offering alternatives to controversial raw materials, developing eco-conscious formulations in our laboratories and improving traceability and responsible sourcing.

Key Measure No. 4

Co-develop two new projects per year that contribute to responsible consumption and production.



Juliette Gamez
Chief Digital Officer

"Communicating our portfolio's ESG impact and our progress towards our sustainability commitments influences our customers' feelings and builds on our reputation. That is why we are using digital tools to collate ESG information from various sources and make it easily available to our customers."

Transition to RSPO-certified Life Sciences products (Safic-Alcan UK)

Safic-Alcan UK is committed to being a certified and audited member of a non-governmental certified body contributing to the sustainable production of palm oil. The chosen organisation is the **Roundtable on Sustainable Palm Oil**. The ultimate goal is to move all Life Sciences products containing palm oil and/or palm oil derivatives to RSPO certified products. At the end of 2020, 78% of these products were from certified sources.



Small actions can make a big impact (Etampes, France)

The secret to making big changes might lie not in grand gestures, but in the cumulative effect of numerous small acts like the ones our laboratory in Etampes, France, has implemented as part of their work practices. In 2020, all new formulas developed had to be eco-conscious by providing at least one sustainability advantage. All new formulas are now tested in PLA (biodegradable polymer), glass or metal containers to reduce single-use plastic packaging and, where we can reduce the size of our samples, we use small single-dose packs (~6 grams) instead of our 15g plastic vial. Finally, the packaging and cleaning of our remaining glass flasks are done by an ESAT, which is a medico-social establishment reserved for people with disabilities, aimed at their social and professional integration or reintegration.



our Environmental Link

Contribute to circular operational practices



For a speciality chemicals distributor, product stewardship is one of the key features of a truly sustainable product offering. As such, we are committed to the Responsible Care® and Responsible Distribution® programmes. These are voluntary initiatives from the chemical industry for the continuous improvement of Health, Safety and Environment (HSE) standards. At Safic-Alcan we want to enhance our Environmental Link to ensure responsible operations. As such, the I&S Council has decided to embed circular economy principles into our operational practices.



ESG challenge: Circular Economy & Waste Management
Steward: Environment & Climate Change Sub-Council
Policies: Group Environmental Charter & local policies

Initiative No. 5

Lover the value chain footprint

Due to our position in the value chain, we need to understand our direct and also indirect impacts. This will allow us to set targets and implement relevant actions to minimise our value chain footprint. We are aware that, due to our activity, this process will require the collaboration of all our partners (customers, suppliers, sub-contractors for logistics and also warehousing) to make a positive change.

Key Measure No. 5

Implement our climate strategy and set our group targets by the end of 2022.

We recognise that climate change is a real challenge for our planet, biodiversity and people. As a company, we are committed to reducing our impact and implementing environmental responsibility initiatives along our value chain.

79%

of offices*certified ISO 9001 · 2015

*Offices with more than 6 people

Independence with solar energy (Safic-Alcan Nordic)

Our office building in Sweden is equipped with solar panels. Of all the many benefits of solar panels, the most important is that solar energy is a truly renewable energy source. Another big advantage of solar energy is that electricity created with solar panels does not produce any greenhouse gas emissions. Finally, while the panels meet our energy needs for our daily usage, they also provide additional electricity for 8 electric car charging stations at no extra cost. A real win!



Pietro Affer

Managing Director, Safic-Alcan Italia

"We took advantage of our recent move to a new location to earn some serious eco-friendly bragging rights. First, we removed unnecessary equipment from the old office by donating or recycling them. Then, we implemented waste-sorting collection points in the new office. Our new water fountain providing microfiltered water eliminates the need for the 16-liter plastic bottles. The new electric hand dryers also create much less waste than paper towels – not to mention all the trees that are not destroyed."

Optimise warehousing to reduce carbon emissions (ChemSpec North America)

ChemSpec sells large volumes of rubber additive products to major tire producers across North America. Customers often pick up material from one centralised affiliated warehouse several times a week. Several years ago, we began storing products locally to the production facility. While this adjustment certainly reduced the freight costs associated with weekly or monthly pick-ups, another positive impact was the reduction in carbon emissions through reduced petrol consumption. In one customer case study, it was possible to avoid 50,000km of transportation a year, which is equivalent to a ~ 7,500tonnes reduction in CO₂.



