

# CSR Report 2021



**SOLABIA Group**  
41 Rue Delizy,  
93698 PANTIN, Cedex  
T. +33 1 48 10 19 40  
[www.solabia.com](http://www.solabia.com)



# CONTENTS

Standard	Theme	Page	GCUN
<b>GRI 101: GENERAL PRINCIPLES</b>			
<b>GRI 102: GENERAL DISCLOSURES</b>			
<b>Organisational profile</b>			
102-1	Name of the organisation	7	
102-2	Activities, brands, products, and services	7	
102-3	Location of headquarters	7	
102-4	Location of operations	7	
102-5	Ownership and legal form	7	
102-6	Markets served	7	
102-7	Scale of the organisation	8	
102-8	Information on employees and other workers	8	SDG 5, 8, 10
102-9	Supply chain	10	
102-10	Significant changes to the organisation and its supply chain	11	
102-11	Precautionary principle or approach	11	SDG 12, 13
102-12	External initiatives	12	
102-13	Membership of associations	12	
<b>Strategy</b>			
102-14	Statement from senior decision-maker	13	
102-15	Key impacts, risks, and opportunities	14	
<b>Ethics and integrity</b>			
102-16	Values, principles, standards, and norms of behaviour	15	SDG 5
<b>Governance</b>			
102-18	Governance structure	16	
<b>Stakeholder engagement</b>			
102-40	List of stakeholder groups	16	
102-41	Collective bargaining agreements	16	SDG 8, 17
102-42	Identifying and selecting stakeholders	16	
102-43	Approach to stakeholder engagement	17	
<b>Reporting practice</b>			
102-45	Entities included in the consolidated financial statements	17	
102-46	Defining report content and topic boundaries	18	
102-47	List of material topics	18	
102-48	Restatements of information	19	
102-49	Changes in reporting	19	
102-50	Reporting period	19	
102-51	Date of most recent report	19	
120-52	Reporting cycle	19	
102-53	Contact point for questions regarding the report	19	
102-54	Claims of reporting in accordance with the GRI Standards	19	SDG 12
102-55	GRI content index	19	SDG 12
102-56	External assurance	19	
<b>GRI 200: ECONOMIC DISCLOSURES</b>			
<b>Management approach</b>			
103-1	Explanation of the material topic and its boundary	21	SDG 2, 5, 8, 9, 12, 13, 15, 17
103-2	The management approach and its components	21	SDG 2, 5, 8, 9, 12, 13, 15, 17
103-3	Evaluation of the management approach	21	SDG 2, 5, 8, 9, 12, 13, 15, 17
<b>Economic performance</b>			
201-1	Direct economic value generated and distributed	22	SDG 8, 9, 12, 13
201-2	Financial implications and other risks and opportunities due to climate change	22	SDG 8, 9, 12, 13
201-3	Defined benefit plan obligations and other retirement plans	22	SDG 8, 9, 12, 13
<b>Market presence</b>			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	22	SDG 5, 8, 17
202-2	Proportion of senior management hired from the local community	22	SDG 5, 8, 17
<b>Indirect economic impacts</b>			
203-1	Infrastructure investments and services supported	22	SDG 2, 8, 9, 17
<b>Procurement practices</b>			
204-1	Proportion of spending on local suppliers	22	SDG 2, 8, 12, 13, 15, 17

	Anti-corruption			
	205-1	Operations assessed for risks related to corruption	22	SDG 2, 8, 15, 17
	205-3	Confirmed incidents of corruption and actions taken	23	SDG 2, 8, 15, 16, 17
	Anti-competitive behaviour			
	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	23	SDG 16
	<b>GRI 300: ENVIRONMENTAL DISCLOSURES</b>			
	Management approach			
	103-1	Explanation of the material topic and its boundary	25	SDG 2, 6, 8, 9, 12, 13, 15, 17
	103-2	The management approach and its components	25	SDG 2, 6, 8, 9, 12, 13, 15, 17
	103-3	Evaluation of the management approach	25	SDG 2, 6, 8, 9, 12, 13, 15, 17
	Materials			
	301-1	Materials used by weight or volume	26	SDG 2, 9, 12, 13, 15, 17
	301-2	Recycled input materials used	27	SDG 2, 9, 12, 13, 15, 17
	Energy			
	302-1	Energy consumption within the organisation	28	SDG 7, 8, 9, 12, 13
	302-2	Energy consumption outside of the organisation	28	SDG 7, 8, 9, 12, 13
	302-3	Energy intensity	29	SDG 7, 8, 9, 12, 13
	302-4	Reduction of energy consumption	30	SDG 7, 8, 9, 12, 13
	Water and effluents			
	303-1	Interactions with water as a shared resource	30	SDG 6, 12, 17
	303-2	Management of water discharge-related impacts	31	SDG 6, 12, 17
	303-3	Water withdrawal	31	SDG 6, 12, 17
	303-4	Water discharge	31	SDG 6, 12, 17
	303-5	Water consumption	31	SDG 6, 12, 17
	Biodiversity			
	304-1	Operational sites owned, leased, or managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	33	SDG 2, 6, 14, 15, 17
	304-2	Significant impacts of activities, products, and services on biodiversity	36	SDG 2, 6, 14, 15, 17
	Emissions			
	305-1	Direct (Scope 1) GHG emissions	36	SDG 3, 9, 12, 13, 14
	305-2	Indirect (Scope 2) GHG emissions	37	SDG 3, 9, 12, 13, 14
	305-3	Other indirect (Scope 3) GHG emissions	38	SDG 3, 9, 12, 13, 14
	305-4	GHG emissions intensity	38	SDG 3, 9, 12, 13, 14
	305-5	Reduction of GHG emissions	39	SDG 3, 9, 12, 13, 14
	305-6	Emissions of ozone-depleting substances (ODS)	39	SDG 3, 9, 12, 13, 14
	305-7	Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions	39	SDG 3, 9, 12, 13, 14
	Effluents and waste			
	306-1	Water discharge by quality and destination	40	SDG 3, 6, 12, 14, 17
	306-2	Waste by type and disposal method	40	SDG 3, 6, 12, 17
	306-3	Significant spills	40	SDG 3, 6, 12, 14, 17
	Environmental compliance			
	307-1	Non-compliance with environmental laws and regulations	41	SDG 16
	Supplier environmental assessment			
	308-1	New suppliers that were screened using environmental criteria	41	SDG 2, 6, 8, 12, 13, 15, 17
	308-2	Negative environmental impacts in the supply chain and actions taken	41	SDG 2, 6, 8, 12, 13, 15, 17
	<b>GRI 400: SOCIAL DISCLOSURES</b>			
	Management approach			
	103-1	Explanation of the material topic and its boundary	43	SDG 2, 3, 5, 8, 17
	103-2	The management approach and its components	43	SDG 2, 3, 5, 8, 17
	103-3	Evaluation of the management approach	43	SDG 2, 3, 5, 8, 17
	Employment			
	401-1	New employee hires and employee turnover	44	SDG 4, 5, 8, 10, 17
	Labour/management relations			
	402-1	Minimum notice periods regarding operational changes	45	SDG 3, 8
	Occupational health and safety			
	403-1	Occupational health and safety management system	45	SDG 3, 8
	403-2	Hazard identification, risk assessment, and incident investigation	45	SDG 3, 8
	403-4	Worker participation, consultation, and communication on occupational health and safety	45	SDG 3, 8
	403-5	Worker training on occupational health and safety	46	SDG 3, 8
	403-9	Work-related injuries	46	SDG 3, 8

	Training and education		
404-1	Average hours of training per year per employee	47	SDG 5, 8, 10, 17
404-2	Programmes for upgrading employee skills and transition assistance programmes	47	SDG 5, 8, 17
404-3	Percentage of employees receiving regular performance and career development reviews	47	SDG 5, 8, 10, 17
	Diversity and equal opportunities		
405-1	Diversity of governance bodies and employees	48	SDG 5, 8, 17
405-2	Ratio of basic salary and remuneration of women to men	48	SDG 5, 8, 17
	Non-discrimination		
406-1	Incidents of discrimination and corrective actions taken	49	SDG 2, 5, 8, 17
	Child labour		
408-1	Operations and suppliers at significant risk for incidents of child labour	49	SDG 2, 5, 8, 16, 17
	Forced or compulsory labour		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	49	SDG 2, 5, 8, 17
	Supplier social assessment		
414-1	New suppliers that were screened using social criteria	49	SDG 2, 5, 8, 16, 17
	Public policy		
415-1	Political contributions	49	SDG 16
	Customer health and safety		
416-1	Assessment of the health and safety impacts of product and service categories	50	SDG 2, 3, 9, 12, 17
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	50	SDG 2, 3, 9, 12, 16, 17
	Marketing and labelling		
417-1	Requirements for product and service information and labelling	50	SDG 9, 12
417-2	Incidents of non-compliance concerning product and service information and labelling	50	SDG 9, 12, 16
417-3	Incidents of non-compliance concerning marketing communications	51	SDG 9, 12, 16
	Customer privacy		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	51	SDG 16
	Socio-economic compliance		
419-1	Non-compliance with laws and regulations in the social and economic area	51	SDG 16





# GRI 102: General disclosures

## Organisational profile

### GRI 102-1: Name of the organisation

SOLABIA (Société La Biochimie Appliquée)

### GRI 102-2: Activities, brands, products, and services

The SOLABIA Group develops, produces, and markets a wide range of products in various sectors. The Group effectively operates in fields as varied as cosmetics, biotechnologies, pharmaceuticals, nutrition, and microbiological diagnosis.

For the first four sectors, we are positioned in the B2B market and offer a range of ingredients and active ingredients, such as:

- mineral salts
- oligo- or polysaccharides
- protein hydrolysates
- plant extracts
- algae and extracts of macro and micro algae
- vegetable oil derivatives.

As part of microbiological diagnosis, a B2C market, we produce and market culture media and microbiological diagnosis kits for control laboratories in sectors as varied as:

- food processing
- cosmetics
- pharmaceuticals
- water and the environment
- animal health
- research and education.

All of these lines represent some thousand articles offered for sale by our sales representatives or our worldwide network of distributors.

The SOLABIA Group does not market any prohibited or controversial product in any of its businesses. Prior to marketing, we ensure that our products comply with the local regulations in force, regardless of the business sector.

For more information on our business sectors and products: <http://www.solabia.com>

### GRI 102-3: Location of headquarters

SOLABIA  
41 rue Delizy  
93692 PANTIN Cedex  
T. +33 1 48 10 19 40

### GRI 102-4: Location of operations

The SOLABIA Group is established through production sites and/or subsidiaries in:

- France (head office, four subsidiaries, and five production sites)
- Brazil (three production sites)
- USA (distribution subsidiary)
- Germany (distribution subsidiary)
- Israel (production site)

### GRI 102-5: Ownership and legal form

SJSC: Simplified joint stock company

### GRI 102-6: Markets served

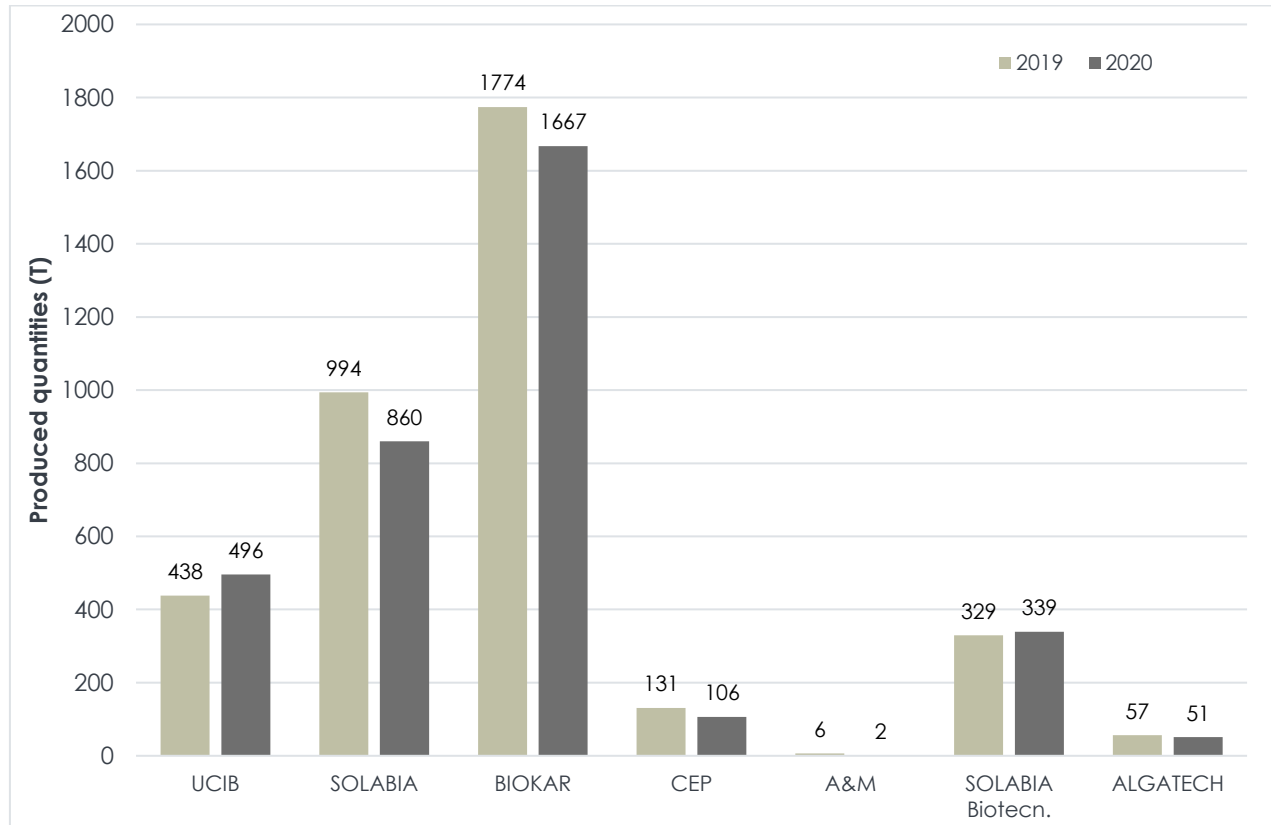
In 2020, the SOLABIA Group covered all geographic areas (France, Europe, North America, South America, Asia, Africa & Middle East, and the Pacific) through its various activities. With operations in over thirty countries, nearly 60% of our turnover was generated from exports in 2020.

#### GRI 102-7: Scale of the organisation

The SOLABIA Group includes a head office located in Pantin (93) which brings together the administrative, marketing, sales, and legal functions of four subsidiaries in France, as well as eight production sites (five in France, three in Brazil, and one in Israel), two subsidiaries (Brazil and Israel), and two distribution subsidiaries (Germany and the USA).

The entire Group has a workforce of 659 employees and the consolidated turnover for all businesses is €100 million. Annual tonnage produced is approximately 3521 tonnes, all sectors combined.

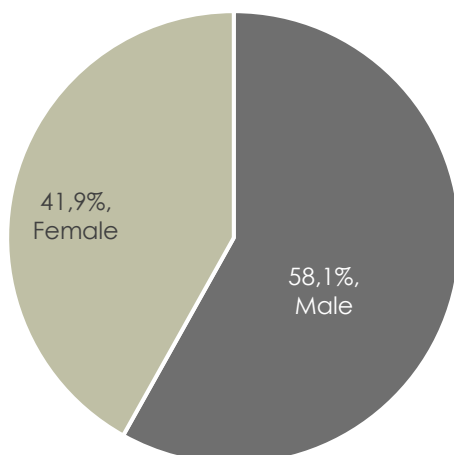
#### Quantities produced (Tonnes)



#### GRI 102-8: Information on employees and other workers

The scope taken into account currently covers all SOLABIA Group entities which represents a total workforce of 659 employees, 77.8% of which is in Europe, 48.4% in Brazil and 9.7% in Israel.

