

A reliable link for
innovation
& *sustainability*



 | ROSSOW
G R O U P

CSR Report
communication of progress

2021



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— PRESENTATION

Who are we?

Founded in 1955, the Rossow group distributes **speciality ingredients** for the cosmetic and industrial sectors: active ingredients, waxes, oils, emulsifiers, texturing agents, polymers, stabilizers, etc.

Our raw materials are designed and developed by **internationally renowned** industrial partners with whom we have long-term trusting relationships.

Our services at your service:

- effective and innovative solutions to meet new market expectations;
- technical expertise for support throughout your projects;
- a laboratory for the characterization and application of our materials;
- a responsive supply chain that listens to your needs.

Our values:

- transparency and respect for confidentiality;
- exemplary and ethical behaviour;
- respect for the environment and people;
- well-being at work.

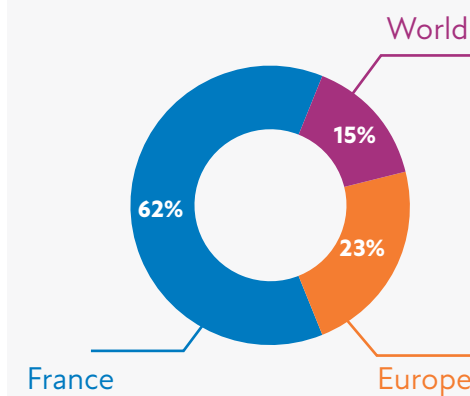
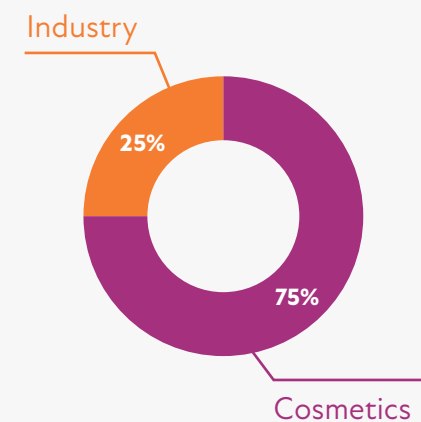


The Rossow group in figures

(2021 data)



Our markets





A few words from the President



More than ever, the Rossow group is committed to a global Sustainable Development approach. We have long been convinced that our actions must be virtuous and that the only way to create sustainable value is to combine economic success with social and environmental progress.

All of our decisions are made in the light of the fundamental issues of Social Responsibility. We notably support the United Nations Global Compact and its 10 constituent principles. Our wish is to encourage everyone, employees as well as partners, to be a driving force in this quest for the best for Humankind and the Environment.

The economic and health difficulties encountered in recent years have not prevented us from investing for the future and engaging in ambitious projects, the most notable of which is the construction of our new low environmental impact site.

Through this new CSR report, we are proud to share our achievements and progress, as well as our ambitions, in favour of sustainability.

Every little step counts...

NOUS SOUTENONS
LE PACTE MONDIAL



Nicolas Rossow

Evolution of our CSR approach

In support of CSR values for many years, our approach has notably been strengthened since our first EcoVadis assessment in 2015. This starting point marks the beginning of **our exponential progress** with the implementation of more and more initiatives and actions **in favor of Sustainable Development**.

Creation of
the Rossow group
1955

Our commitment has grown over the years!

2003

Commitment
to the **Responsible
Care** programme

2012

Signing of the "**FECC
Ethical and Business
Principles**" Charter

Completion of
our first
EcoVadis assessment
2015

July 2019

Accession to
the **United Nations
Global Compact**

2017

Obtaining of
our **RSPO
distributor licence**

2016

Completion of
our first
CDP assessment

May 2020

Publication of our
CSR Charter

Publication of our first
CSR Report

March 2021

December 2021

Completion of
our **ISO 26000
diagnostic**

July 2021

Commitment to
the
**French Business
Climate Pledge**

May 2021

Accession to the
Manifesto of the
IMPACT govern-
ment platform

January 2022

Participation in a
**reforestation
project**

March 2022

Publication of our **Re-
sponsible Purchasing
Charter**

April 2022

Installation in our new
eco-responsible buildings
in Chartres





COMMITMENT #1

— OUR COMMITMENT TO THE CLIMATE

Combating climate change is a **priority issue for us**. Like everyone else, we are aware that we must act to slow down and even reverse the current trend of global warming.