ESG challenge: Circular Economy & Waste Management
Steward: Environment & Climate Change Sub-Council
Policies: Group Environmental Charter & local policies

Initiative No. 6

Expand capability to recycle and reduce waste

As a company whose sites are mainly offices, we have established programmes to reduce waste from our business activity and enhance recyclability in many of our offices. This can consist of sorting and recycling paper and implementing waste sorting programmes. Our goal is to go further with our actions internally but also externally with the collaboration of our partners, especially when it comes to managing products reaching the end of their life.

Key Measure No. 6

Initiate at least 2 projects per year to expand capability to recycle and reduce waste in our value chain.



"Reduce, reuse and recycle" (Safic-Alcan Deutschland)

At Safic-Alcan Deutschland, they are doing their utmost to practice this well-known tagline. Most waste material is due to damaged packaging or quality and shelf-life issues. This means that by working closely with our customers, we can better anticipate their demand and procure the optimal amount of material to procure from our suppliers. This collaboration notably reduces the amount of material that runs out of shelf-life. As a result, we reduced the total amount of material that eventually needed to be destroyed/incinerated **by 20% between 2018 and 2020.**

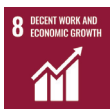


our Ethical Link

Pursue ethical business practices



Based on our commitment to the Ten Principles of the UN Global Compact, Safic-Alcan is committed to conducting all our business activities with a view to securing a sustainable and ethical business relationship in accordance with the applicable laws and standards relating to our work. Our positioning allows us to provide “human” collaboration along the value chain. This is the core theme at Safic-Alcan as the best way to progress is to work together.



ESG challenge: Ethics & Compliance
Steward: Societal Sub-Council
Policies: Code of Conduct, Governance Rules

Initiative No. 7

Cultivate our ethical way of doing business

We have formalised our values and ethical business practices in our Code of Conduct, and they have continued to serve as the foundation of our culture across all levels of our organisation. All employees are required to understand and comply with Safic-Alcan's Code of Conduct and all applicable laws, regulations and company policies. It encompasses the fundamental requirements for Safic-Alcan's overall business activities in fields such as human rights and working conditions, business integrity and ethics and data privacy and information security.

By January 2020,

100%

of our Employees had signed our new Code of Conduct

Key Measure No. 7

Establish an awareness programme focused on our Code of Conduct by 2022.

Our intention is to familiarise our teams with the foundation of our Code of Conduct so that we are able to act as one Safic-Alcan. It is our responsibility to provide information to cultivate our ethical way of doing business and so that we are able to apply the right response to any particular situation.



ESG challenge: Ethics & Compliance and Responsible Value chain

Steward: Societal Sub-Council

Policies: Third-Party Code of Conduct, Conflict Minerals position, Modern Slavery

Initiative No. 8

Ensure responsible behaviour in our value chain.

The year 2020 was like no other for all of us, with new risks appearing and inequalities increasing all around the world. We are all responsible for our own economic, social and environmental issues; government have a duty to protect the human rights of all people, and as a company, it is our responsibility to respect these rights and to ensure that we are working with business partners who are committed to respecting them as well.

At the end of 2020,

66%

of our suppliers that accounted for 80% of our revenue had confirmed their compliance with our Third-Party Code of Conduct

Applying our expertise to sourcing in China (HuaFaMei)

Our key commitment is to ensure that our suppliers in China are in compliance with all the environmental regulations and laws applicable to their activities and the markets they serve. As such, we have applied our own EHS procedures to identify risks for each supplier and to verify that they are in compliance. Questionnaires and documentation assessments are completed with an on-site audit by our own local EHS Manager, Jiang Weidong at HuaFaMei. As of today, 129 suppliers have been assessed by questionnaire or documentation, and 16 suppliers have been audited. This approach allows us to collaborate with our Chinese suppliers to ensure that their upstream producers and suppliers meet our environmental requirements.



Whistleblowing process

At Safic-Alcan, we are encouraging our stakeholders to seek guidance regarding our policies when needed and to raise concerns regarding actions that may involve illegal activity, violations of policy or unethical conduct. For the year 2020, nothing was reported under the whistleblowing process as described in our Code of Conduct and Third-Party Code of Conduct.

Key Measure No. 8

Verify that the suppliers that account for 80% of our revenue comply with our Third-Party Code of Conduct by 2022.