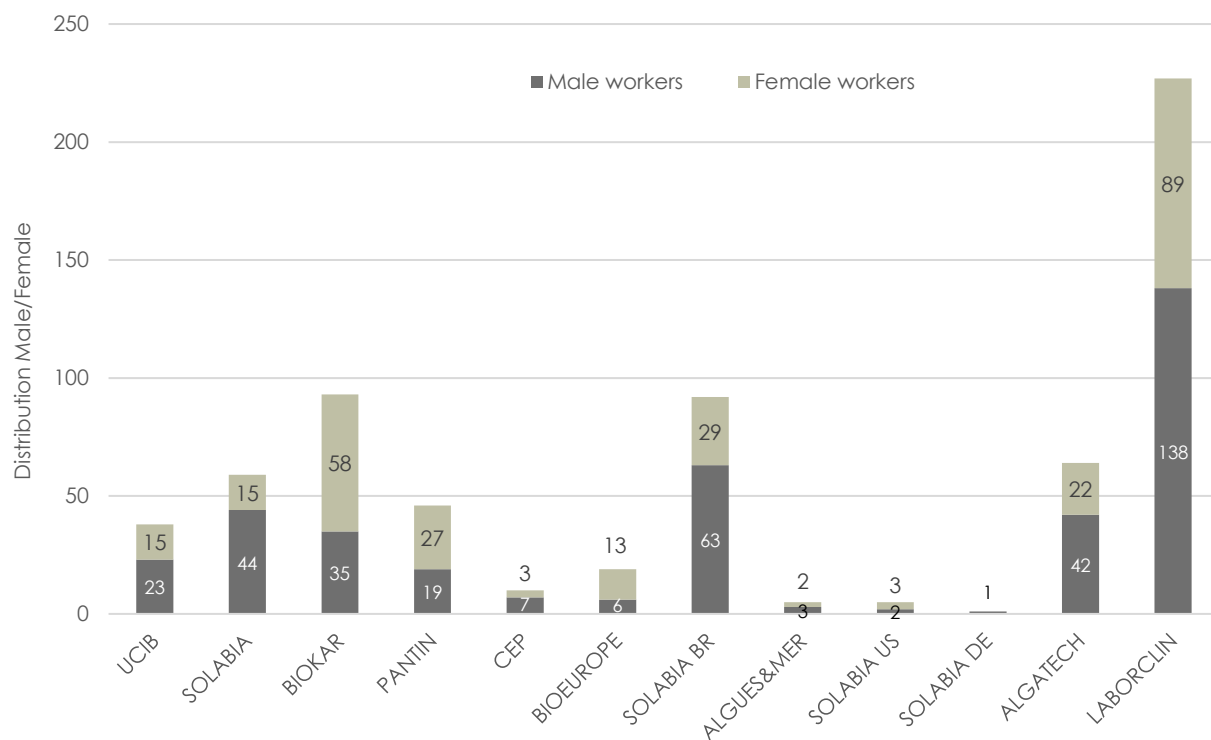
#### Distribution of men and women (in figures)



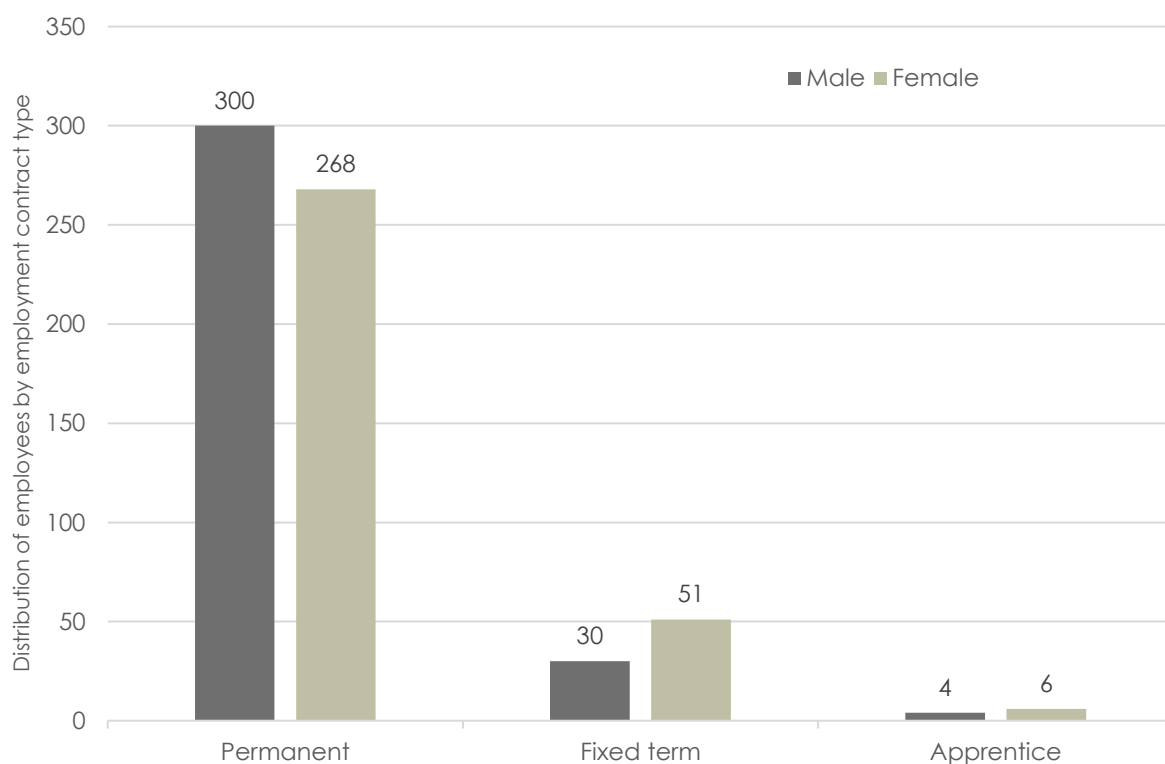
Men are in the majority group-wide with an average male to female ratio of 1.39; however, there are disparities between the various entities.

The distribution of men and women may differ depending on the activities carried out on industrial sites. The entities where men are in the majority correspond to factories operating in shifts and where the handling of heavy loads is frequent.



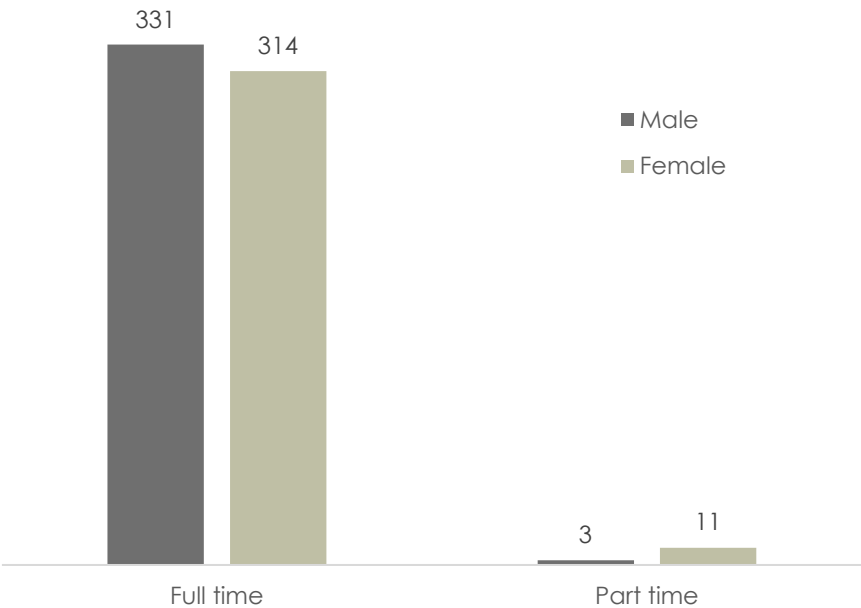


#### Distribution of employees by employment contract type (number)



Out of the Group's 659 employees, 568 have a permanent employment contract (86.2% of the workforce) and 81 have a fixed-term contract or are apprentices (13.8% of the workforce).

Distribution of permanent employees (number)



Among all Group employees, 97.9% are full-time, which represents the vast majority of employment contracts.

GRI 102-9: Supply chain

To supply all its factories, the SOLABIA Group purchases raw materials, manufacturing accessories, and packaging from suppliers which meet quality and reliability criteria. New suppliers are subject to rigorous qualification processes aimed at reducing supply shortages.

As part of our risk assessment, we have drawn up a list of sensitive raw materials. Raw materials are considered sensitive if they present at least one of the following characteristics:

- supply difficulty (shortage, reduced number of suppliers, etc.);
- approval difficulty (regulatory: halal, kosher, cosmos; long validation due to testing, raw materials with sample or on reserved batch, specifications difficult to meet, etc.);
- history of non-compliance (quality problems noted previously, variability, etc.).

We have also established a supplier risk analysis of the supply chain that takes into account the geographical origin of the raw material/supplier couple and the social and environmental commitments of suppliers. With this mapping, we prioritize the level of CSR risk of suppliers and we work to minimize it through monitoring and audits of those who need to progress according to our criteria.

Where possible, we strive to validate several sources of supply for the same raw material, especially when the raw material is strategic for the Group’s activities. We have over 1,000 articles of raw materials, packaging, manufacturing accessories, and individual equipment for the entire Group.

If we analyse all the articles needed to manufacture our products, raw materials represent 57%, packaging, 25%, and accessories, 18%. Regarding only the raw materials used to manufacture products, 217 are considered sensitive for the company, which represents 21% of all raw materials. For these sensitive raw materials, 23% are multi-sourced.

Taking a closer look at raw materials, we source our supplies from 418 active suppliers. Out of all these suppliers, approximately 10% of them account for 80% of turnover.

Number of active suppliers	Raw materials 292
Number of suppliers having received Code of Conduct/CoC signed	163 /137 (84%)
Couple Raw material/Supplier	609 (58%)

Number of articles	1056
Number of articles with guaranteed origin	562 (53%)
Number of sensitive raw materials	217
Number of single-sourced sensitive raw materials	167

Our businesses cover several sectors with different needs. Although all have the quality imperative in common, some sectors also attach importance to the origin of the raw material, especially in the case of plant sourcing.

Each new supplier and each new raw material is subject to prior validation, and we ensure that the level of requirement we desire is maintained through incoming product quality controls or audits conducted on our supplier's sites.

All raw materials received are inspected to ensure their compliance with the validated specifications and may only then be physically entered into stock.

With regard to industrial equipment manufacturers, we only work with or use, on our sites and in our production workshops, specialists in the fields concerned. They are also carefully selected in order to meet the highest quality and reliability criteria.

In addition to direct purchases of raw materials and equipment, the SOLABIA Group works with various service providers:

- related to marketing, sales forces, and communication (trade shows, promotional items, creative agency services, advertising spaces, etc.);
- indirectly related to production and R&D (consumables, chemicals, maintenance, spare parts, etc.).

To meet all needs, Group purchasing is managed by a dedicated service that pools requests and optimises articles. We involve our suppliers in our policy by having them sign specifications and we assess their commitment with a questionnaire that includes certain environmental, social, and ethical aspects. Audits can be conducted if we consider the commitment level too low.

#### GRI 102-10: Significant changes to the organisation and its supply chain

In this report, we integrate the company Laborclin, which Solabia acquired in 2020 as part of its strategy to strengthen its activities in the field of microbiological diagnostics. Laborclin is a Brazilian company with 227 employees whose production site is located near Curitiba (Parana). This company manufactures and markets products for clinical, veterinary or industrial diagnostics.

#### GRI 102-11: Precautionary principle or approach

Risk taking is essential to our ability to innovate as well as to the development of Solabia's businesses; it is also an integral part of our identity, and the solidity of our structure allows us to effectively innovate. As such, our role is to identify and manage strategic, operational, environmental, and regulatory risks.

- Strategic risks include the business model, changes in customer behaviour, and the entry of new competitors.
- Environmental risks are characterised by climate change for which we always seek to minimise our footprint by reducing our consumption (energy, water, etc.) and by fostering the integration of renewable energy into our consumption in order to reduce emissions.
- Operational risks include failures, health and safety risks, technological risks, supply shortages, and disruptions on supplier sites.
- Regulatory risks mainly relate to product safety and product compliance with the regulations in our countries of operation.

Faced with the uncertainties that the world reserves, SOLABIA trusts its ability to adapt and its business model to continue to develop and grow the Group. Recent events related to the Covid-19 crisis have confirmed the strength and adaptability of our model as we came through this period without any production or service provision stoppage.

### GRI 102-12: External initiatives

The Solabia Group's commitments are based on benchmark principles:

- the Universal Declaration on Human Rights;
- ILO conventions;
- OECD Guidelines;

At the same time, we have joined forces with numerous external initiatives to support our work on environmental and social issues. Cooperation with our partners and non-profit organisations is essential to the development of sustainable solutions for all; as such, we are engaged in the various initiatives listed below.

- United Nations Global Compact (UNGC).  
<https://www.unglobalcompact.org/what-is-gc/participants/131681-SOLABIA-Group>
- Carbon Disclosure Project (CDP)  
<https://www.cdp.net/fr/responses?utf8=√&queries%5Bname%5D=solabia>
- EcoVadis
- Global Reporting Initiative

### GRI 102-13: Membership of associations

The SOLABIA Group is a member of several trade organisations that cover all of its activities nationally and internationally.

These organisations are the following:

- ASPA-Ingreco (Union of cosmetic ingredients and surfactants)
- Synadiet (French food supplements association)
- SIMB (Society for industrial microbiology and biotechnology)
- AFNOR (French standards association)
- United Nations Global Compact (UNGC).

SOLABIA Group representatives participate in the work of these organisations through working groups. The main objective is to participate in work that directly affects our business sectors, to cascade down useful information internally, and to get our voice heard there.

The SOLABIA Group contributes to the financing of these trade organisations through the payment of a flat-rate annual contribution or a contribution based on its turnover.

We have supported the 10 principles and 17 Goals of the United Nations Global Compact since 2018. These principles provide a universal and voluntary commitment framework for companies wishing to advance their CSR. This CSR report links the GRI guidelines with the Global Compact's 17 objectives to provide an overall view of our CSR commitments.

## Strategy

### GRI 102-14: Statement from senior decision-maker

The SOLABIA Group's ambition is responsible growth based on its businesses and the Group's values. To achieve this, the SOLABIA Group adapts and anticipates economic, social, and environmental changes confirming its commitment to sustainable development.

Since its creation, the SOLABIA Group has always adapted to develop innovative products and meet the expectations of its customers, ensuring its growth and stability, but, above all, helping it to develop close relationships with its customers, suppliers, partners, and employees.

Creating value while respecting professional integrity principles is the Group's desire. To do this, we place innovation at the heart of our economic development along with environmental protection, health, and safety on all the Group's sites. As such, we have ISO9001 certification for all sites and for some of our activities as well as ISO14001 and ISO45001 certifications which will gradually be extended to the entire Group.

Our business philosophy is based on four key principles: **'People, Product, Planet, Partner'**.

- People: because we support fair working conditions and favour a multicultural business philosophy.

- Product: because we produce quality and safe products that meet our customers' expectations.
- Planet: because we develop products that respect the environment and nature provides us with many raw materials.
- Partner: because we respect our employees, our customers, and our distributors who are key stakeholders in our success.

As part of our five-year plan, these principles are reflected in the four priority areas of commitments listed below.

1. The environment, where the Group works to prevent, limit, mitigate, and curb the environmental footprint of all its activities. It recognizes the need to move towards a low-carbon economy and continues its efforts to limit the resulting social impacts. As such, the Group encourages actions aimed at responding effectively to the challenges of climate change, and we are committed to:
  - a. responsibly using natural resources and reducing fuel consumption. The objective is to improve the energy performance of our sites and reduce our CO<sub>2</sub> emissions.
  - b. supporting projects to reduce water consumption and preserve its quality. The objective is to decrease our water consumption and to develop the water recycling when it is possible.
  - c. Putting in place systems for the protection and monitoring of local and accidental pollution in order to avoid any harmful release into the natural environment.
  - d. ensuring that all our sites and equipment are designed, operated, and maintained in order to limit environmental hazards.
  - e. limiting the production of waste, hazardous or not, prioritizing its recovery and recycling as soon as possible as well as its disposal as safely as possible.
  - f. Responsibly using natural resources and preserving the biodiversity. We intend to increase the traceability of our natural raw materials and to sustainably use them.
  - g. Ensure transparency with stakeholders, at each site and at Group level, by publishing, in accordance with GRI (Global Reporting Initiative) requirements, a Sustainable Development Report every year.
2. The safety and protection of our employees and outside contractors integrated into all our activities. As such, the Group does everything in its power to eliminate all incidents and accidents at work. Based on a continuous improvement process, the Group has deployed a management system, supported by leadership involvement, and everyone must adopt safe behaviour in their daily work. For these purposes, we undertake to:
  - a. ensure that all sites and equipment are designed, used, and maintained to minimize risk.
  - b. ensure that all employees and outside contractors receive regular and appropriate training to develop their safety culture and a responsible behaviour and attitude in their workplace.
  - c. guarantee transparent and relevant information using incident and accident reporting and analysis tools and share best practices and recommendations.
  - d. regularly check workplaces and monitor the health risks to which its employees are or could be exposed. This check involves medical assistance and advice provided by physicians and safety experts to all Group employees.
  - e. Take the responsibility for the products it markets by disseminating appropriate health information to all of its customers, resellers, and users.
3. Human Rights, universal rights recognized to each individual in the name of the principle of dignity, freedom, and equality supported by SOLABIA as well as the related international covenants and compliance with International Labour Organisation standards. The Group undertakes not to be complicit in human rights violations and to respect indigenous rights in its countries of operation. We undertake to:
  - a. guarantee equal opportunities and treatment, without discrimination based on sex, age, ethnicity, nationality, social status, religion, the sexual and political orientation of an individual, or on other personal beliefs. The Group prohibits the use of all forms of forced or compulsory labour, corporal punishment, and sexual or moral harassment.
  - b. Provide all employees the possibility of their personal development by supporting individual training.
  - c. promote equal opportunities as well as actions promoting the work-life balance of its employees.

- d. ensure the respect of freedom of association and the right to collective bargaining, social coverage for its employees, working hours, in accordance with local legislation, and the payment of wages;
  - e. struggle all forms of forced or compulsory labour, corporal punishment, sexual or moral harassment. Our will is to continue not to deplore any cases of harassment or any other attacks in the group.
  - f. Prohibit child labour by ensuring vigilant control of our stakeholders who may present a risk.
  - g. Implement fair business practices and struggle any form of corruption or unfair competition. Our intention remains not to register any complaints or actions in this area.
  - h. Respect and protect the privacy and personal data of its employees, customers and other stakeholders.
4. The SOLABIA Group attaches a particular importance to the sustainable procurement. It ensures that its suppliers commit to the principles set out in its code of conduct and that they do not break any of the commitments to which they have subscribed. In our business, we are committed to ensuring that our suppliers:
- a. Implement actions to reduce their environmental impacts, whether in terms of energy, water, discharges or waste.
  - b. Comply with applicable occupational health and safety standards and ensure control of the health impacts of their activities on local populations.
  - c. Respect and apply the same principles as Solabia in matters of Human Rights, respect for freedoms, fight against child labour and refuse corruption.

This policy constitutes a framework for action for all Group employees in order to build a more responsible future together, because we can only achieve this if we can gratify the interests of all stakeholders.

Geoffroy MADELIN  
Senior Executive Vice-President

#### GRI 102-15: Key impacts, risks, and opportunities

The SOLABIA Group produces raw materials for the cosmetic, pharmaceutical, nutraceuticals, and biotechnology industries. It provides its customers with a wide range of ingredients and active ingredients to improve the health or beauty of consumers. The Group also produces a range of culture media and diagnosis kits for microbiological control. In all these sectors, consumption is changing rapidly, reflected in profound social changes, allied with the search for a more environmentally-friendly life and increased demand for transparency.