The IPCC experts' report published in February 2021 confirms the **urgency to act** in the face of warming that is going faster than the measures taken to adapt to its consequences.

Moreover, given that more than 70% of our offer is made up of **natural materials**, climate change is a significant risk that could lead to quantitative and qualitative variations of our supplies, with a strong impact on our activities.

FRENCH BUSINESS CLIMATE PLEDGE LES ENTREPRISES FRANÇAISES S'ENGAGENT POUR LE CLIMAT !

We have strengthened our commitment to the climate by participating in the **French Business Climate Pledge** in order to work collectively on the transition of French companies to a low-carbon economy.

Our climate strategy can be found at:
frenchbusinessclimatepledge.fr/signataires/rossow



Through this key issue, we are actively contributing to the achievement of **Sustainable Development Goal #13** on measures taken in order to combat climate change.

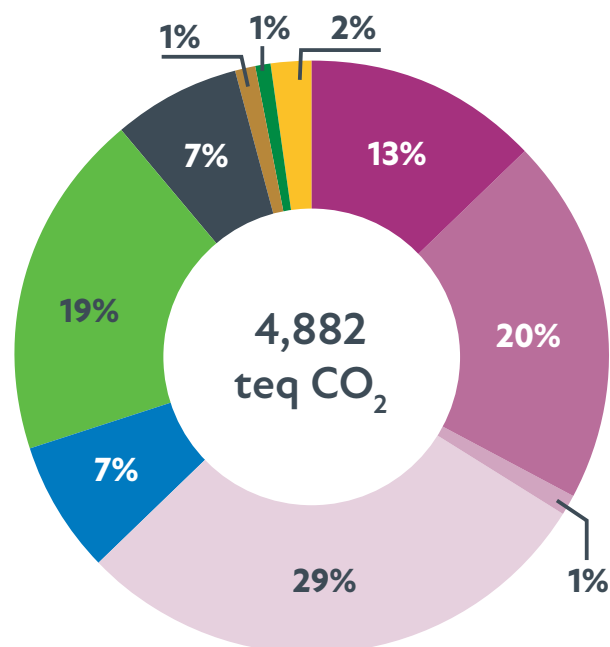


In concrete terms, this commitment to the climate is reflected in 3 actions :

» *measuring*
» *reducing*
» *compensating*

Carbon footprint

Initiated in 2016, our climate strategy is based first of all on the identification of our main sources of greenhouse gas emissions thanks to the **annual determination of our carbon footprint**. This year, we have decided to publish our carbon footprint in a "cradle-to-gate" scope, which means representing our carbon impact from the extraction of raw materials through to product distribution, scopes for which we have potential **levers for improvement**, unlike aspects relating to the use and end of life of products.



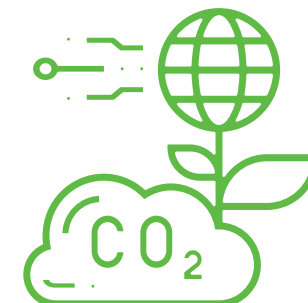
Our 2021 carbon footprint

- Purchases of cosmetic ingredients of natural origin
- Purchases of cosmetic ingredients of synthetic origin
- Purchases of industrial ingredients of natural origin
- Purchases of industrial ingredients of synthetic origin
- Purchases of packaging
- Upstream freight transport
- Downstream freight transport
- Energy consumption
- Travel
- Fixed assets

The carbon footprint report shows that our main impact lies in our **product portfolio** and more specifically in our ingredients of synthetic origin, even though these only represent half of our purchase volumes. As such, we are striving to offer more and more **innovative and eco-designed materials**, mostly from renewable resources or recycling. Between 2000 and 2021, we recorded a reduction of **-7% of our emissions** on this item of our purchases of raw materials.