Deploying our Third-Party Code of Conduct in 2020 has made it possible for us to ensure that suppliers, including contractors are aware of Safic-Alcan's expectations. It focuses on the environment, health & safety, social & human rights, and business ethics. This measure is a continuation of our previous initiative as we want to improve our response rate and share it with additional third-party providers by 2022.



Claire Paitier
Legal Manager, Group

"Cultivating business ethics is about creating a culture that defines right and wrong and provides a guiding philosophy. Our "Code of Conduct" and "Third-Party Code of Conduct" are used as guideposts to develop a strong sense of ethics, internally and externally, and to help us do what we believe in and take actions consistent with our principles time and time again."

The Modern Slavery Policy (Safic-Alcan UK)

As a signatory of the UN Global Compact, Safic-Alcan Group is committed to respecting internationally-recognised human rights. At Safic-Alcan UK, our efforts with regard to the UK Modern Slavery Act are part of a specific "Statement of Compliance". We recognise that transparency within supply chains is a complex issue which requires us to engage and collaborate with all our partners. We are keen to be part of the movement that eradicates exploitative practices. As with all human rights violations, we have a zero-tolerance policy regarding any type of forced labour including modern slavery.



our HUMAN Link

Enhance our commitment to our people and our culture



Safic-Alcan has expanded significantly over the years to meet new markets needs and to cover new geographical areas. Our team is now made up of 644 employees across the world in more than 25 countries. As such, we strongly value our diversity, expertise, local know-how & culture, and passion for entrepreneurship. We think global but act local. To make a material difference in the value chain, Safic-Alcan relies on its most valuable assets: our employees. To attract and retain talented employees, we encourage responsible employment, health & wellness, trust and integrity as they are the foundations of our culture. As such, it is not a coincidence that most of Safic-Alcan's employees are also shareholders of the company.



ESG challenge: Employee Engagement & Company Culture
Steward: Societal Sub-Council

Initiative No. 9

Increase the human link that is the foundation of our culture

In 2020, due to the Covid crisis, it was important to adapt the way business and management was done within the company, especially when we were all working from home. Alongside these efforts and in addition to the Group's development, the Societal Sub-Council decided to focus our actions on keeping the human link in place. Communication between all our employees in the Group is one of the cornerstones of Safic-Alcan's culture and a challenging opportunity when working from remote locations. At the same time, local initiatives to develop health, wellness, and development were initiated.

58.9%

of Group employees were women in 2020

9.22 years

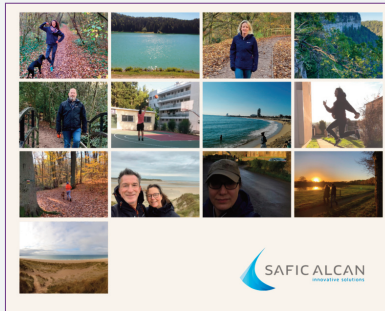
Average length of service in the Group in 2020

Key Measure No. 9

Create global events that enhance the human link locally and at Group level.

Supporting the Arthritis Foundation through Feet Week (Group)

For the past 3 years, Safic-Alcan have been participating in the Feet Week challenge. It is organised to support the *Fondation Arthritis* and, all money raised goes towards supporting medical research on rheumatism and musculoskeletal diseases. Safic-Alcan's employees are invited to walk as much as possible for their teams and for the company in order to promote quality of life at work by encouraging physical activity. In 2020, 152 employees joined, Group-wide, to keep walking, moving and, dancing and to stay connected during the lockdowns, and not just for work-related matters.



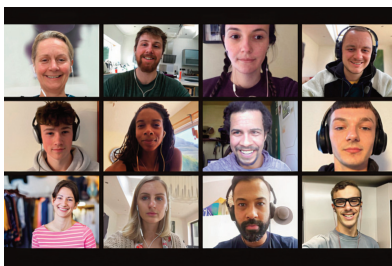
José Lora

Managing Director, Life Sciences Group

"The human link is a key differentiator between us and our competitors. First of all internally, as each office is managed as a committed family, with strong connections between people and effective conversations. Externally, our team of specialists connect with both our principals and our customers, utilising strong technical knowledge and innovation skills within collaborative relationships built on trust."

Adapting corporate health & wellness to the Covid crisis (Group).