By playing the innovation card, risk taking is at the heart of our business and our success. Although risk management is how we assess, analyse, and manage the effects of uncertainty, pragmatism and adaptability are our course to mitigate the main effects and create value.

Solabia's challenge is to respond to its customers, regardless of the sector, by providing them with efficient, high-quality, and safe solutions for the end user. There are four types of risks for the company, as for all ingredients and active ingredient suppliers: strategic, environmental, operational, and regulatory. Among these risks, the following are noteworthy:

- not being vigilant in our business model of new entrants or the development of our competitors in our main markets;
- not being innovative to meet the new demands of our customers and consumers. For this, a sufficient budget is allocated to R&D in order to develop high-quality projects;
- not producing high-quality products for its customers. To limit this risk, we are inspired by good laboratory practices, and we are constantly strengthening our quality control procedures;
- not considering climate risks that may affect its operation. This may be access to water or the availability of certain essential natural resources;

- not controlling our sources of supply for sensitive raw materials. To limit this risk, all of our suppliers are approved in advance, undertake to comply with specifications, and are audited regularly;
- not complying with the regulations in our countries of operation. Developments or changes in regulations are subject to regulatory monitoring in order to avoid any major breaches.

Regarding the environment, as with many industrial sites, the following present opportunities for improvement:

- optimise energy consumption by improving industrial processes, insulating buildings, and replacing electric motors with low-consumption motors or by installing drives;
- reduce energy consumption through innovation and the acquisition of new technologies that consume less energy and are more respectful of the environment;
- use renewable energy sources to reduce the share of fossil fuels;
- reduce water consumption by promoting water recycling or by optimising use in the various processes;
- use packaging made from recycled and/or recyclable materials;
- reduce waste generated, while increasing the proportion of our waste recycled annually through the selection of disposal processes adapted to our needs;
- acquire companies with more innovative and sustainable technologies

Regarding social aspects, the areas for improvement relate to improving employee safety in the workplace by:

- reducing work accidents through a prior risk assessment and incident monitoring programme;
- improving protection against hazardous substances through regular risk assessments and a training programme covering chemical risks;
- improving ergonomics and training staff in the right actions and postures for their workstation.

Finally, regarding economics, we constantly strive to:

- improve our customer relationships to provide a service that meets their expectations;
- improve our relationships with distributors to ensure that they can best promote our products to their customers;
- deepen relations with our suppliers so that they commit to a sustainable development approach and we can establish a lasting partnership.

## Ethics and integrity

### GRI 102-16: Values, principles, standards, and norms of behaviour

The SOLABIA Group has gradually built up its reputation and, in order to maintain it, it is committed to maintaining honest and transparent relationships with its stakeholders: customers, suppliers, employees, communities, etc.

As such, the SOLABIA Group implements a Code of Conduct, available on our website, which is accessible to all Group employees and all stakeholders. This code describes the rules to be observed in the main areas related to the company's day-to-day running and is divided into four themes focused on human and labour rights, health and safety, environmental protection, and ethics and fair practices. As part of our responsible purchasing policy, we ask our suppliers to make a written commitment to respecting and supporting the principles described in this code.

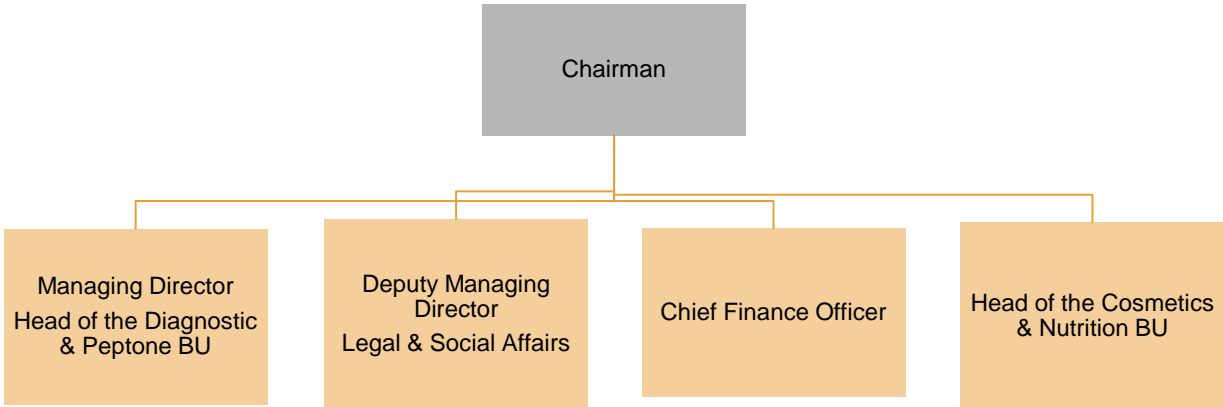
We also implement a Code of Ethics which serves as a reference in Solabia's dealings with its various stakeholders. It serves as a framework for all Group employees in their dealings with our customers and suppliers.



# Governance

## GRI 102-18: Governance structure

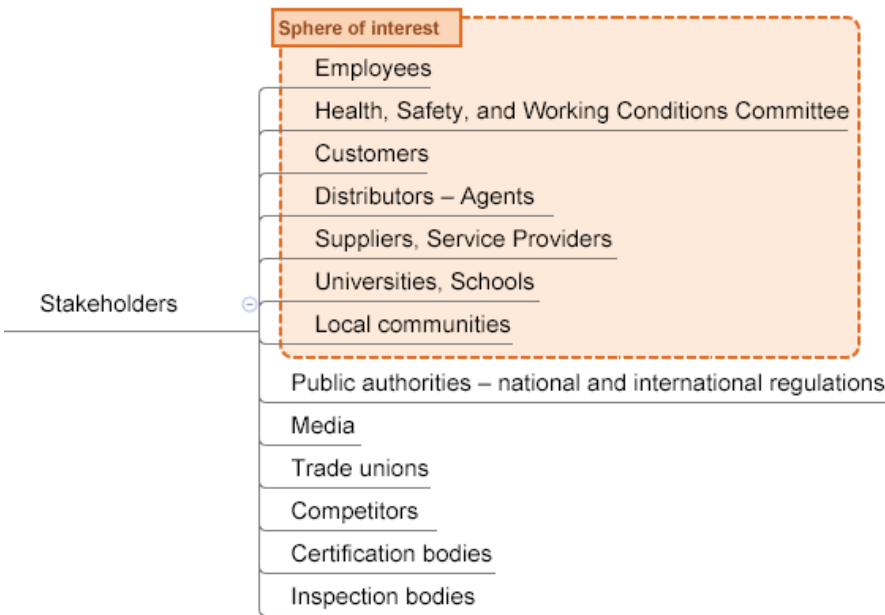
The SOLABIA Management Committee meets monthly and is in charge of the control and strategic direction of the Group. The knowledge and experience of its members are assets in managing the Group and determining its operational priorities and future directions.



# Stakeholder involvement

## GRI 102-40: List of stakeholder groups

The Group's main stakeholders are employees, associations, scientists, customers, distributors, and suppliers.



## GRI 102-41: Collective bargaining agreements

All SOLABIA Group subsidiaries apply the labour regulations in force in their country in terms of labour law and collective bargaining on wages. 84.5% of employees are covered by a collective bargaining agreement, only American, German, and Israeli employees do not.

## GRI 102-42: Identifying and selecting stakeholders

Dialogue between the Group and stakeholders is an important part of the CSR strategy, the objective of which is to better understand the expectations of our employees, customers, suppliers, etc. in order to better respond to their concerns.

We have identified eight stakeholders with whom we have strong commitments and who were selected based on factors, such as:

- their alignment with our strategy as well as the added value they bring to the Group;
- their professional expertise;
- employee involvement in the Group's running;
- their perception of our activities and products;
- their contribution to a better definition of our needs in the various activities;
- the desire to dialogue, and the quality of the relationship.

This approach allows us to build strong, lasting relationships with all stakeholders and share the benefits of our growth.

#### GRI 102-43: Approach to stakeholder engagement

Listening to our stakeholders is essential in our approach because feedback helps develop our CSR commitment. This creates a dialogue to understand how our relationships affect stakeholders and what is the best way to manage them. It is also a source of opportunities to improve partnerships and thus create projects from which all parties will benefit.

Stakeholders	Approach and frequency of dialogue
<b>Employees</b>	Presentations, internal posting networks Annual meetings Training programme
<b>Customers Distributors</b>	Product information through advertising Regular visits from sales representatives Website Congresses, trade fairs, conferences Questionnaires
<b>Suppliers</b>	Regular follow-up by the Purchasing Department Audit Plan for key suppliers Specifications and invitations to tender
<b>Universities Schools</b>	Research partnership Participation in conferences Work-study students Students on work placements
<b>Local communities</b>	Development of the support programme
<b>Public authorities</b>	Regular discussions with the authorities Participation in working groups
<b>Trade unions</b>	Participation in working groups Trade fairs Information meetings
<b>Press</b>	Website Press releases Writing articles

## Reporting practice

#### GRI 102-45: Entities included in the consolidated financial statements

The entities constituting the SOLABIA (Société la Biochimie Appliquée) Group are:

- UCIB
- SOLABIA (SOLABIA Beauvais, BOKAR, head office sites)
- CEP
- BIOEUROPE
- ALGUES ET MER
- SOLABIA BIOTECNOLOGICA
- SOLABIA GmbH
- SOLABIA USA Inc
- ALGATECH
- LABORCLIN

In 2019, SOLABIA Group acquired Algatech, an Israeli company employing 58 people that produces Astaxanthin and Fucoxanthin by cultivating microalgae in the middle of the Arabah desert, near Eilat in southern Israel. In 2020, the group acquired the Brazilian company Laborclin. This company is specialized in the production of culture media and reagents for clinical analysis laboratories and it strengthens our offer in the sector of microbiological diagnosis. This new company is now included in the scope of all the points discussed in this report.

GRI 102-46: Defining report content and topic boundaries

Report content is defined according to criteria of relevance to the Group's activities and to the objectives in this area. An internal working group headed by the chairman was set up in 2016 and all the directors of production sites and the Group's main departments participate in it.

The matrix was constructed through discussions with the main people involved and feedback from stakeholders. Strategic priorities are discussed during management reviews and the points considered are those that have a substantial influence on our value chain and can have a significant financial impact.

The Group's four QSE managers are among the employees in charge of carrying out these actions and collecting data. This allows us to integrate several CSR indicators into the quality management systems. As such, many indicators used in this report are already subject to external audits for ISO 9001, 14001 or 45001 certification.

GRI 102-47: List of material topics

The following issues are identified and considered important for the SOLABIA Group:

- customer relationships
- employee relationships
- product quality
- innovation
- raw materials sourcing
- value chain.



#### GRI 102-48: Restatements of information

We have rewritten certain parts of this report to include Laborclin, which joined the Group in 20. Updates mainly concerned environment, social, and health & safety data.

#### GRI 102-49: Changes in reporting

All entities constituting the Group are included in the report's scope. The scope and indicators were created or revised according to the new GRI standards which serve as a reference for all the reports we write, whether for Ecovadis, the Carbon Disclosure Project (CDP), or the UN Global compact. We strive to align all our indicators so that they can be compared regardless of the site concerned.

#### GRI 102-50: Reporting period

1 January 2020 - 31 December 2020

#### GRI 102-51: Date of most recent report

The last report was published in June 2020. This is the SOLABIA Group's sixth sustainable development report.

#### GRI 102-52: Reporting cycle

SOLABIA has reported annually since 2016.

#### GRI 102-53: Contact point for questions regarding the report

Laurent LASSALLE – CSR Manager Group – [laurent.lassalle@solabia.fr](mailto:laurent.lassalle@solabia.fr)

#### GRI 102-54: Claims of reporting in accordance with the GRI Standards

This report was drawn up according to GRI guidelines but has not been audited.

#### GRI 102-55: GRI content index

See Table of Contents on page 3.

#### GRI 102-56: External audits

The report has not been audited by a third party; however, it serves as a basis for our assessment by Ecovadis. At the same time, the indicators we monitor are for the most part integrated into the existing quality system (ISO9001, ISO14001, and OHSAS18001) as well as in the management review.



## GRI 200: Economic issues

### Management approach

#### GRI 103-1: Explanation of the material topic and its boundary

Economic performance results from our ability to create and operate a profitable and viable long-term model. Today, our growth must be responsible and therefore inseparable from a strategy that is based on the highest social and environmental standards.

It involves ensuring that our internal and external value chain is sustainable in the short and long term. This translates into support for innovation to adapt to markets and customer expectations as well as through partnerships with our suppliers to secure our supply chain and create new values.

We also pay great attention to our employees by avoiding inequalities and attempting to achieve gender parity. If disparities exist, we strive to reduce them while having a pragmatic and fair approach to human resources.

As a result of our activities, we must develop and maintain a very strong network with our suppliers to meet the increased demand for more responsible and safer products. By guaranteeing the traceability of our raw materials, we ensure that we implement responsible sourcing that avoids deforestation and any damage to biodiversity. Where possible we support local communities to secure the supply of certain raw materials, which benefits local populations and ecosystems.

#### GRI 103-2 and 3: Description and evaluation of the management approach and its components

For SOLABIA, being a responsible and sustainable company means guaranteeing long-term growth positively impacting the environment and our relations with our stakeholders. Regarding employees, all the Group's sites are covered by a collective bargaining agreement, apply the principles of pay equity, and pay their employees above the minimum wage.

As a buyer of raw materials and as part of our responsible purchasing policy, we require our suppliers to take commitments in terms of social, environmental, and safety practices, we guarantee the origin of materials, and we ensure that this is respected through audits.

Our strategy is to continue our internal and external growth in a responsible and sustainable manner.

1. With our customers and distributors by meeting the expectations of consumers looking for a healthier lifestyle and diet.
2. By prioritising the quality and safety of the raw materials we use and the products we manufacture.
3. By continuing our development by integrating technologies and natural and sustainable products of the future.

### Economic performance

The SOLABIA Group's business mainly involves the production and sale of products for various sectors. In the future, the Group wishes to continue its development by integrating respect for the people who work for it and for the environment into its strategy. The SOLABIA Group's growth in 2020 was mainly organic but also included the acquisition of Algatech.

Our growth strategy favours the development of new innovative products to continue to strengthen our portfolio and better cover the Group's markets. The acquisition of companies, the products of which complement the range, reinforces our development strategy allowing the Group to maintain steady growth in turnover. The SOLABIA Group's acquisition of Algatech strengthens its natural products offering since this company produces Astaxanthin and Fucoxanthin using the sun as its main source of energy.

The regular launch of new products and a presence that covers the main markets strengthen the Group's economic development and image in its markets. In 2020, the SOLABIA Group invested €5 million in research and development to maintain a sufficient level of innovation to meet the needs of its customers and to remain positioned in a competitive market.

#### GRI 201-1: Direct economic value generated and distributed

Turnover increased by 16% in 2020 against 2019 to €100 million.

#### GRI 201-2: Financial implications and other risks and opportunities due to climate change

Climate risks and seasonality are included in our supply chain. For sensitive raw materials, we secure our sourcing by diversifying origins and building up sufficient stocks.

However, we continually seek to minimise our environmental impact and improve the carbon footprint of our products. To achieve this, we use our expertise in green chemistry, enzymatic catalysis, subcritical extraction, and fermentation.

In terms of water management, all of our factories are engaged in programmes to reduce consumption by optimising manufacturing processes, washing, and installing tank cooling systems on water loops.

#### GRI 201-3: Defined benefit plan obligations and other retirement plans

The Group has operations in various countries (France, Brazil, Israel, etc.) and its retirement plans are financed by the employees and the Group companies concerned in accordance with the labour laws in these countries.

## Market presence

#### GRI 202-1: Ratios of standard entry level wage by gender compared to local minimum wage

Wages are paid locally and are above the legal minimum wage or that stated in collective bargaining agreements.

#### GRI 202-2: Proportion of senior management hired from the local community

For all positions, recruitment decisions are made based on the skills and qualifications of applicants and nationality is irrelevant. Regarding its subsidiaries, SOLABIA entrusts positions to people recruited locally in order to be as close as possible to customers and the culture of the market.

## Indirect economic impacts

#### GRI 203-1: Infrastructure investments and services supported

Our growth strategy involves business acquisitions that complement our activities. After Algues et Mer, we acquired Algatech, which strengthens our offerings in the strategic areas of natural products, health, and beauty.

## Procurement practices

#### GRI 204-1: Proportion of spending on local suppliers

The SOLABIA Group works with over 292 active suppliers from which we purchase over 1,000 raw materials; this does not include service providers that may be contracted to work on the various industrial sites. When the conditions offered by suppliers and service providers are competitive and comply with the Group's specifications, we favour those located in the same geographical area as the subsidiary involved. Many of the raw materials of plant origin that we buy cannot be bought in countries other than those where they naturally grow in. In this case we scrupulously ensure that all the rules regarding traceability and local laws on the use of resources and biodiversity are respected.

Under our procedure, each new raw material and each new supplier is subject to an assessment prior to being listed. It will subsequently be regularly audited to ensure that it continues to comply with our procurement standards.

## Anti-corruption

#### GRI 205-1: Operations assessed for risks related to corruption

Due to our activities, the risk of corruption exists and we must take this into account. As such, we have included our Code of Ethics in the quality manual to ensure that all employees read it. This code presents the SOLABIA Group's commitments in the fight against corruption, discrimination, harassment, etc. and any other action contrary to our principles.

We have associated with this document a guide that explains the behaviours to be ban in and out of the company. This guide also lists the mechanisms by which people can learn, notify and can be supported if



they have been the victim of inappropriate behaviour.