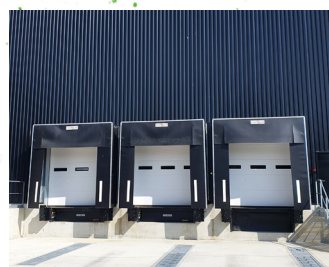


We have also set ourselves ambitious targets that meet the expectations of the SBTi (Science Based Target Initiative), namely **reducing our scope 1+2 by 60%** from our base year 2017 to a target year of 2025.



New « committed » premises

For several years, Rossow has embarked on a project to **transition** from its current premises to **buildings with a low environmental impact**.



We are proud to announce our move to our new offices at 17-19 rue Réaumur, *in Chartres!*

Energy performance

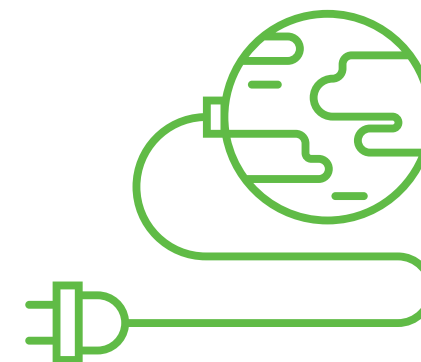
Our buildings have been thought-out and designed with the aim of achieving the **best energy performance** because it is important to recall that the best energy saving is the energy that we do not need to consume.



We have chosen to ensure **optimal insulation** of the buildings by increasing the thickness of the insulation (rock wool) by more than 50% compared to current construction recommendations.



The warehouse roof is completely covered with a heat-reflecting film. The objective of such cladding is a **reduction of approximately 30% of the heat input** from the sun in all buildings during heat waves.



The warehouse also has **multi-position sky-domes** connected to an **integrated thermal management** system that allows for very precise adjustments of the incoming or outgoing heat flows according to the seasons and time periods. Controlling the temperature of the warehouse means a significant reduction of the use of other forms of heating or cooling energy.

Adjustable sunshades have been installed on all glass surfaces of the office building, thereby avoiding the "greenhouse" effect in summer while also limiting the need for excessive air conditioning.

We have also opted for a **responsible lighting system** for all workstations with lamps equipped with **brightness sensors**, automatically regulating their intensity according to the light environment so as not to consume more than necessary.

Finally, the server room is equipped with a **"free-cooling"** system, i.e. a passive cooling technique using the outside air as soon as its temperature is lower than the building's ambient temperature.



Natural and local materials

In order to reduce our carbon footprint from the construction phase of our new premises, we chose to invest in **natural and local materials**. The framework of the offices is made exclusively of wood, like a classic steel and concrete structure.

The wood used comes from **sustainably managed French forests**.



Preservation of water resources

Reducing our water consumption is another crucial issue as part of decreasing our environmental impact. As such, a **rainwater collector** has been installed to supply our sanitary facilities. This will save several hundred cubic metres of water per year!



50 m³ tank
2.5 months of
supply for sanitary
purposes

We also opted for the creation of **unpaved car parks** in order to avoid rainwater run-off and to fight against soil sealing.



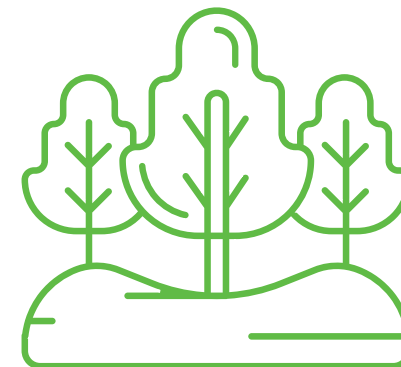
Together, these virtuous and sustainable investments represent an estimated additional construction cost of 15%.

