



Communication on
Progress 2021/22



This report is the 2021/22 Communication on Progress for Herrco Cosmetics Limited as part of our requirements as participants to the UN Global Compact.

It highlights our progress and performance in each of the 4 issue areas of human rights, labour, environment and anti-corruption, showing our continued commitment to the 10 principles.

Herrco Cosmetics remains pro-active in desiring to move forward in consideration of our corporate social responsibility and sustainable ways of working. Therefore, also highlighted are some of the initiatives for the coming year, which will continue to evolve.

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Who we are

Herrco Cosmetics is a passionate family-run business started by husband and wife team Nigel & Sue Herrmann in 1988. Their son Derek, qualified in cosmetic chemistry, has since led and grown the business through outstanding product innovation and technological advancement.

We strive not to be the biggest, but to be the best in what we do. That means injecting lots of innovation into our formulations and creating products that people love.

This is done by:

- Continuously researching and improving our formulations
- Keeping updated with market trends to spot product opportunities
- Thoroughly understanding customer product requirements and formulating bespoke ranges with absolutely no compromise on quality
- Building great relationships and growing alongside brands, scaling up together





UNGC Commitment

At Herrco Cosmetics, we strive to offer the best in cosmetics innovation and manufacture products that people love, but we fully believe that this should be fulfilled in a way that takes due care of people, communities and the environment around us – locally, nationally and globally.

Sustainability needs to be, and is part of our brand DNA. From looking at quick wins in terms of improvements, to exploring the potential of larger scale development of our facilities, sustainable practices, methods and outcomes are considered and fully encompassed in to our corporate social responsibility.

The past year has seen us being audited and achieving certification against the ISO 14001 standard, as well as further improving our Ecovadis rating. We were also assessed against a full 4-pillar SMETA audit, increasing the focus on our environmental and ethical activities. These are treated not only as checks on our business, but to help us focus on goals aligned to the UN Global Compact issues, principles and sustainable development goals.

In this regard, I am pleased to confirm that Herrco Cosmetics Limited reaffirms its continued support of the United Nations Global Compact and our renewed ongoing commitment to the Ten Principles in the areas of Human Rights, Labour, Environment and Anti-Corruption. This Communication on Progress describes our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders.

D J Herrmann

Derek Herrmann
Managing Director



Actions & Initiatives

Herrco Cosmetics believes that all of the Ten Principles within the Global Compact should have a full place within the operations of the business and the overall management systems. The principles are therefore treated with the seriousness they deserve.

The past 12 months has seen us focus on the foundations of our practices, so that we can move forward in a planned and effective manner with regard to setting and planning to achieve practical aims, based around the ten principles and the sustainable development goals (SDGs).

This has seen us pursue and achieve accreditation against ISO 14001 (Environmental Management Systems), as well as improve our sustainability rating with Ecovadis from bronze to gold. These have proved helpful first steps in ensuring the business is well set to work towards goals that are relevant, considered, challenging and achievable. We have also increased the number of performance indicators that we monitor so that in the coming year they will in turn help set further goals for 2022/2023.

Herrco Cosmetics has a role to play in supporting the principles and goals, and to this extent, based on the performance indicators we have monitored and other opportunities that have been noted in our journey, we have chosen initially to focus in the SDGs mentioned below.



3.5 Strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol

We have the opportunity not only to educate and support those we employee, but to also impact their family and others. We will look at the support available and formalise a way of sharing that information so all employees are aware should the need for it arise within their sphere of influence, at as early a stage as possible or in order to prevent it.



4.7 By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development

We recognise the importance of both personal development to our employees and also the potential in encouraging a sustainable lifestyle. We have welcomed initiatives around the appreciation of cultural diversity, such as foreign language lessons from staff of different nationalities and we also have monthly events that give time for teams to mix with each other over a meal. Our aim is to introduce a learning program to bring increased awareness of the human rights and diversity of our communities and nationalities represented within the business. This will help promote the principle that everyone should be aware of the rights of others.



7.2 By 2030, increase substantially the share of renewable energy in the global energy mix

We have moved to a 100% renewable electricity supply and are continuing to look at the use of solar power in the expansion of our facilities. Solar panels have already been used in our new warehouse and also in the current on-going development of new engineering offices. As well as helping the business be more resilient to increasing costs, this in turn will lessen the proportion of purchased energy required, impacting on the transmission and distribution of electricity to us and the associated emissions.



10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status

Equality is embedded within our policies and these are given to all staff when joining the company. Linked to our focus on goal 4.7, we aim to build on our established responsibilities by further educating our staff on the importance of this area by highlighting not only the policies but also the opportunity to empower each other by promoting inclusion.



12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

In the past year we have been in collaboration with Reuseabox, enabling 25,722 cardboard boxes so far to be reused rather than recycled or sent to general waste. We will continue to partner in this scheme and look for other opportunities to manage and minimise our waste as high on the waste hierarchy as possible.