Employees were informed and be sensitized during general CSR training sessions. A charter is available in the welcome booklet and a guide is available to explain, give examples and indicate the support mechanisms available in the group.

#### GRI 205-3: Confirmed incidents of corruption and actions taken

To date, we have not registered any complaints or cases of corruption within the Group.

## Anti-competitive behaviour

#### GRI 206-1: Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices

To date, no proceedings have been initiated against the SOLABIA Group for anti-competitive behaviour or other unfair practices in the course of its business.



# GRI 300: Environmental disclosures

## Management approach

### GRI 103-1: Explanation of the material topic and its boundary

SOLABIA depends in part on natural resources and continuity of supply is essential for successful operations. We are committed to ensuring that our raw materials come from a responsible source, both human and environmental. Land use changes and degradation are threatening the ecosystems from which our natural materials are derived. We work with suppliers to ensure that our supplies come from responsibly managed geographical areas.

We cannot talk about responsible management without being concerned about our energy consumption which leads to emissions, which in turn will lead to climate change which will have a direct impact on the availability of our natural resources. Having a positive impact on the environment is at the heart of our strategy; as such, in our product developments, choice of technologies, or optimisation of processes, we systematically seek to improve energy efficiency in order to reduce consumption and emissions. We also pay particular attention to renewable energies in order to increase their share in our consumption and reduce our impact on ecosystems.

Water is also essential to our production activities. As such, we need to use water in a reasoned and efficient manner to maintain our activities as well as to meet consumer demand for products that respect the environment.

As demand increases, natural ecosystems are replaced by intensive agriculture. It is essential for the long-term future of our business that we consider biodiversity conservation. For this, we comply with global rules and policies for biodiversity conservation and favour responsible sourcing when choosing our suppliers.

We generate direct and indirect emissions from energy consumption that impact climate change. We strive to improve the efficiency of our production sites, by focusing on reducing greenhouse gas emissions, either by reducing consumption or by favouring renewable energies. Our responsible innovation approach takes into account the potential impact of our processes and products on the environment.

We also work downstream of production in order to reduce waste through recycling and reuse or we ensure that it is recovered and/or disposed of in an environmentally sustainable manner. Likewise, discharges to water are subject to treatment in a wastewater treatment plant to ensure the quality of the water discharged. The sludge generated is used in a more complex unit to produce Biogas.

Finally, promoting compliance with high health; safety; and social, environmental, and business integrity standards in our supply chain is also a way of reducing our environmental and social impact.

### GRI 103-2 and 3: Description and evaluation of the management approach and its components

Our raw materials must be produced with respect for people and the environment. The purchasing team strives to manage risk and reduce reliance on single suppliers. It works with suppliers to ensure continuity of supply while continuing to build relationships with producers and ensure long-term supply while minimising its environmental impact.

The raw materials we use come from different parts of the world. We systematically carry out an analysis of the environmental supplier risks, in order to ensure through questionnaires and/or audits that their behaviour complies with the level of environmental requirements we expect.

Our approach to energy consumption is essential because, by consuming less energy and seeking renewable sources, we reduce our emissions and help mitigate climate change. We work to reduce energy consumption for all operations and, whenever possible, during equipment maintenance or replacement. To do this, teams examine different operational technologies to determine possible improvements and savings.

Our strategy to reduce water consumption is included in our policy and we have an action plan to optimise its use in our processes, especially in cleaning phases. In terms of cooling, almost all of our units are now connected to cooling towers, which has already significantly reduced our consumption. These are just a few of the many water saving initiatives implemented on the various sites; however, we strive to reduce consumption whenever possible.

Because of its activities, SOLABIA pays particular attention to biodiversity. The Nagoya Protocol is the main international instrument providing a general framework for the conservation and sustainable use of biodiversity and the fair and equitable sharing of benefits arising out of its use. We have identified the

potential implications of the Nagoya Protocol and its access framework on our activities in order to meet all of our obligations.

Scope 1 emissions are defined as those generated by the SOLABIA Group's production, in particular, by the combustion of fossil fuels to produce heat and steam in our facilities. Scope 2 emissions are generated by the consumption of electricity generated upstream by another organisation from which we purchase it. We are working to reduce our emissions through plans to reduce our energy consumption and through the use of an increasing share of renewable energy in our activities. We recently invested in the construction of a biogas production facility which uses our effluents and improves the quality of our liquid effluents.

To date, we have not voluntarily defined quantified objectives but, as part of our five-year plan, an assessment of energy consumption, water consumption, and effluents by workstation has been carried out for all the Group's factories. We have now a mapping of the energy consumption that we can use to evaluate the impact of energetic mix on the CO<sub>2</sub> emissions. We will use this assessment to define reduction targets and the actions to be taken to achieve these targets. Thus, with this plan, we wish to include the energy and environmental transition in the operation of our factories and in the Group's overall strategy.

A very large share (85%) of our waste is recovered with energy recovery. The most hazardous waste is subject to treatment by specialised channels. Our ambition is to improve the handling of our waste and to increase the quantity of our recycled waste.

We also ensure that wastewater from our operations is discharged responsibly and we monitor its quality through chemical oxygen demand (COD) analyses. This water is either treated directly in the plants on site before being discharged into the natural environment or it is treated via the wastewater systems of the cities in which we have operations.

We purchase a wide variety of raw materials from a variety of suppliers through multiple supply chains. In order to better understand the origin of raw materials, we map and assess supply chains to ensure that they meet our responsible sourcing policy. We assess our suppliers' commitment to health, safety, the environment, and business integrity via a questionnaire that they must first complete and sign. Then we verify that the commitments are respected through audits that we may conduct depending on the risk they may represent.

## Materials

In each of our factories, resources and impacts are monitored and managed using different indicators. The most representative of them relate to the consumption of natural resources (electricity, gas, water, etc.), effluents (liquid and gas), and the amount of waste generated and recycled.

Our commitment to an ISO 14001 certification process for sites in addition to the CSR approach allows us to educate all our teams on environmental issues.

### GRI 301-1: Materials used by weight or volume

Group-wide, we consumed approximately 6,450 tonnes of raw materials (RM) and 33,513,743 packaging units in 2019. Regarding packaging items, a large part of consumption is linked to the BIOKAR division which offers culture media and diagnostic kits for microbiological analysis laboratories. Unlike other entities, the BIOKAR division does not work in B2B: it works in B2C.

Raw materials used	UCIB	SOLABIA	BIOKAR	CEP	SOLABIA Biotecnol.	ALGUES & MER	ALGATECH	GROUP
RM used (T)	1198	963	240	69	3279	65	56	5870
RM used (m <sup>3</sup> )	0.89	71.8	16	0.17	-	-	-	89
RM used (Units)	3313	8777	1089	3630	-	372	-	16681
Packaging used (Units)	69656	165312	31626326	8549	103019	232	32000	32005003

## GRI 301-2: Recycled input materials used

Packaging is selected to be suitable for the use we make of it. Among the most commonly used materials we find plastic, glass, cardboard and wood for pallets. Regarding the 1,000 tonnes of packaging we used annually, 310 tonnes are from recycled materials and these are mainly 24% (75t) cartons and 76% wood pallets (235t).

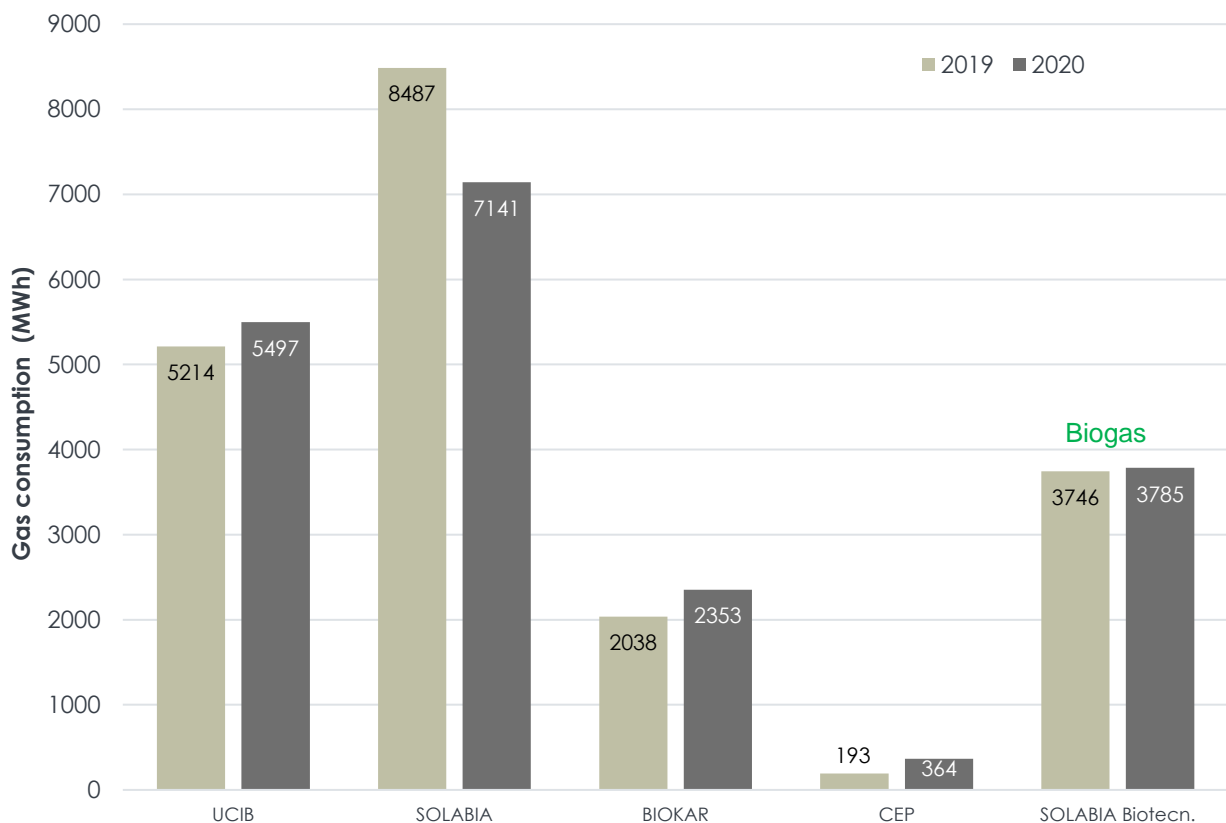
We work closely with our packaging suppliers to find solutions that are compatible with our products and that allow us to increase the percentage of packaging from recycled materials.

## Energy

### GRI 302-1: Energy consumption within the organisation

#### Gas (MWh)

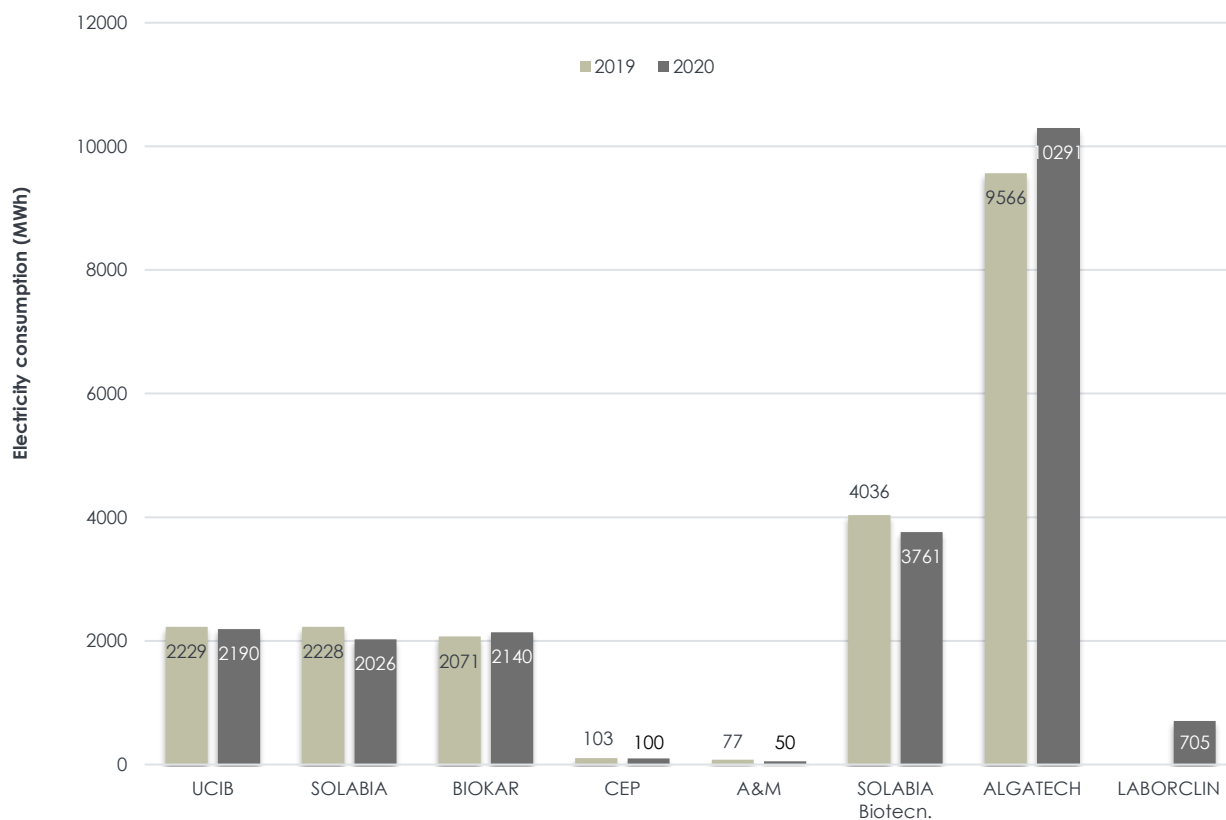
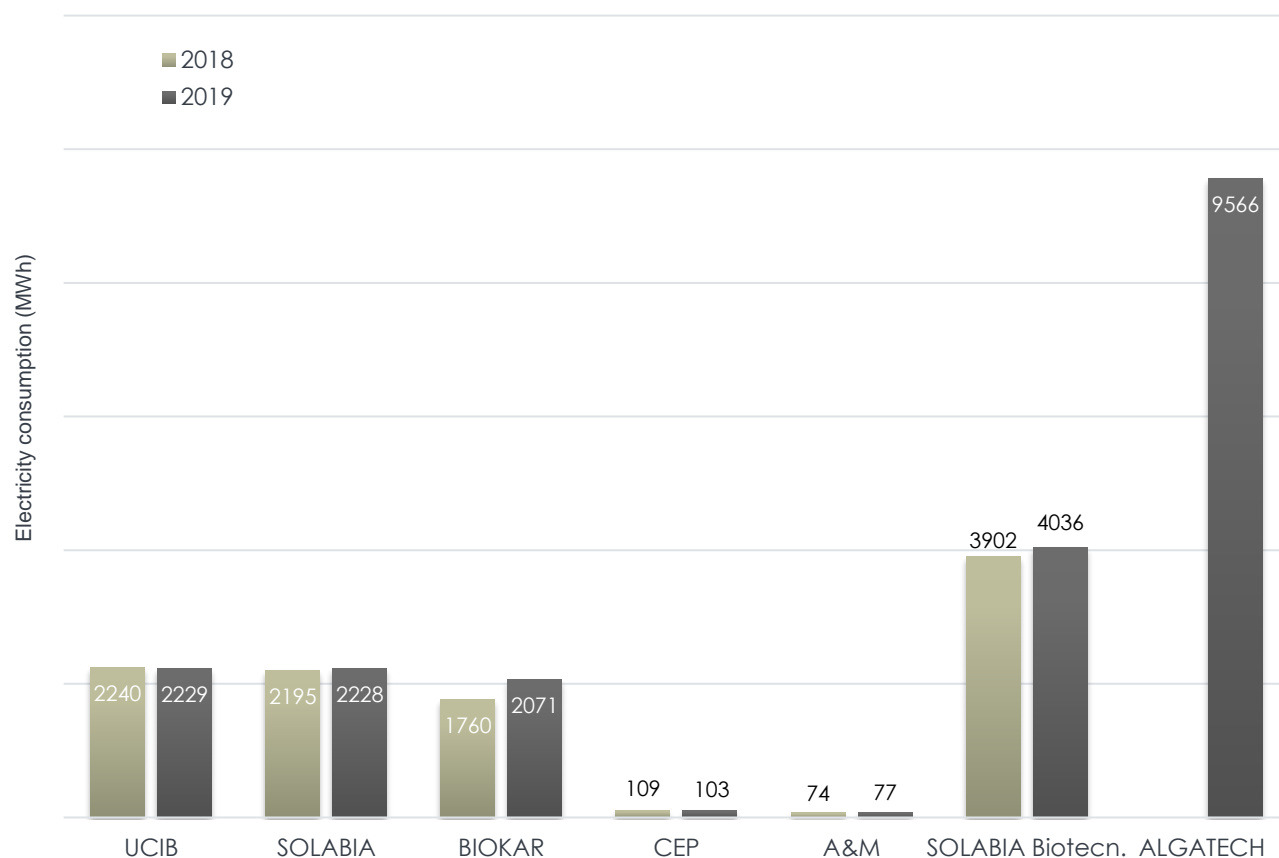
The Group's gas consumption in 2020 is distributed between the different sites as shown in the graph below. The gas consumption shown in this report covers all of the Group's factories. It should be noted that the gas produced in Brazil comes from an anaerobic digestion unit that uses sludge from the treatment of our aqueous effluent to produce biogas. The part of renewable gas in the whole gas consumption represents 19.8%.



Total gas consumption was 19,140 MWh for 2020, which represents a slight decrease of 2.7% against the previous year despite the inclusion of a new plant in the scope. It should be noted that over the same period, we increased quantities by 2%, which demonstrates the efforts made to control our energy consumption. These efforts carried out at the plant level primarily concern building insulation and the thermal insulation of facilities as well as improved manufacturing processes which is included in the overall eco-design approach.