Carbon offset

In addition to our targets to reduce our carbon emissions, this year we have launched a complementary carbon offsetting strategy.

Indeed, our activities generate so-called residual carbon emissions, which means that they cannot be reduced because they are inherent to our activities. We can act on these emissions by helping to create **carbon capture zones**.

Over and above this quest for carbon neutrality, we wished to undertake a useful and virtuous act by participating in a **reforestation project** in a town near our premises.



In association with the organization Trees Everywhere, we have committed to supporting the initiative « **1 billion trees with the communities of France** ».



We participated in the planting of 240 trees and shrubs!

Our teams gathered on the 14th and 15th of January 2022 in Gasville-Oisème in order to participate in the creation of a forest island that will eventually be a real **carbon sink and biodiversity refuge!**



This measured commitment by our company contributes to our **goals of reducing** our carbon footprint. The planting of these 240 trees will provide for the **capture of 48 T_{eq}CO₂**, which is equivalent to offsetting :



All of our air travel is also offset compensated **through our participation in the Trip and Tree by Air France programme** that is carrying out an educational project of mangrove planting in Madagascar in an effort to restore natural resources and fight against food insecurity.

A small step for us but a big step for all!

Through this project, we are contributing to the achievement of **3 SDGs** (Sustainable Development Goals) set by the United Nations Global Compact.



➤ Taking action for the climate

- Reforestation with a high capture efficiency.
- Fight against global warming.



➤ Taking action for biodiversity

- Dense and varied plantings.
- Creation of animal and floral biodiversity refuges.



➤ Taking action together

- Local project with a social dimension in collaboration with local ESAT institutions and Adapted Enterprises.



— OUR COMMITMENT TO SUSTAINABLE PRODUCTS

We have always been very attentive to the quality of the products that we offer, both in terms of the technological aspect that they provide, and in terms of their sustainability and respect for the environment.

Thus, in partnership with our suppliers, we are continuing our efforts to offer **an increasingly eco-responsible and sustainable product portfolio**.

Our RSPO Policy

Ensuring a responsible supply of palm oil has always been one of our priorities. A member of RSPO since 2017, this year we have formalized our **own RSPO policy**. We also track the evolution of our sales volumes of ingredients derived from palm oil, and published two ACOPs on the MyRSPO portal in 2019 and 2021.

Today, we are proud to see that all of our suppliers involved in sourcing palm oil derivatives are members of the RSPO network and are actively working to update their ranges in an effort to attain 100% Mass Balanced (MB).

Our new RSPO MB versions:

- Diapon, mild surfactant.
- Ceracut V, conditioning polymer.
- Purester 24 and 40, emollient esters.
- Carecel Aqua Gel, stabilizing agent.
- Synthetic Beeswax SP-755P, SP-772P and DR-234B, beeswax substitutes.
- SY KNP, anti-microbial agent.

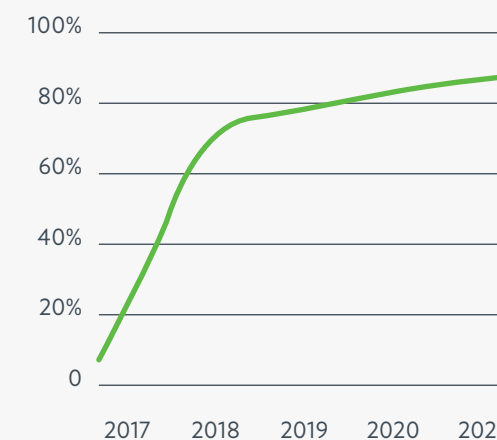


87% of our imported palm oil-derived substances are **RSPO MB certified**.