The Covid crisis tested our resilience and adaptability and provided an opportunity to adapt our organisation as part of our health and wellness programme. Our priority, as always, is to ensure the health and safety of our people while maintaining our business operations. The Covid crisis had two main results; firstly, the implementation of the "home working scheme" and secondly, an acceleration of our ongoing digital transformation. Safic-Alcan has learned from this difficult period and all the resulting initiatives will prepare the company for this changing world.



The digital coffee break (Safic-Alcan, France)

While management encouraged the managers of Safic-Alcan's business units in France to keep up their link with their teams even from home, the Business Director of the Cosmetic Department decided to implement weekly digital coffee breaks to give her team the chance to talk about non-work-related topics. This great initiative was shared and implemented in other departments and played a key role in maintaining team building and avoiding isolation.



Enhanced sustainable employability and employee development (Safic-Alcan Necarbo)

Recently a new accessible online tool has been implemented at Safic-Alcan Necarbo to increase our employees' awareness of company goals and to actively involve them in finding initiatives and targets aligned with these goals. We encourage employees to consider and take action on their sustainable employability and personal development with the support of their managers. We want to give our employees a healthy and happy career, both with the company and in the longer term.

And tomorrow?

We see sustainability as an ongoing learning process with long-term successes. Our first materiality assessment has enabled us to rethink our strategy and forge new paths. We have heard the increasing demand from our customers and suppliers regarding sustainability-related issues. We are really pleased about this trend since we are the “critical link” between them in order to develop “innovative solutions” (our tag line) and responsible action together.

In 2020, Safic-Alcan introduced its new Executive Committee, allowing us to strengthen our leading positions in speciality materials. By making ESG responsibility more central to Safic-Alcan’s development, we are focusing our innovation on key sustainability priorities. Our goal is to provide specialty ingredients and support to help improve the added value for our customers and suppliers. Looking ahead, Safic-Alcan is confident that our position will help to reduce ESG impact industry-wide and enable us to become the specialty distributor of choice for sustainable products.

Safic-Alcan is also actively exploring ways to enhance its ESG services through further digitalisation of its business processes. Our new global and integrated CRM and product information management system will enable customers and suppliers to digitally handle their increasing demand for relevant and transparent products and commercial data. The ease of access to our product portfolio will help our customers to find innovative solutions.

It is our hope that this report on our progress and aspirations will inspire valuable feedback and further collaboration with our customers, suppliers, employees and other partners and stakeholders. We know we cannot make meaningful advances alone, and we welcome comments and questions as our sustainability journey continues.



Safic-Alcan entities with local certifications and initiatives:

Offices	Certifications and initiatives
Safic-Alcan Benelux	FCA Bio certification ISO 9001 · 2015
Safic-Alcan Cesko	ISO 9001 · 2015 RSPO Member
Safic-Alcan Chimsnab	ISO 9001 · 2015 ISO 14001 · 2015 ISO 45001 · 2018
Safic-Alcan Deutschland	ISO 9001 · 2015 RSPO Member
Safic-Alcan Especialidades	ISO 9001 · 2015 RSPO Member
Safic-Alcan France	ANSM ISO 9001 · 2015 RSPO Member EcoVadis 2020 · Gold Responsible Care
Safic-Alcan Italia	ISO 9001 · 2015 RSPO Member
Safic-Alcan Necarbo	ISO 9001 · 2015 EcoVadis 2020 · Silver Responsible Care
Safic-Alcan Nordic	ISO 9001 · 2015 ISO 14001 · 2015
Safic-Alcan Polska	ISO 9001 · 2015
Safic-Alcan Portugal	ISO 9001 · 2015
Safic-Alcan Romania	ISO 9001 · 2015
Safic-Alcan UK	ISO 9001 · 2015 ISO 14001 · 2015 MHRA registered for API import & distribution RSPO certified Member EcoVadis 2020 · Gold Soil association certification
Biochimex	ANSM ISO 9001 · 2015 Responsible Care
Castelli Food	BRC AGENTS & BROKER
ChemSpec	NACD Responsible distribution EcoVadis 2021 · Silver ISO 9001 · 2015
Marmara Ecza	Authorization from Ministry of Health
Sichuan HuaFaMei	ISO 9001 · 2015



Tour Pacific - 13, Cours Valmy
92977 Paris La Défense Cedex

www.safic-alcan.com