## Electricity (MWh)

As with gas, all electricity consumption included in our report is monitored site by site.



Consumption for the entire Group currently stands at 21,262 MWh. If we compare this against 2019, we observe a significant increase in electricity consumption (4,7%). This increase is the consequence of the

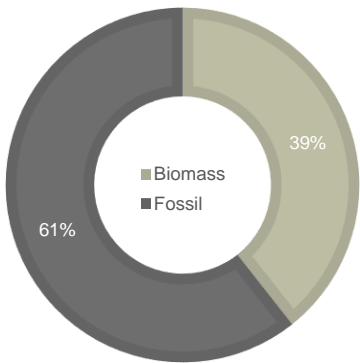
inclusion of a new factory, with electricity as its main energy source, in the scope The electricity consumption of the other factories slightly increase also during the period.

**Wood**

The site located in Brazil has a wood-fired boiler, the annual consumption of which is 4,610 tonnes of wood from eco-managed forests where a tree is planted for each tree felled. These 4,610 tonnes of wood represent 23330 MWh which are used to produce steam for our industrial activities.

From 2021, we will reduce wood purchases and we will use our own wood to reduce transport. The plantation will be used at a rate of 20% per year to create a 5-year operating cycle.

**Total energy consumption**



Total energy consumption represents 68862 MWh for the entire Group against 64886 MWh in 2019. 39% of our energy currently comes from biomass due to the use of wood and the production of biogas which helps improve the Group's overall carbon footprint.

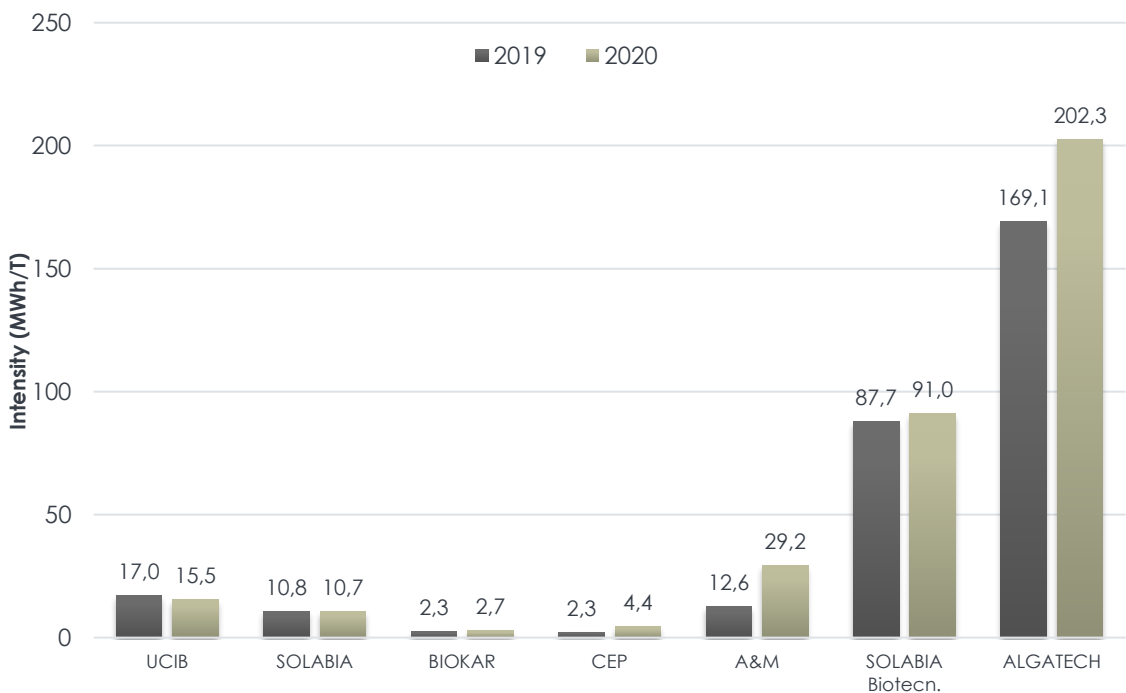
**GRI 302-3: Energy intensity**

Energy intensity is the ratio of all the energy consumed against the amount of product produced. Intensity varies for each site because they do not produce the same products.

**Energy intensity (MWh/T)**

Since production is different in each factory, we monitor the energy intensity for each of our sites. Efforts have significantly reduced energy consumption per tonne produced. Works mainly focused on building insulation and thermal insulation of industrial facilities to reduce heat loss.

In our Brazilian factory as well as the Algatech factory, the energy intensity is very high; however, this is explained by the manufacture of a product that requires many stages of extraction and purification. The final yield is less than 10%, directly impacting energy intensity.





Group-wide, we observed an increase in energy intensity. Overall, we recorded an increase of 4,7%, from 17.4 to 18.2 MWh/t. For all the factories, the intensity is stable excepted for Algattech where it increases.

#### GRI 302-4: Reduction of energy consumption

The SOLABIA Group is continually looking for solutions to reduce its energy consumption by implementing a number of actions. On our industrial sites, we are insulating buildings and installing thermal insulation on industrial units to limit energy loss. We also have a relamping programme to replace all conventional bulbs with LED bulbs and install presence detectors in high footfall areas.

In terms of industrial tools, whenever the opportunity arises, we replace electric motors with low-consumption motors and, more generally, we strive to replace old equipment with new equipment that consumes less.

In 2020, we have changed the old boiler burners for a high-performance burner. We hope to reduce our gas consumption by 10% per year at the UCIB factory and thus reduce our CO2 emissions by about 115 T.

We have also initiated a study on the recovery of waste heat in some factories. The goal is to recover the calories lost and thus reduce energy consumption especially during the process.

The manufacturing base represents the largest part of energy consumption and one of our levers to reduce consumption is innovation. In development programmes, we include this parameter and we favour the use of less energy-intensive processes, such as the use of enzymatic synthesis and biotechnologies instead of more energy-intensive conventional chemistry. Innovative technological choices are also favoured, such as the use of subcritical water for plant extraction.

## Water and effluents

The SOLABIA Group strives to reduce water consumption for like-for-like activity by optimising processes and washing or by acquiring new equipment. The ideas we are exploring to further improve our balance sheets include:

- streamlining cleaning steps;
- collecting water discharged from evaporators for recycling;
- closing vacuum pump circuits;
- closing autoclave cooling circuits.

We also plan to inventory stations operating with lost water in order to implement an action plan to optimise and reduce future consumption.

The results of work carried out in factories to reduce water consumption is visible. These works included:

- installation of CIP for container cleaning saving 10 m<sup>3</sup>/d;
- works on reactor cooling saving 4,000 m<sup>3</sup>/year.

#### GRI 303-1: Interactions with water as a shared resource

The SOLABIA Group consumes significant quantities of water for its production activities. Depending on the production sites, we either use mains water or borehole water, but, at Group level, we mainly use groundwater (97.5%).

Areas are considered to be in water stress when the availability of water per year and per capita is less than 1,700 m<sup>3</sup> per capita per year according to the Falkenmark indicator.

In our case, whether in Brazil or France, we are not in identified areas of water stress. (Source Aqueduct Water Risk Atlas : <https://www.wri.org>) In contrast, Algattech uses water drawn from a 1,000 meter-deep borehole in the Arava desert. This is marine seepage that is desalinated to keep the factory running. For the whole group, 67% of the consumption are done in high hydric stress area.

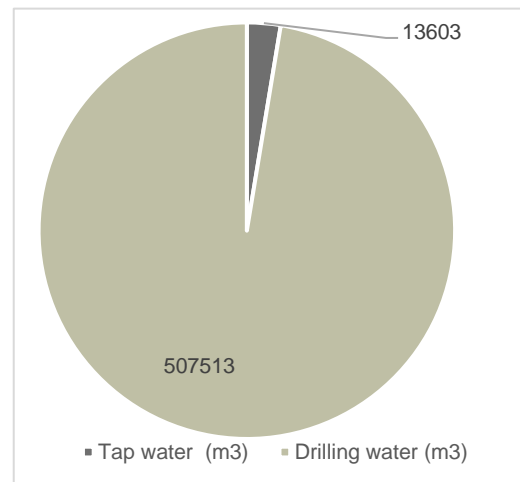
Wastewater is collected and sent to appropriate treatment facilities. Solabia's Biotechnologica and UCIB sites have their own water treatment units and the water is then discharged into the rivers near the sites. The other factories collect and discharge their wastewater into municipal wastewater treatment plants.

### GRI 303-2: Management of water discharge-related impacts

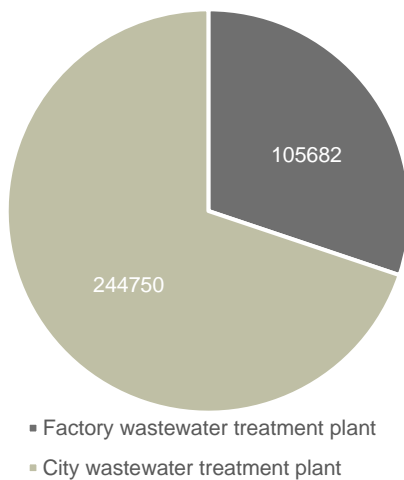
Discharge standards have been determined in relation to the regulations in force in the country and daily analyses are randomly carried out on the various sites by the control bodies.

### GRI 303-3: Water withdrawal

We use two main sources of water: mains water for 2.5% of consumption and borehole water for 97.5%.



### GRI 303-4: Water discharge



Our aqueous effluents are treated and eliminated in one of two ways depending on the site.

1. Treatment in stations present in the factories, which is the case for UCIB and Solabia Biotechn. This represents 105,682 m³ annually or 30% of the effluents discharged by the Group.
2. Treatment in municipal wastewater treatment plants, which is the case for other sites. This represents 244,750 m³ annually or 70% of the effluents discharged by the Group.

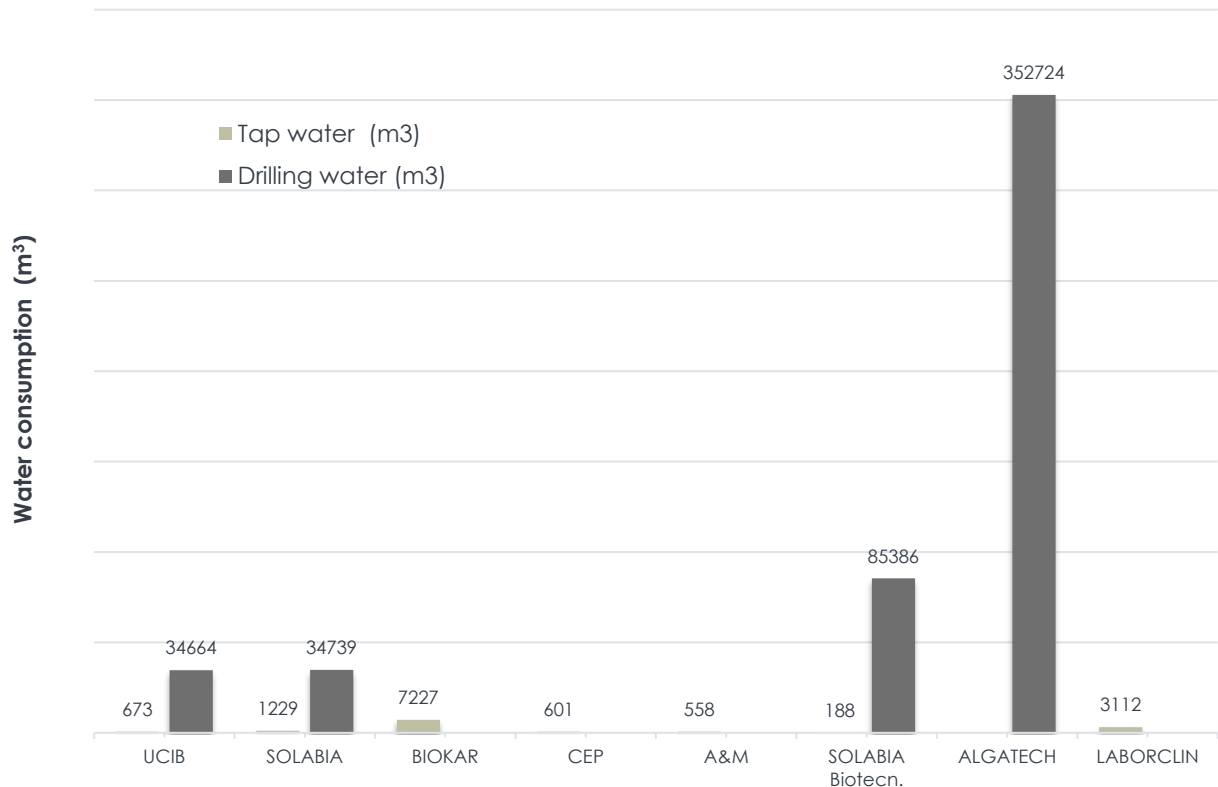
### GRI 303-5: Water consumption

Water consumption in the Group's new scope represented 472,534 m³ in 2019, of which 464,393 m³ was drawn from groundwater and the rest from mains water. Most (68.2%) of this water was drawn from an area of high water stress and work is underway to significantly reduce these withdrawals.

It should be noted that at constant scope against 2018, our water consumption reduced by 3.8%, represents savings of 6,230 m³. Over the past three years, we have reduced our consumption by 10%, which represents a reduction in withdrawals of 17,568 m³. The savings were mainly made on groundwater withdrawals.

### Consumption (m³)

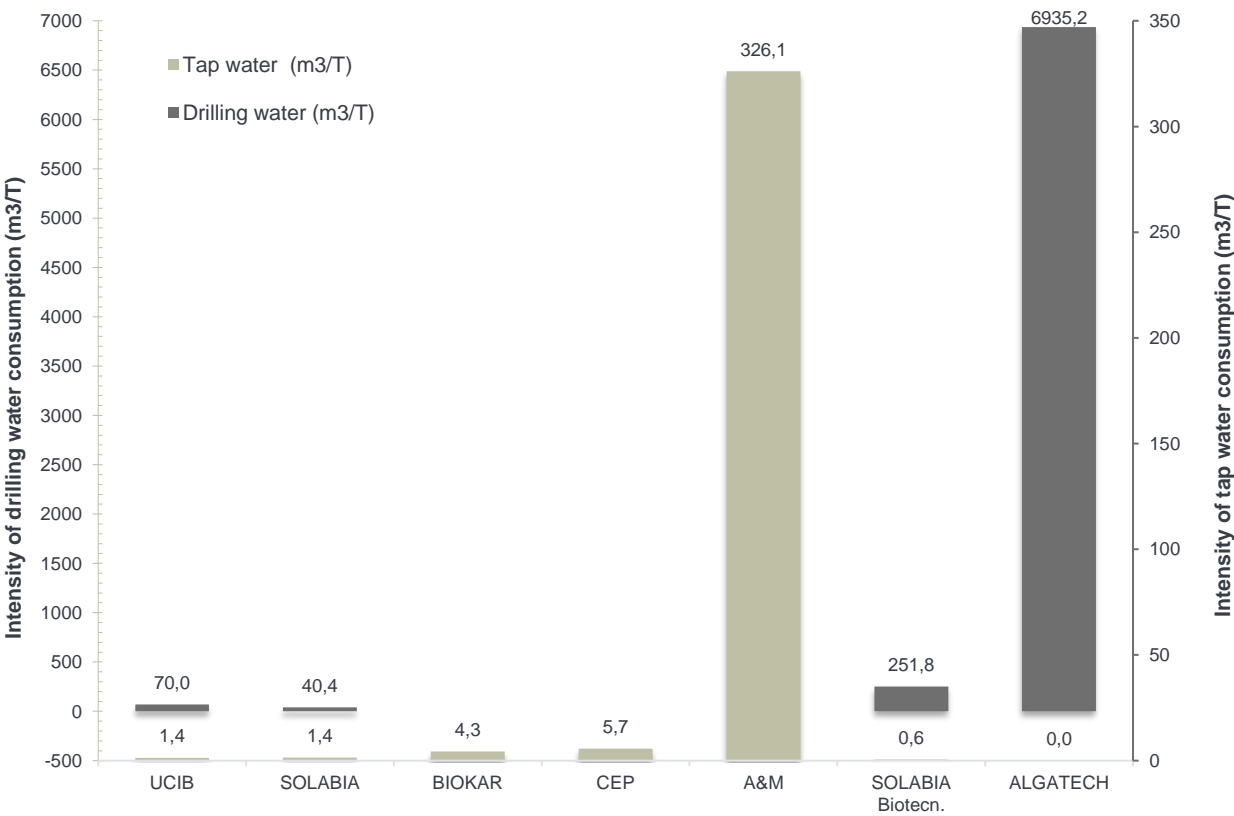
If we analyse the ratio between the water consumed and the quantity of products manufactured, we see that this is very different depending on the sites and is strongly linked to the nature of the products manufactured.



**Water consumed per tonne produced (m³/T)**

For Brazil, we observe a very high water consumption which can be explained by the low extraction yield that we have on one of our main products. With less than a 10% yield, the numerous extraction and purification steps require large volumes of water.

As for Brazil, Algatech has a process that requires large amounts of water. Effectively, to produce Astaxanthin, microalgae is cultivated by keeping them in suspension in photoreactors which represent a total length of 700 km.



## Biodiversity

GRI 304-1: Operational sites owned, leased, or managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

### Algues et Mer



Most of the SOLABIA Group's sites are not located in or near protected areas, with the exception of Algues et Mer. This company which employs seven people is based in Ouessant, a UNESCO World Heritage site, in the Iroise Marine Natural Park where it contributes to the island's economic activity. It has obtained all the authorisations necessary for the cultivation and harvesting of seaweed from which it produces active ingredients for cosmetics and nutraceuticals. (<http://www.unesco.org/new/fr/natural-sciences/environment/ecological-sciences/biosphere-reserves/>)



harvesting seaweed on the island's coast;



harvesting cultivated seaweed.