RSPO

Roundtable on Sustainable Palm Oil

Evolution of our rate of RSPO MB substances

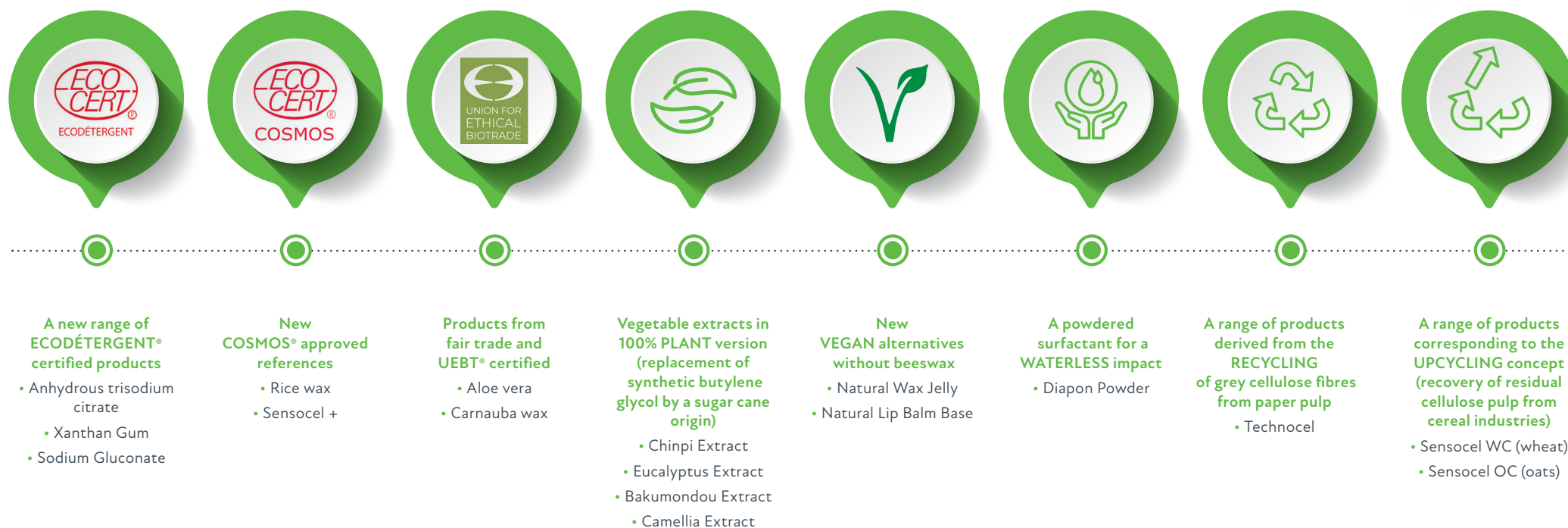


Innovation, the driving force behind eco-design

In partnership with our suppliers, we are exploring all solutions in order to make our catalogue progress towards **products that are increasingly sustainable and virtuous**: substitution of raw material sourcing, optimisation of manufacturing processes, creation of formulas or even obtaining new certifications!



Our "green" innovations





Responsible purchasing at the heart of our concerns

Our challenge is to promote **responsible purchasing practices** within the supply chain and to minimise the product's environmental footprint throughout its life cycle, from product design through to customer purchase.

More than ever, it is essential for us to know the origin of the resources that are put to use, their production methods, the working conditions and more generally the CSR management system of all of our suppliers.

We are giving concrete shape to our commitment to this sustainable approach through a **responsible purchasing charter** that describes all of our requirements:



We anchor these values in **our supply chain** by sharing our charter with all of our suppliers, in order to ensure that all actors involved in our activities adhere to the same integrity requirements.

Overview of our partners

100% have a CSR policy

75% are assessed on their CSR performance

50% have validated our responsible purchasing charter

42% take part in CSR initiatives

73% of our suppliers are ISO14001 certified

17% of our suppliers are ISO50001 certified

— OUR CONTINUOUS IMPROVEMENT APPROACH IN CSR

Tracking of our key indicators

A global dashboard of our sustainable development indicators enables us to measure **our performance and progress**, through the actions already in progress. It also enables us to link up with our contributions to the **Sustainable Development Goals** of the United Nations Global Compact.