13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

We have been recording greenhouse gas emissions from electricity usage (scope 2) as well as electricity transmission and distribution and water supply (scope 3). We will look to expand our monitoring into scope 1 emissions to further evaluate performance and potential areas for improvement.



Human Rights & Labour

Principles 1 to 6

Human rights and labour practices are fundamental to our business operations and corporate social responsibility. This year has seen us move from a 2-pillar Sedex SMETA audit to a full 4-pillar version, increasing the focus on ethics and the environment.

This full SMETA audit included a number of individual and group sessions with our staff being interviewed by the auditor, and there were no major non-conformities. These audit results are also published on the Sedex site and viewed by some of our customers.

An employee handbook is given to everyone who joins the business at all levels. This highlights our policies across areas such as equality, diversity and dignity at work, showing the responsibilities of both Herrco Cosmetics as an employer and of our staff themselves.

Our CSR policy also further covers human rights and modern slavery, and this is available to all our staff. As previously mentioned, we have chosen to focus on SDGs 3.5, 4.7 and 10.2 that have an impact in these areas, although they will remain foundational in all we do.

KPIs

Total Employees	% Female	% Male
2020	48.92%	51.08%
2021	45.81%	54.19%

Management Positions	% Female	% Male
2020	50.00%	50.00%
2021	47.62%	52.38%

% of Non-UK Employees (All Employees)	
2020	48.39%
2021	38.66%

% of Non-UK Employees (Directors Not in Ownership)	
2020	25.00%
2021	16.67%

Number of child and forced labour incidents	
2020	0
2021	0



Environment

Principles 7 to 9

Herrco Cosmetics recognises that to a greater or lesser extent, every organisation has some impact upon the environment, and we are committed to a policy of continuous improvement in the way in which we manage our environmental responsibilities.

The achievement of ISO 14001 certification and our increased Ecovadis sustainability rating have helped us in showing we have suitable management systems in place to build on good foundations. These are important in being able to realise the full potential of initiatives that are put in place and to ensure that they have a positive impact on the environment, whether locally nationally or globally, in line with the UN sustainable development goals. A new role within the company has also been created to focus on the environment and auditing.

An increase in the KPIs monitored, both as absolute and normalised figures will enable us to monitor progress against the initiatives we are putting in place. Our focus on SDGs 7.2, 12.5 and 13.1 will impact on this area, and will build on those initiatives that have proved successful in the past year. One such project was to improve our external wash bay area, with the equipment invested in meaning we are saving not just time in the cleaning process but also in increasing the efficiency, using over 95% less water per clean.

Energy sustainability and efficiency has also improved in the last year due to increased proportion of our electricity coming from renewable sources, such as purchasing a 100% renewable electricity supply and increasing our use of solar panels. Our collaboration with Reuseabox has also meant processing waste higher on the waste hierarchy, with the boxes reused having a savings equivalence of 12.2 tonnes of carbon, 507,407 litres of water and 102,834 Kwh of energy so far.

KPIs in the area of the environment, energy and waste can be seen on the following 2 pages.



Environment

Principles 7 to 9

Pollution/Contamination Incidents

2020	0
2021	0

Biodiversity/Ecological Incidents

2020	0
2021	0

Water Consumption (in cubic metres m³) *

2020	1306.460
2021	648.897

Electricity Consumption (in MWh) *

2020	49.205
2021	50.477

Gas Consumption (in MWh) *

2020	51.740
2021	49.702

Total Energy Consumption – Gas & Electricity (in MWh) *

2020	100.945
2021	100.179

Scope 2 GHG Emissions from Electricity (in kg CO₂e) *

2020	11471.657
2021	10717.746

Scope 3 GHG Emissions from Electricity Transmission & Distribution (in kg CO₂e) *

2020	986.561
2021	948.460

Scope 3 GHG Emissions from Water Supply (in kg CO₂e) *

2020	449.422
2021	96.686

* Per million units produced



Recycled (Tonne) *		% of solid non-hazardous waste
2020	13.662	74.63%
2021	12.068	68.99%

To Refuse Derived Fuel (Tonne) *		% of solid non-hazardous waste
2020	4.458	24.35%
2021	5.206	29.77%

Total Non-Hazardous Waste (Tonne) *	
2020	68.571
2021	45.303

Recovered Solid Waste (Tonne) *	
2020	18.120
2021	17.274

Special/Hazardous Waste (Tonne) *	
2020	0.106
2021	0.013

Liquid Waste (Tonne) *	
2020	50.266
2021	27.812

* Per million units produced



KPIs

Number of Whistle-blower Incidents	
2020	0
2021	0

Number of corruption incidents	
2020	0
2021	0

Similar to the areas of human rights and labour, anti-corruption forms part of our corporate social responsibility policy. Covered within this are money laundering, anti-fraud, anti-competitive practices, anti-bribery and conflict of interest.

The employee handbook given to everyone includes a section on our whistleblowing policy which encourages a free and open culture in dealing with employees, customers and service users.

An anti-fraud risk assessment has been conducted to ensure that the procedures are suited to our business, with anti-corruption to be added to this as an action for 2022.