### UCIB



Bees are major pollinators in France and Europe. The bee will forage within a radius of 3 km around the beehive, all flower species combined. About 30% of our food is currently estimated to depend on insect pollination.



Setting up a biodiversity pollinated by bees. framework of the Environmental

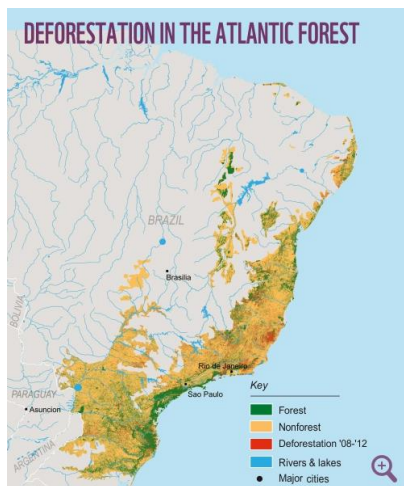


beehive therefore fosters animal and plant because 80% of flowering plants (INRA) are. These two causes fully fall within the Sustainable Development and Protection components of a CSR approach.



Setting up the beehive allowed an event for employees to meet for an informal tasting of honey production to be organised in the Group's various factories.

## SOLABIA Biotecnologica



The Atlantic Forest (Mata atlântica) originally covered approximately 1,333,875 km<sup>2</sup> but today it only covers 99,944 km<sup>2</sup>. In terms of Biodiversity, 264 mammals, 1,000 species of birds, over 750 species of reptiles and amphibians, and 23,000 species of plants live and grow in this area.

The forest area today represents less than 7% of the extent of the original biome and a large part of the area consists of small degraded patches since 80% of the remaining ecosystem is split into fragments of less than one half a square kilometre.

Between 2000 and 2008, 277,763 hectares, or 2,777 km<sup>2</sup> of forest were lost and deforestation is progressing at an average rate of 34,720 hectares (347 km<sup>2</sup>) per year, representing a loss of 0.35% of the area per year.

Despite this, the Mata Atlântica remains remarkably rich in biodiversity and endemic species, many of which are threatened with extinction. The region is particularly rich in unique species, about half of which are endemic. A study of a single hectare in Bahia identified 450 species of tree.

New species continue to be discovered in Mata Atlântica. Between 1990 and 2006, more than a thousand new flowering plants were discovered and new species of primates were discovered, such as a new tamarin, the black-faced lion tamarin (*Leontopithecus caissara*) in 1990.

SOLABIA is extremely concerned by the environmental issues of this part of



Brazil since we have a production site there but also because we interact with nature and local populations for our supplies of natural raw materials.

Regarding our businesses:

- we have 41 materials authorised by the CGEN;
- our supply chain is formed in respect for biodiversity;
- we interact with six biomes;
- we work with eight traditional communities / small family producers representing 4,715 families involved and 24,191 people directly or indirectly impacted;
- we practice profit sharing with communities, even when there is no legal obligation.

We currently support two projects aimed at fighting deforestation and preserving the biodiversity of the Mata Atlântica.

### Araucaria project



This project aims to determine the level of possible use of this tree so as not to endanger the spread of the species or that of the birds that depend on it. Among these birds is the Azure Jay, the numbers of which are dwindling to the point of being almost threatened with extinction.



The first part of the project determined how many araucaria seeds could be collected from the forest floor but never directly from the tree.

This percentage depends on two factors:

- the quantity needed to feed the Azure Jay;
- the quantity necessary for the propagation of the species (*Araucaria angustifolia*) in the forest itself.

Findings show that the quantity of araucaria seeds that can be collected from the forest floor to sustainably manage the species is 70%.



The local populations who use this tree are now educated on how to avoid the over-use of this species and preserve their source of income as well as the endemic fauna of this forest. We also supported the communities in recovering these seeds by providing the equipment necessary to separate the different parts that are used for food.



### Juçara project



The Juçara palm tree is threatened with extinction because the part of the tree commonly used is its stem from which the palm heart is extracted. As a result of this use, the tree is systematically felled endangering the sustainability of the species and the fauna that feed on it.

The main objective of this project was to demonstrate and teach communities that juçara fruit can also be used which will allow its



use and generate a source of income without jeopardising the existence of the species itself.



Pulp production is a solution, which makes it possible to better recover the juçara fruit and protects the trees.

Solabia has trained the community in picking and processing this fruit for consumption as food. Solabia has also informed the regional authorities of the nutritional value of this fruit, and it is currently sold for juice production in the region's state schools.



The 'Société ami de la Mata Atlântica' label was awarded to Solabia in 2018 for these various actions.



#### GRI 304-2: Significant impacts of activities, products, and services on biodiversity

The activities of the Group and more specifically that of CEP require the use of plant materials from various regions of the world on which we depend to produce our plant extracts. As such, we are sensitive to the protection of biodiversity and we take care when sourcing to have traceability vis-à-vis the origin, the type of harvest, etc. for the plants we buy.

For all of these materials, we respect the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and we closely follow the implementation of the Nagoya Protocol on access to genetic resources and the fair and equitable sharing of benefits arising out of their use.

For the new developments we adopt a responsible approach and for this, we work on the valorization of by-products intended to be destroyed in order to extract some interesting molecules which will be used in cosmetic products.

Recently, we have launched on the market 2 products that have been developed like this:

- **Blueshield:** Active ingredient against blue light effects. The active ingredient is derived from decommissioned red peppers intended for destruction. These peppers also come from a local supplier that avoid lot of transportation.
- **Saniscalp:** A soothing active ingredient for the scalp. This ingredient is derived from a passion fruit cake that was intended for destruction.

By developing the upcycling for the new development of botanical extracts, we limit the impact of our activities on the environment and biodiversity.

## Emissions

Given its industrial activities, the SOLABIA Group can create environmental nuisances. As a result, the Group has included an assessment of chemical risks in its Safety and Environment policy and carries out a study of the impact of its activities on the environment.

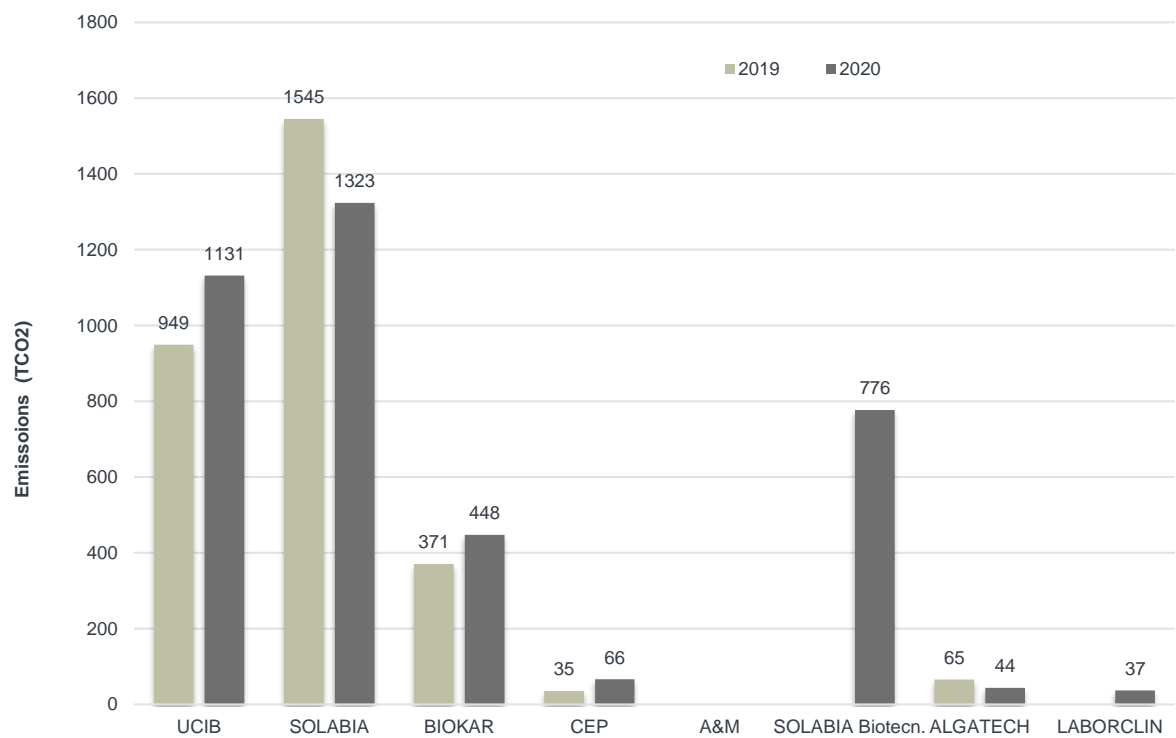
To calculate our Scope 1 and Scope 2 CO<sub>2</sub> emissions, we used the GHG Protocol's criteria (<http://www.ghgprotocol.org>) or directly those of the energy supplier when we have the right value.

#### GRI 305-1: Direct GHG emissions (Scope 1)

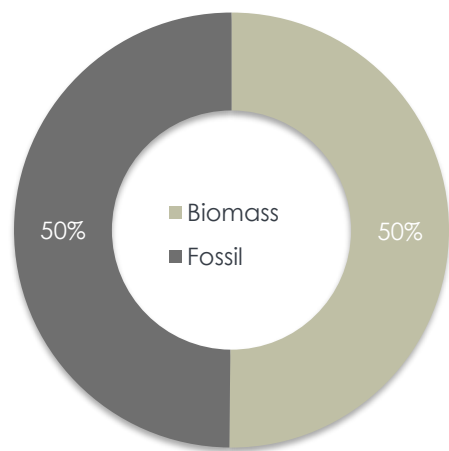
Direct and indirect greenhouse gas (GHG) emissions correspond to emissions linked to the consumption of different energies on all industrial sites. Direct GHG emissions are linked to the consumption of natural gas and fuel. We also report the NO<sub>x</sub> emissions and the leaks of refrigerating gas. These emissions represent 4000 tonnes of CO<sub>2</sub> when all of the Group's factories are included.



**Scope 1 emissions (TCO<sub>2</sub>)**



The fact that 39% of our consumption comes from a renewable source in our energy mix helps to reduce our CO<sub>2</sub> emissions.



Regarding our direct emissions, factories located in France use fossil fuels; however, those located in Brazil have chosen to use wood and biogas. The wood used comes from eco-managed forests that do not participate in uncontrolled deforestation and where each tree felled is systematically replaced with a new tree.

Since 2021, we will use our own wood that we will produce by ourself.

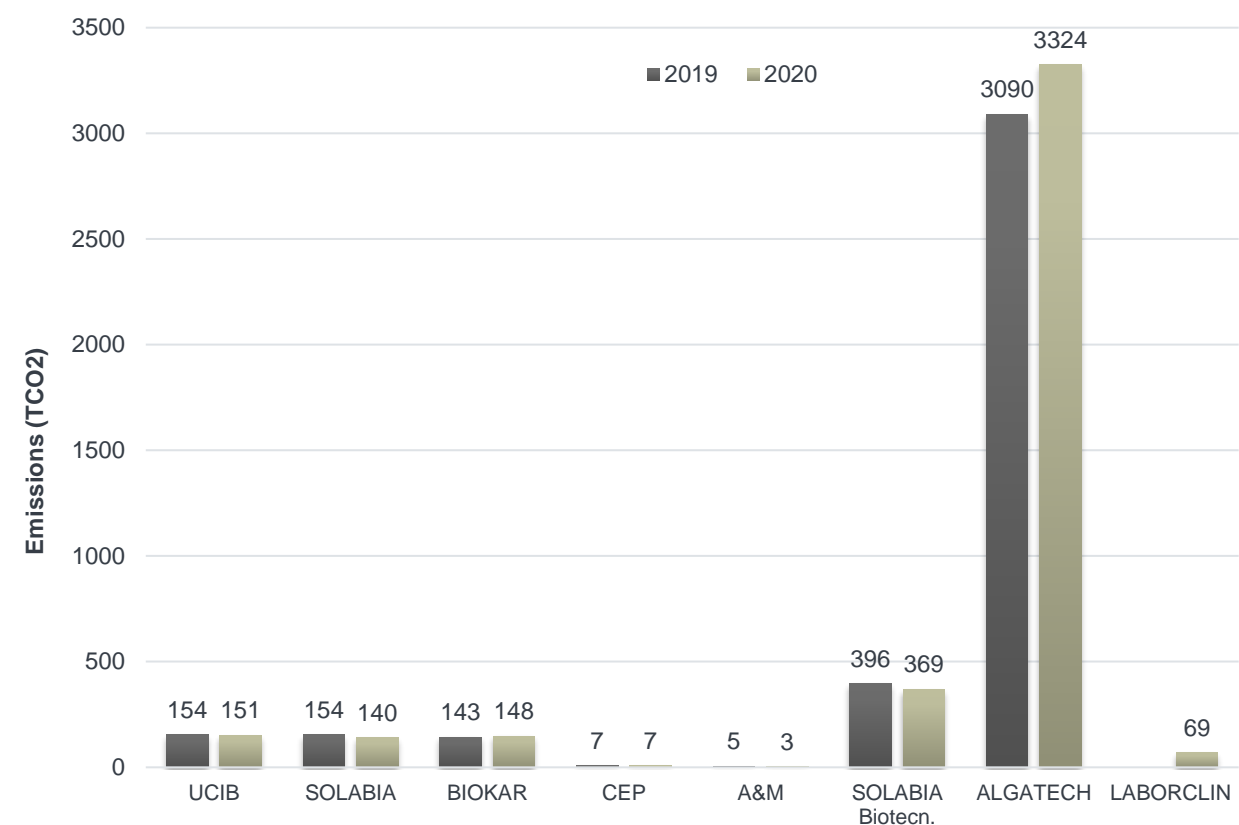
The biogas comes from an anaerobic digestion plant we built to recover the sludge from the treatment of our aqueous effluents, which is loaded with organic matter. The commissioning of this anaerobic digestion plant has produced the equivalent of 505,000 m<sup>3</sup> of gas that we use directly in our boiler to produce steam.

With the use of wood and biogas, 50% of our CO<sub>2</sub> emissions come from biomass, which improves our environmental footprint.

**GRI 305-2: Indirect GHG emissions (Scope 2)**

All indirect GHG emissions are linked to electricity consumption and represent 8,196 tonnes of CO<sub>2</sub>.

**Scope 2 emissions (TCO<sub>2</sub>)**



For all emissions, the SOLABIA Group has not yet set emission reduction targets. However, whenever we can, we favour the least energy-intensive solutions. We also explore the possibility of changing the energy mix in order to promote low-carbon energy and thus reduce the global emissions.

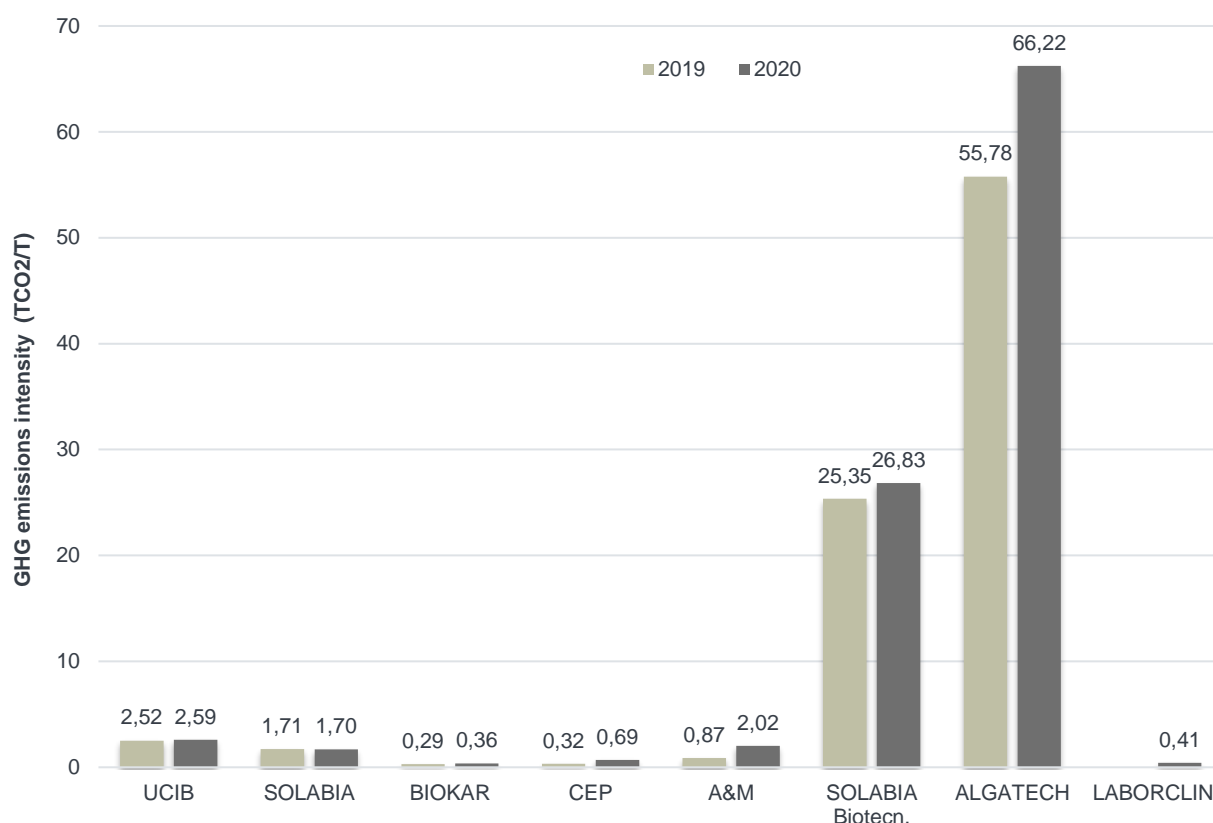
**GRI 305-3: Other indirect GHG emissions (Scope 3)**

This year, we have started to count certain indirect emissions, including shipments of merchandise by the Biokar site. These shipments mainly involve road transport, and emissions from these shipments represent 640 tonnes of CO<sub>2</sub> annually.