In an effort to act in full **transparency**, we have also published our ESG indicators on the governmental **IMPACT** platform since its launch in May 2021.



THE GLOBAL GOALS

Objectifs mondiaux de développement durable

Environmental appraisal

Our consumption



Water



5 m³

Gas



2,875 kWh

Electricity



4,343 kWh

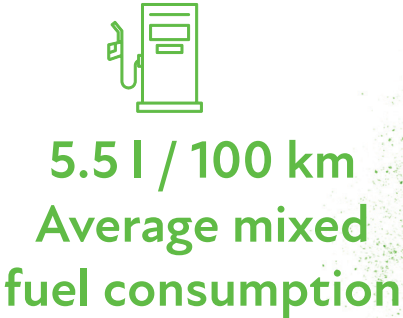
Paper



16.8 kg

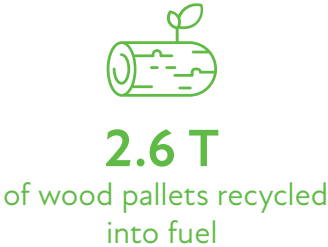
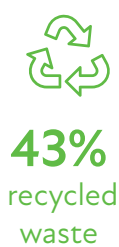
Per person per year

Our vehicle fleet



This means an annual saving of more than 850 L of fuel compared to a standard fleet of gasoline-based vehicles.

Our waste

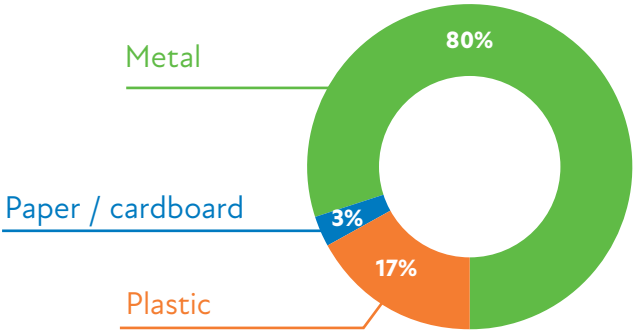


Our packaging



Our materials are mostly packaged in metal containers (drums, cans) for which the collection and recycling circuits are already well organized in France.

We are currently working on a more precise mapping of our plastic packaging in order to make our principals aware of a packaging initiative that meets the regulatory requirements of the AGEC law and the 3R Decree.



Our global carbon footprint



1.78 tCO₂eq / t
of products sold according to our
cradle-to-gate carbon appraisal

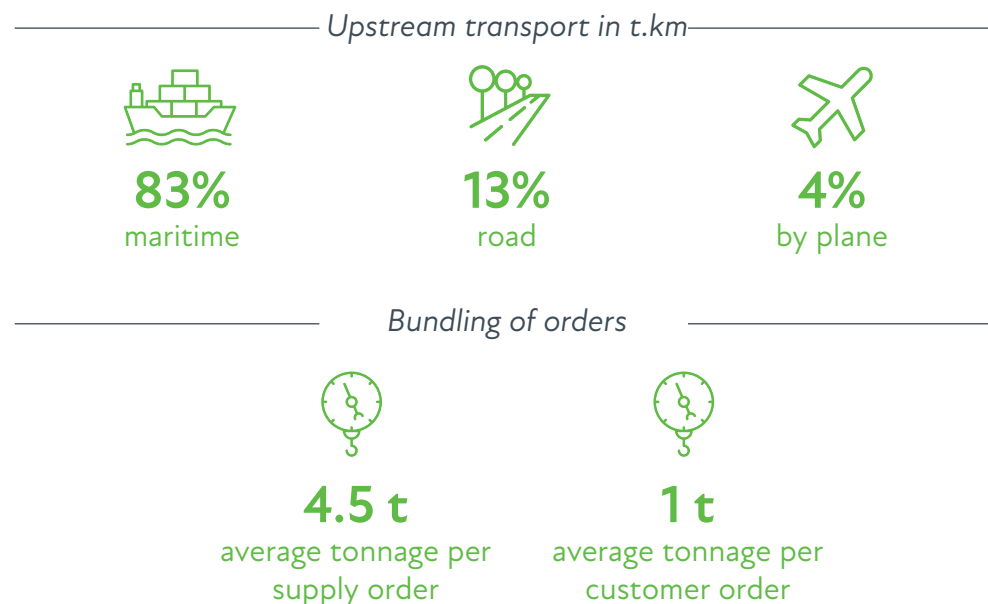
Transport of our goods



The transportation of our goods is a **major issue** for us. We are closely monitoring our flows and working to **reduce their impact**. We promote maritime transport and optimize the **bundling of our orders** for full-container supply.

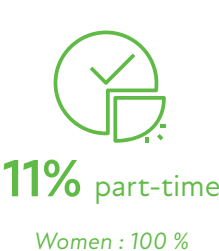
Our rate of air transport increased slightly this year due to the worldwide supply difficulties related to Covid-19 and the resulting exceptional congestion of ports. We are continuing to make efforts to return to a 2% air transport rate in our procurements, which we had attained in 2020.

We are following the same logic for our downstream transport by working with our customers to establish **sales forecasts** and thus to **optimize deliveries**.



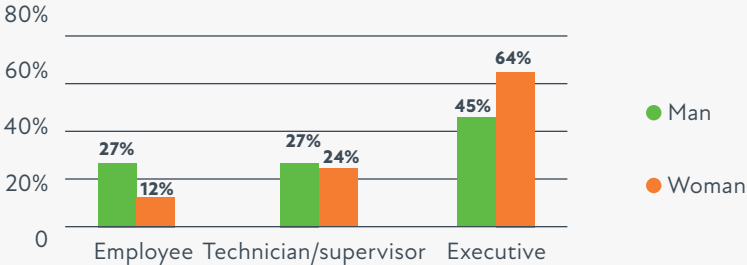
Social report

Employees



Rossow is a family business on a human scale and is committed to an ethical approach that strives for **equal opportunities**. Its objective is to offer everyone a **stable and lasting job**.

Distribution of the workforce by gender and socio-professional category



Hiring



9
new hires
in 2021

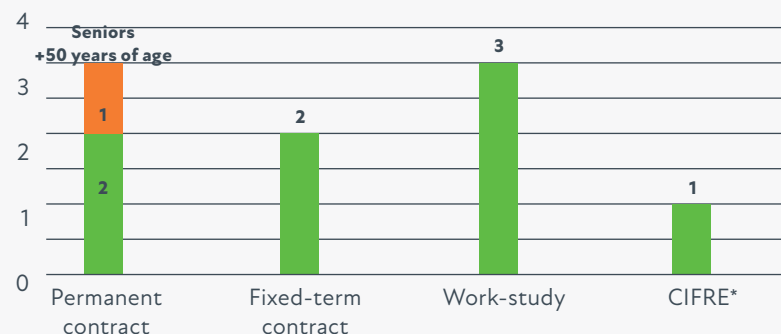


22.73%
Turnover rate*

* $\frac{[(\text{number of departures} + \text{number of arrivals}) / 2]}{\text{staff}}$

Rossow is in a **dynamic of structuring** the functions and tasks of its employees with a **growing workforce** in recent years. This results in a fairly high number of hires and turnover in 2021.

Distribution of new hires
according to contract type



*Industrial agreement for training through research



Pay equity



Inter-decile ratios

3.48

last decile (D10) /
first decile (D1)

1.28

median income (D5) /
first decile (D1)

D1 = average of the lowest 10% of salaries
D10 = average of the highest 10% of salaries

Rossow is committed to ensuring **fair remuneration** based solely on job function, education, years of experience and skills. **Any form of discrimination is prohibited.**

Training



Despite a year still disrupted by the health crisis and the difficulties encountered with regard to continuing in-person training, we have maintained a consistent training rate of our personnel.