**GRI 305-4: GHG emissions intensity**

For all sites, GHG emission intensity represents the ratio between direct and indirect emissions (Scope 1 + 2) and the quantity generated annually in tonnes.

### Intensity of direct and indirect emissions (TCO<sub>2</sub>/Tproduct)



For the 2020 scope, we observe an increase of the emissions per unit weight of 20% compared to the previous period. In all our plants, we are looking for solutions to reduce our consumption or reduce our carbon footprint.

#### GRI 305-5: Reduction of GHG emissions

We have chosen energy from biomass to reduce our share of energy from fossil fuels. This has two environmental advantages because it increases our consumption of renewable energy and allows us to treat and recover a large part of our effluents.

The Group-level emissions show that the action must be mainly focused on gas in France and electricity in Israel because they represent the largest emissions. In the future, it will be necessary to take into account the level of CO<sub>2</sub> emission in the choice of the local energy mix but also in the choice of the new equipment in order to promote the use of the less carbonated energy in the country where the plant is located.

We continue to seek solutions, whether in terms of industrial processes or investments in new energy sources, to reduce the carbon footprint of each of our factories.

#### GRI 305-6: Emissions of ozone-depleting substances (ODS)

In all our plants, we have refrigerated equipment's that have gases with a high global warming power. We monitor the gas leaks that happen annually and incorporate the CO<sub>2</sub> equivalent it represents into scope 1. In 2020, the leakage on these cold groups was 51.4 kg, which represents the equivalent of 113 TCO<sub>2</sub>.

#### GRI 305-7: Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions

The NO<sub>x</sub> we monitor is the NO<sub>x</sub> from the combustion of gas by the boilers that generate steam in the plants. Over the period covered by this report, we have emitted 154 kg of NO<sub>x</sub>, which represents 46 Teq CO<sub>2</sub>.

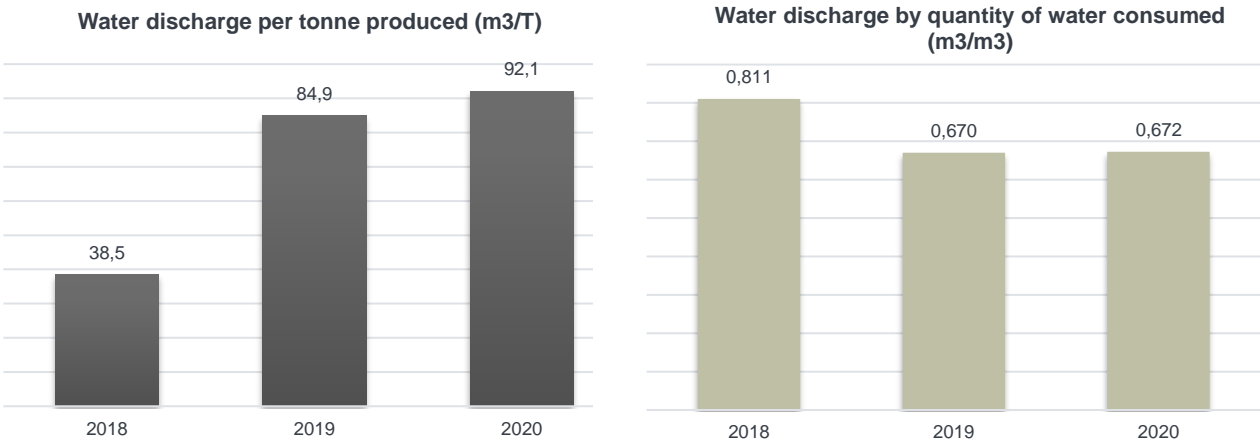
Effluents and waste

GRI 306-1: Water discharge by quality and destination

The SOLABIA Group discharged 316,587 m<sup>3</sup> of water in 2019, which constitutes a new benchmark.

On the same scope as in 2018, discharges dropped by 4.1% in 2019. This improvement is the result of the investments made and the work undertaken over the past few years to improve cleaning procedures for industrial units.

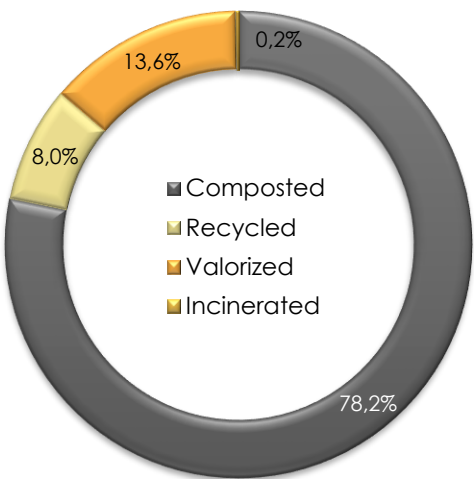
If we compare water discharges against the amount of water consumed, in this specific case, discharges have dropped by 15% against 2018.



Due to the activity of our factories, we mainly monitor COD (Chemical Oxygen Demand) in our effluents. This indicator is monitored weekly for our three main industrial sites and shows that 112 tonnes of COD were released in 2020 against 97 tonnes in 2019.

GRI 306-2: Waste by type and disposal method

We are deploying a sorting system on our sites to separate ordinary waste, paper, and plastics at the source. Waste is managed through dedicated collection and sorting channels for optimum recycling or recovery.



In 2020, the Group generated 2,508 tonnes of waste, 5% less than the previous year. This represents a ratio of approximately 0.7 tonnes of waste per tonne produced.

Waste management has enabled us to achieve a recovery rate of 99.5%. Among these wastes 78.2% are organic wastes that are composted, 8% are recycled and 13.5% are incinerated with energy recovery.

Only 0.2% are destroyed due to the toxicity of the waste.

GRI 306-3: Significant spills

During 2020, we haven't recorded significant spills that can have a significant impact on the human health, ground, water or vegetation.

# Environmental compliance

## GRI 307-1: Non-compliance with environmental laws and regulations

The SOLABIA Group was not subject to any sanction nor did it pay any fine for non-compliance with environmental laws and regulations.

## Supplier environmental assessment

To analyze the supplier risk management, we have established a procedure that takes into account the environmental and social risk related to the country of the supplier and/or the raw material and we balance the notation with the information obtained from the questionnaire completed by the suppliers and the certifications that they send us.

To prioritize the risk by country, we use the YALE Center for Environmental Law classification for environmental risks and the Policy and Social Progress Imperative for social risks.

The suppliers who represent a significant level of risk are questioned and must send additional informations, an action plan to correct weaknesses, and may possibly audited on the points we don't find acceptable.

## GRI 308-1: New suppliers that were screened using environmental criteria

The SOLABIA group asks each supplier to commit to the Code of Conduct and fill a CSR questionnaire that illustrates its level of commitment on environmental, social and ethical issues.

Regarding the 292 active suppliers, 163 received the Code of Conduct and a CSR questionnaire to be completed in order to assess their commitment. Up to date, 84% of suppliers have signed the Code of Conduct and completed the questionnaire, while the others have received a reminder.

Number of active suppliers	292
Number of suppliers that received the Code of conduct and the questionnaire.	163
Number of documents filled and signed	137 (84%)

Now, 100% of the new suppliers are evaluated like this and the CSR assessment is part of the criteria for validating new suppliers.

## GRI 308-2: Negative environmental impacts in the supply chain and actions taken

Regarding the 163 suppliers assessed, we initially identified 18 suppliers with a high-risk profile. We interviewed these suppliers and asked them to provide us more informations on the social and environmental aspects of their business.

With this procedure, we were able to reduce the number of suppliers with a high-risk profile to 6. We asked them to provide a detailed action plan to address this issue. Without answer we were considering future audits control to ensure their compliance with the commitments we made.



## GRI 400: Social disclosures

### Management approach

#### GRI 103-1: Explanation of the material topic and its boundary

In terms of employment, it is essential to maintain a balanced workforce that meets the Group's operational needs. Therefore, managing and encouraging employees is a crucial element in achieving our business and sustainable development objectives. We focus on improving employee skills to adapt to demands and new challenges.

Good relations between management and employees are necessary to the operation of a business. Employees must be respected, listened to, and provided with adequate working conditions. Establishing a dialogue with freely chosen employee representatives enables employees and employers to better understand each other's issues and to find ways of resolving them. We respect the right of every employee to freedom of association and collective bargaining, and we follow best practices recognised by all of our employees worldwide.

Our success depends on the health and safety of our employees and our efforts to continually improve it. It is essential to provide a safe and healthy working environment and to encourage responsible behaviour among employees. We seek to reduce the number of health and safety incidents by improving the working environment and safety behaviour by focusing on prevention, which is why we have initiated ISO45001 certification for our sites.

Training is also essential for our future, and we ensure that our employees continue to strengthen their skills and acquire new ones to consolidate their capacities to face future challenges.

Diversity reflects the societies in which we operate. It requires effort to eliminate all discrimination and to give people from all backgrounds the chance to succeed. Likewise, equal treatment between women and men should not be an objective in itself but, first and foremost, the expression of the representativeness and role of each person in modern society. We ensure that human rights, as defined in the United Nations Guidelines, are respected, especially in the field of discrimination and equality, wherever we have operations. According to these same principles, we also respect the right of every employee to freedom of association and collective bargaining; we prohibit all forms of child labour and all forms of forced or compulsory labour.

As part of our business, it is our responsibility to ensure that our suppliers subscribe to these principles on a daily basis. We source raw materials in various parts of the world and in fact the risk analysis of our supply chain is an important stake of our business.

Finally, a commitment to high ethical standards, as well as transparency and honesty in our relationships with customers, suppliers, employees and communities, allows us to grow responsibly.

#### GRI 103-2 and 3: Description and evaluation of the management approach and its components

Societies are today multi-cultural, and we believe that diversity and inclusiveness add strength and balance to our organisation. We demand decent work for all and we insist on fair remuneration for our employees in all our countries of operation as this is important to attract, motivate, and retain the best talent.

We regularly consult and inform employee representatives about organisational changes during works council meetings. This communication is important when employees are affected by operational changes and we always adhere to local legal notice periods before implementing them. We engage in constructive dialogue with employee representatives and support the freedom of individuals to join trade unions or other workers' representative organisations.

In 2020, we were not informed of any violations of the right to freedom of association and collective bargaining on any of our sites.

In our operations, we strive to manage the risks associated with working in industrial environments and with hazardous chemicals. Our goal is to eliminate accidents and keep everyone safe. We encourage our employees to actively contribute to this goal through awareness-raising campaigns and specific training programmes and seek to integrate these reflexes into our corporate culture.

In 2020, our frequency rate was 19, with a 45% decrease, while the severity rate was 0.90, down 32%.

Training is about developing skills and meeting the needs of tomorrow. We encourage employees to request training in order to specialise in their field or acquire new skills that the Group may need. Training needs are discussed and approved during annual interviews.

Diversity is important to SOLABIA because it is a source of sharing, tolerance, and openness. We are determined to provide and contribute to a world where work is based on mutual respect between people

and is free from harassment. Our policy is to recruit, employ, and promote people solely on the basis of the qualifications and abilities required for the work to be performed regardless of race, age, gender, national origin, or any other irrelevant category. Similarly, the company pays men and women fairly for the same work.

We protect employee rights and support the freedom of individuals to join trade unions or other employee representative organisations. Regular meetings between Management and members of the works council are held on all sites and are intended to inform and consult employees on important changes in the organisation.

Our approach to child labour reflects the initiatives of the United Nations Global Compact, a framework that targets, in particular, the elimination of forced, compulsory, and child labour. Accordingly, we neither practice nor condone any form of exploitation that affects children or any other human being. We adhere to the United Nations Guidelines on Business and Human Rights, and our human rights commitment regarding the International Declaration of Human Rights, includes the Universal Declaration of Human Rights and the International Labour Organisation’s fundamental conventions on labour rights.

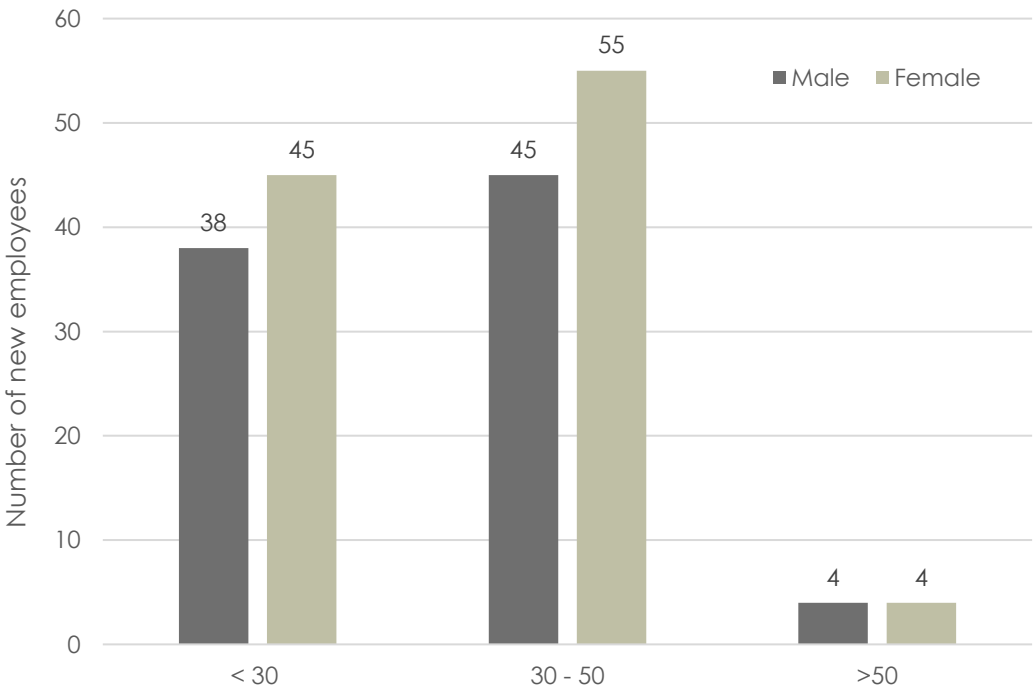
From an ethical standpoint, guidelines are set in our Code of Ethics and are reiterated in our Code of Conduct, and we expect every employee to take personal responsibility for upholding our principles, in their daily actions within their own sphere of influence and with business partners and stakeholders.

Regarding purchasing, we are determined to ensure that our raw materials come from a responsible source and that our suppliers comply with all the rules regarding the environment, safety, and respect for human rights, and that they do not use child labour. In 2019, we did not observe any cases of child labour in our Group.

For labour indicators, the 2019 scope includes all Group factories and subsidiaries, representing eight factories, two subsidiaries, and the head office. The indicators we have taken into account cover both permanent and fixed term contracts.

## Employment

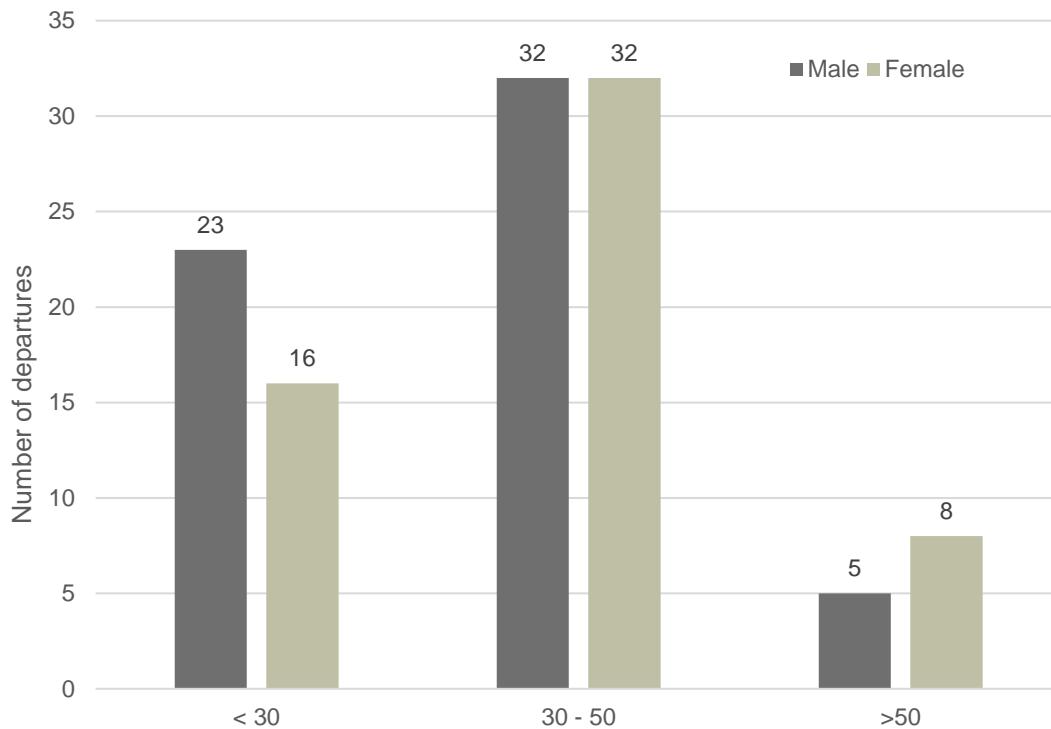
GRI 401-1: New employee hires and employee turnover



All entities combined, we recruited 191 new employees in 2020, of whom 45% were men and 55% were women. Recruitment is homogeneous between the various sites.



## Employee turnover rate



With 116 departures in 2020, the company's total employee turnover rate was 17.6%.