25%

of our employees received training
(56% women / 44% men)

The training and integration of **future generations** is a key issue for us.



288 hours

dedicated to training in 2021
Including 84 hours for
senior employees (+50 years of age)

4

Work-study students
welcomed
in 2021

21

work-study students
welcomed
in the last 5 years



1

trainee welcomed in
2021

Objective
**Zero
accidents**

Health, safety and well-being



19%
of OHS



54%

safety-related training
carried out in 2021

Accident data

0

workplace
accidents

0

missed days

0

frequency
rate

0

severity
rate



10

employees made
aware of chemical risks



1.01%

absenteeism
rate

Rossow strives to provide its employees with a **healthy and safe work environment**, suited to each person. Once again this year, we are reaching our goal of zero accidents and a low absenteeism rate.

Results of our assessments

– EcoVadis

We are proud to have been awarded the **PLATINUM** medal for the first time this year, in recognition of our efforts over the past few years to improve and formalize our entire CSR approach.

With a score of **77/100**, we are in the **Top 1%** of the best rated companies!



Looking back on excellent progress

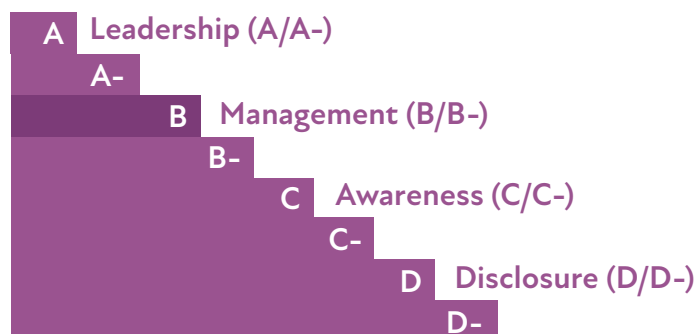


Evolution of our global EcoVadis score



■ Carbon Disclosure Project

For the past six years, we have been committed to the CDP in order to **measure and monitor our carbon impact**, but also to perform an expert analysis of the risks and opportunities linked to our activities, while also setting reduction targets, in accordance with the SBTi (Science Based Targets initiative) where possible.



This recognition (score B) positions us as an **active company implementing coordinated actions to act on climate issues.**

■ ISO 26000 diagnostic

Our medium-term objective is to obtain certification of our overall CSR approach. In this context, this year we have performed a diagnostic of our compliance with the **ISO 26000** reference standard.

Our score was **597/1000**.



General conclusion of our ISO 26000 diagnostic :

“ROSSOW has implemented many good practices with regard to the sustainable development principles of its activity.

A reflection has been conducted on the company's strategy with regard to its CSR; commitments, organizational and material measures have been put in place.”

— OUR AMBITIONS FOR 2022

2022 will be a milestone in our company's history with the start of operations on our new site. Through this transition, we are taking many opportunities to accelerate our evolution towards a company anchored in its virtuous practices and able to meet the challenges of Sustainable Development.

We are proud to share some of our projects with you :

Reduction of our direct emissions

with the notable installation of our own alternative energy sources (wind turbine and solar trackers).

Improvement of employee well-being

thanks to our installation in a new working environment and the resumption of the organization of social events.

Increasing our waste recycling rate

so as to meet the challenges of reducing the use of native and single-use plastics.

Development of **new local partnerships** for our suppliers of raw materials and service providers.

Implementation of our **new computer operating system** and of our new website.

Strengthening our commitment to the **Carbon Disclosure Project (CDP)** with the assessment of our data for the 3 topics : **Climate, Forests and Water**

To-do list



Taking into account the **safeguarding of endangered or mistreated animal species** with the installation of **hives** on our land and through collaboration with the nearby zoo-refuge of La Tanière.





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