## Labour/management relations

### GRI 402-1: Minimum notice periods regarding operational changes

We respect legal notice periods before implementing any changes that could affect our employees. We communicate either directly with these employees or through their union representatives or works councils.

## Occupational health and safety

### GRI 403-1: Occupational health and safety management system

Given our industrial activities, employees may be required to handle a number of chemicals. The SOLABIA Group includes a chemical risk assessment for all its employees, supported by an appropriate training programme, in its Quality, Safety and Environment management system. Some sites are already ISO 45001-certified and this certification is currently being extended to other sites.

### GRI 403-2: Hazard identification, risk assessment, and incident investigation

As part of ISO 45001, incidents are identified and analysed before being subject to adequate corrective or prevention actions to prevent their recurrence. We also have preventive procedures that allow employees to report any problems or situations that seem dangerous to them and for which action is desirable.

### GRI 403-4: Worker participation, consultation, and communication on occupational health and safety

Taking into account the scope of this report, 98% of the Group's workforce is represented in the Health, Safety, and Working Conditions Committee or its equivalent, such as the Internal Commission for the Prevention of Accidents in Brazil.

Improving safety at work remains a priority for the Group: prevention work is carried out with the Health, Safety, and Working Conditions Committees with the aim of reducing the number of accidents. Training actions are planned annually to improve practices and raise employee awareness of industrial risks. In 2020, 39 employees followed safety training for a total of 401 hours .

#### GRI 403-5: Worker training on occupational health and safety

The training needs of employees as well as the objectives inherent in each training course chosen are defined by the line manager and are then formalised by the Human Resources Department and/or the Factory Management.

In addition to the general areas previously defined, the identification of training needs takes into account the following:

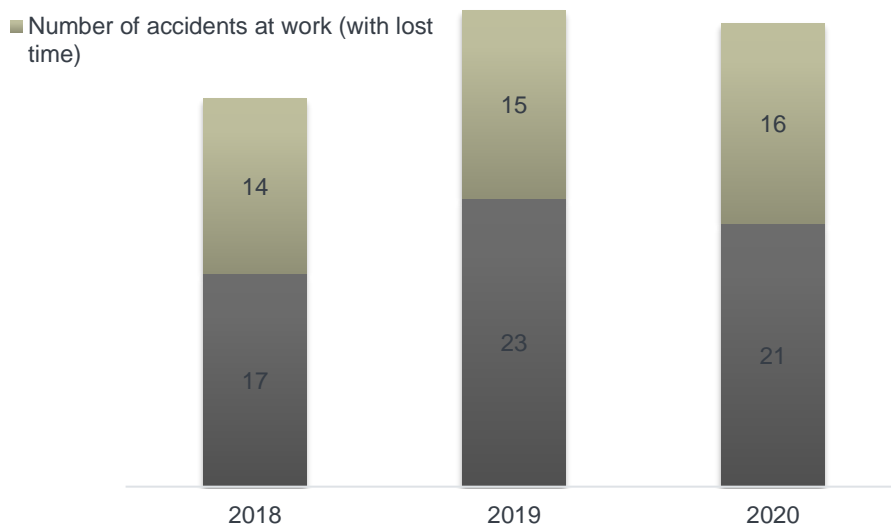
- upcoming acquisitions of equipment, software, and new techniques;
- the specific needs of each person in the department concerned according to their level of technicality and their needs and/or wishes for development;
- The company's Quality, Safety, and Environment policy.

The Human Resources Department assesses the consistency and cost of all the requests identified and whether not all training requests can be accepted due to budgetary constraints and/or the relevance of training requests with regard to the professional objectives to be achieved, arbitrations are made in consultation between the Human Resources Department and the line manager concerned.

#### GRI 403-9: Work-related injuries

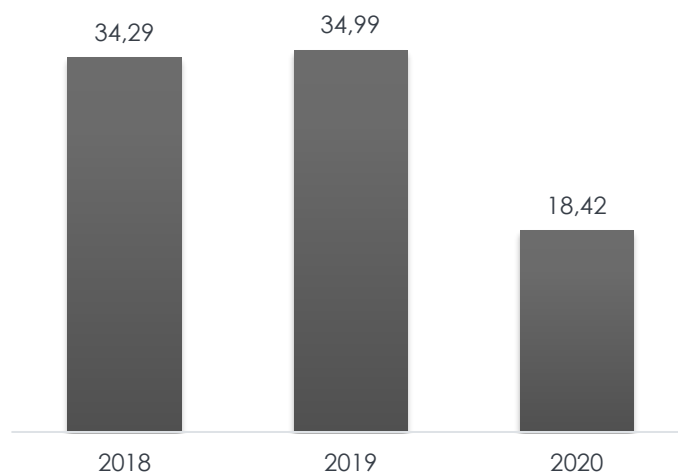
The Group's 2020 results show a 2.7% decrease in the number of accidents with a severity rate of 0.91.

##### Accidents at work (number)



##### Total recordable injury frequency rate

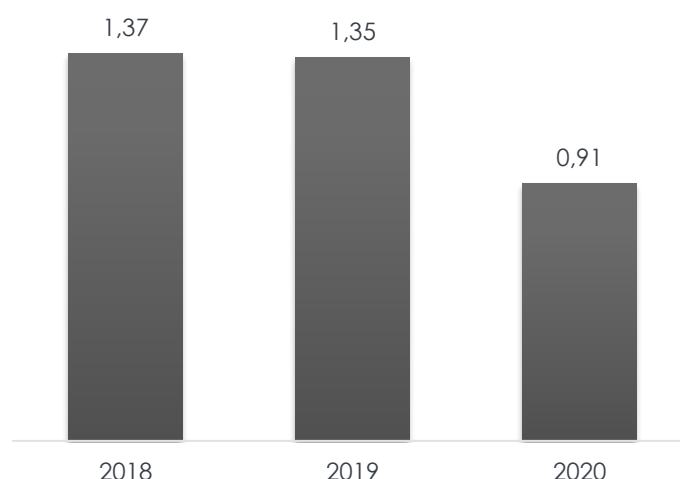
In the French regulations, the frequency rate is defined as the number of accidents at work having caused at least one day of lost time divided by the number of hours worked multiplied by one million.



The frequency rate significantly decreased to 18.42 in 2020, representing a 47% decrease against 2019.

## Severity rate

The severity rate is defined as the number of working days lost following an accident or occupational disease divided by the number of working hours of the workforce multiplied by one thousand.



The severity rate very slightly decreased to 0.91 in 2020 against 1.35 the previous year, representing a decrease of 30%.

## Training and education

### GRI 404-1: Average hours of training per year per employee

In 2020, 61 employees followed vocational training for a total of 802 hours.

### GRI 404-2: Programmes for upgrading employee skills and transition assistance programmes

Training aimed at maintaining employability and developing skills is available to any employee desiring to follow it regardless of their professional category.

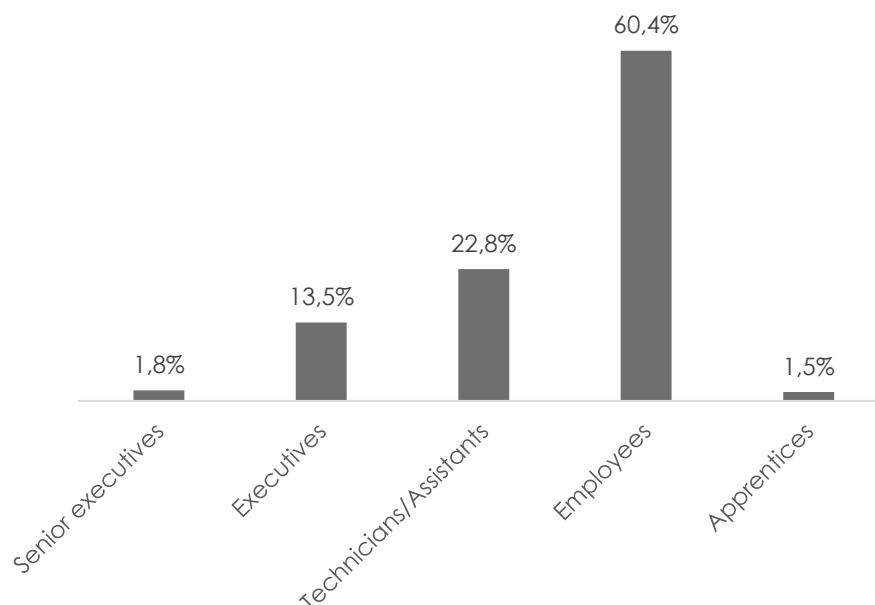
### GRI 404-3: Percentage of employees receiving regular performance and career development reviews

In 2020, 86.2% of employees benefited from an individual interview.

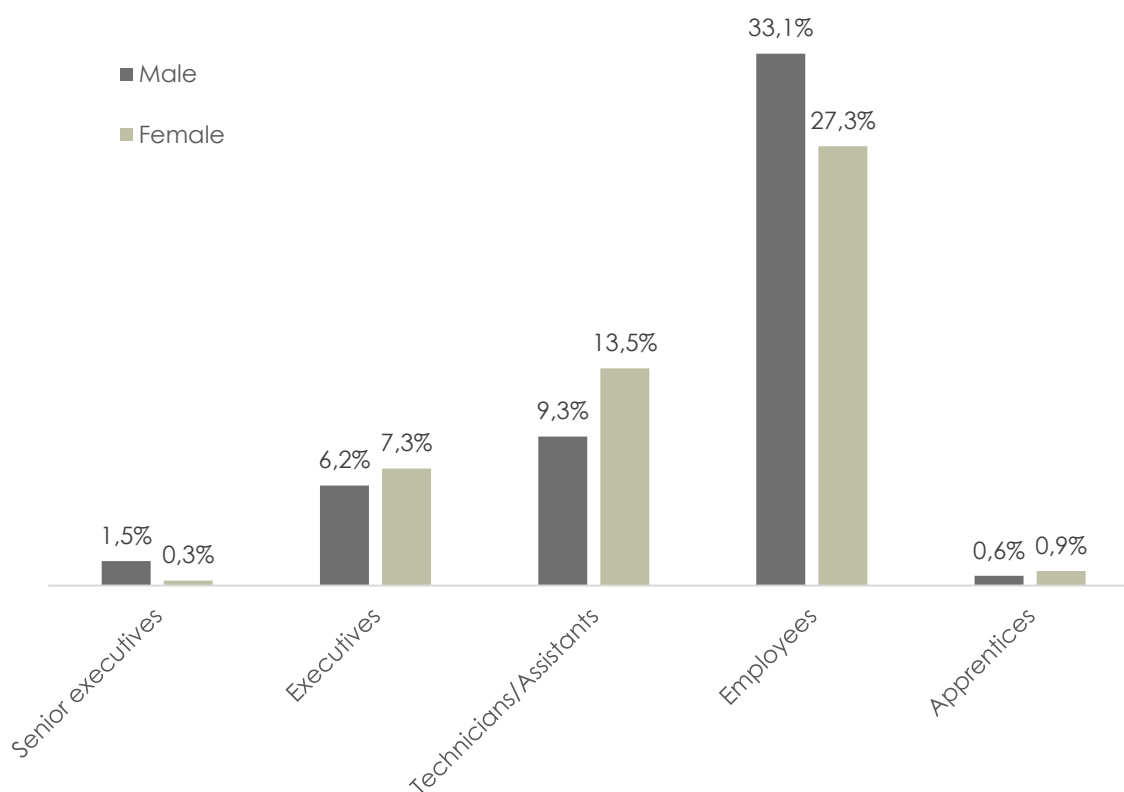
## Diversity and equal opportunities

### GRI 405-1: Diversity of governance bodies and employees

#### Breakdown of employees by professional category (%)



#### Breakdown of employees by professional category and gender (%)



In terms of distribution of men and women, the proportion of men is higher among senior executives. However, there are more female executives, technicians, and assistants. For all employees, we have a male to female ratio of 1.39, all categories combined.

#### GRI 405-2: Ratio of basic salary and remuneration of women to men

For the entire Group, the level of remuneration is identical for an equivalent position.

## Non-discrimination

### GRI 406-1: Incidents of discrimination and corrective actions taken

We expect our employees to comply with all laws against discrimination and to uphold our principles of conduct outside the Group.

No incidents of discrimination were identified within the Group in 2020.

## Child labour

### GRI 408-1: Operations and suppliers at significant risk for incidents of child labour

No child works for the SOLABIA Group.

The code of conduct commits our suppliers to ban child labour. This point is also incorporated into the risk analysis and is part of the parameters we follow in suppliers. Until now, no cases of child labour have been identified.

## Forced or compulsory labour

### GRI 409-1: Operations and suppliers at significant risk for incidents of forced or compulsory labour

Forced labour does not exist within the SOLABIA Group.

The code of conduct commits our suppliers to prohibit forced and compulsory labour. This point is also incorporated into the risk analysis and is part of the parameters we follow in suppliers. Until now, no cases of forced and compulsory labour have been identified.

## Supplier social assessment

### GRI 414-1: New suppliers that were screened using social criteria

The evaluation of the supplier social criteria is carried out in the same way as the environmental criteria. For more details, refer to chapter GRI 308-1 p. 42.

## Public policy

### GRI 415-1: Political contributions

The SOLABIA Group does not pay any contribution of this kind.

## Customer health and safety

The SOLABIA Group is committed to developing, producing, and distributing products that are safe for consumers. To do this, we ensure the traceability of our raw materials, we work in compliance with the quality and safety standards imposed on us by our business sectors, in particular, through the certification of factories.

Product safety is guaranteed before they are placed on the market by various tolerance, stability, and effectiveness tests.

In terms of marketing, all promotional materials respect the scientific and technical claims proven during the development stages.

We have not tested our products on animals for several years now; we systematically use alternative methods for both effectiveness and safety tests.

In terms of regulatory monitoring, a system makes it possible to monitor changes in regulations. This monitoring is carried out by the trade organisations we are members of as well as by automatic monitoring systems.

With regard to REACH, all the procedures have been completed and we have received the registration numbers for each of the products concerned.

Substance name	EC number	CAS number	Dossier type	Reference number	Reference number date	Tonnage band
L-Cystine, N,N'-bis(3-carboxy-1-oxopropyl)-, tetrasodium salt	460-360-3	460-360-3	Registration	01-0000019491-70-0000	04/03/2005	1-10 tpa
Dodecyl 5-oxo-L-prolinate	245-224-1	22794-26-9	Registration	01-2120762954-42-0000	07/03/2018	1-10 tpa
Sodium 5-oxo-L-prolinate	249-277-1	28874-51-3	Registration	01-2119986878-07-0003	29/05/2018	10-100 tpa
2-octyldodecyl 5-oxo-L-prolinate	253-604-3	37673-37-3	Registration	01-2120763413-57-0001		1-10 tpa
Magnesium 2-oxopyrrolidine-5-carboxylate	227-392-8	5819-47-6	Registration	01-2120766059-46-0000	07/02/2018	1-10 tpa, pc
Transesterification of plant fatty acids with aminopropanediol	453-200-9 /464-380-3		Registration	01-0000019155-72-0000	04/03/2005	0-1 tpa
Calcium bis(5-oxo-L-prolinate)	250-602-4	31377-05-6	Registration	01-2120756109-51-0000	25/01/2018	1-10 tpa, pc
Bis(5-oxo-L-prolinate-N1,O2)zinc	239-473-5	15454-75-8	Registration	01-2120762818-40-0002		10-100 tpa
Bis(5-oxo-L-prolinate-N1,O2)copper	239-471-4	15454-74-7	Registration	01-2120760829-39-0000	28/02/2018	1-10 tpa
Pidolic acid	202-700-3	98-79-3	Registration	01-2120769332-53-0001	22/05/2018	1-10 tpa and intermediate
Peptones, casein	293-428-4	91079-40-2	Registration	01-2119985423-31-0002	30/05/2013	100-1000 tpa
Protein hydrolyzates, animal	309-203-1	100085-61-8	Registration	01-2119779799-06-0016		10-100 tpa
Protein hydrolyzates, vegetable	309-353-8	100209-45-8	Registration	01-2119980073-39-0002	07/11/2013	100-1000 tpa

All the associated safety data sheets have been updated to comply with the REACH regulations.

#### GRI 416-1: Assessment of the health and safety impacts of product and service categories

From the development phase through to marketing, products undergo numerous tests to ensure their quality and safety.

Before being placed on the market, a number of checks are made on the product:

- safety check;
  - in vitro skin irritation test on reconstructed human epidermis according to OECD guideline 439;
  - bacterial reverse mutation test according to OECD 471 guideline;
  - in vitro 3T3 NRU phototoxicity test according to OECD guideline 432;
  - in vitro sensitisation test according to OECD guideline 442D;
- quality check
  - production of an analysis report representative of product quality;
  - stability check
  - effectiveness check.

#### GRI 416-2: Incidents of non-compliance concerning the health and safety impacts of products and services

No incident was reported in 2019.

## Marketing and labelling

#### GRI 417-1: Requirements for product and service information and labelling

Regarding the safety of products and their components, the SOLABIA Group provides safety data sheets in French and English, as a minimum, to carriers and its customers.

The Regulatory Department monitors all of our products regarding both labelling and trade restrictions that could affect our products. The products we sell comply with the regulations of the countries in which we sell them. This compliance is ensured by regular regulatory monitoring and feedback from our distributors and customers.

#### GRI 417-2: Incidents of non-compliance concerning product and service information and labelling

No incidents were recorded in 2020.

GRI 417-3: Incidents of non-compliance concerning marketing communications

No incidents were recorded in 2020.

## **Customer privacy**

GRI 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data

No complaints were registered for breach of privacy or loss of customer data.

## **Socio-economic compliance**

GRI 419-1: Non-compliance with laws and regulations in the social and economic area

No fine was paid by the Group for non-compliance with laws and regulations in 2020.