



CSR CoP 2022

CORPORATE SOCIAL
RESPONSIBILITY

Communication of
Progress



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A word from our General Manager

SOPHIM is a family-owned company, founded in 1996, specialized in the production of natural ingredients for the cosmetic industry .

We support the ten principles of the United Nations Global Compact concerning the respect of human rights, international labor standards, environmental protection and the fight against corruption.

With this Communication of Progress, we express and demonstrate our willingness to integrate these principles into our company's strategy, culture and daily operations, and to advance them in our area of influence. Also, to participate in collaborative projects that advance the broader development goals of the United Nations, in particular the Sustainable Development Goals.

More globally, through our CSR (Corporate Social Responsibility) charter, SOPHIM is pursuing its mission to accompany all its partners (suppliers, distributors, subcontractors, etc.) towards greater naturalness, with one major commitment: to have a positive impact on its environment, its partners, its employees and, of course, its customers.

Alexis Margnat



General Manager
Alexis Margnat

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INTRODUCTION

SOPHIM : PRODUCTS FROM NATURE

SOPHIM is a family-owned company, based in Peyruis (south of France) since 1996. SOPHIM is specialized in the manufacturing of natural ingredients for the cosmetic industry.

Our core business is based on the expertise of innovative distillation, esterification, and hydrogenation processes, which enable us to offer ingredients of unique quality. Most of our products are available in their organic version, and are COSMOS approved/certified.

OUR MISSION

Assist our industrial clients in their transition to greater naturalness by offering them ingredients from Nature



OUR VALUES

Proximity - Flexibility - Competitiveness - Traceability

SQUALANE: OUR INGREDIENT

Squalane is at the core of SOPHIM's expertise since its creation. Squalane $C_{30}H_{62}$ is a molecule that reproduces our epidermis' ability to repair and moisturize itself thanks to sebum activity. It is an organic emollient and protective agent, which is valued on the cosmetic market for its great properties and its well-known health benefits for the skin. It also offers many qualities for dermo-cosmetics.

Our squalane is sourced from olive, a renewable raw material.

INTRODUCTION

SOPHIM : VALUES



EXPERTISE

Cultivate and share
our know-how



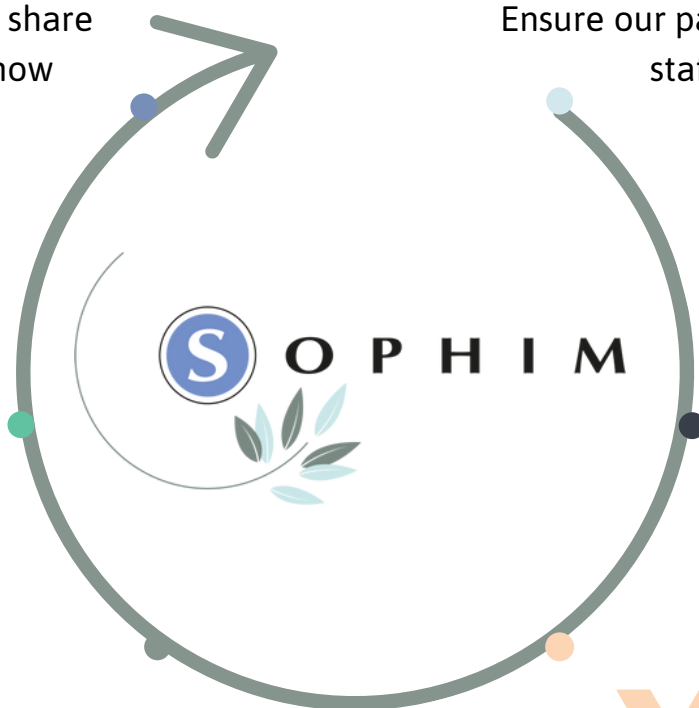
PARTNERSHIPS

Ensure our partners, customers, and
staff satisfaction



SUSTAINABILITY

Secure the future
of the generations to come



PROXIMITY

Think local
and go global



TRANSPARENCY

Ensure risk management thanks to an
integrated manufacturing process



QUALITY

Continuously improve to reach
ever higher standards

INTRODUCTION

SOPHIM : PORTFOLIO

FROM OLIVE



Phytosqualan

High-performing natural emollient
Natural vegetable squalane



Phytowax

Range of natural waxes
Unique sensory properties



Biophytosebum

Natural active emollient
100% natural vegetable origin



Insapolive

Unsaponifiable olive
Rich in squalene

TEXTURE AGENTS



Vegeline

100% vegetable-based texturing emollient
Alternative to petrolatum, paraffin, etc.



MC30/MC300

Hydrogenated Polyisobutene
multifunctional oil base

OILS & BUTTERS



Oils

All our oils are COSMOS approved
All our organic oils are COSMOS certified



Butters

A selective sourcing
to ensure a high-quality offer

INTRODUCTION

SOPHIM : Quality

SOPHIM is committed to providing qualitative ingredients.

Our customer's satisfaction is permanently at the heart of our strategic decisions and their operational applications.



ISO 9001:2015 certification:

ISO 9001:2015 certification guarantees that the ISO 9001:2015 standards are applied within the company. It is based on principles of quality management, such as the satisfaction of the company's customers, or even permanent improvement. SOPHIM renewed its ISO 9001 certification in June 2022.



**COSMOS
APPROVED**

COSMOS certification:

The COSMOS standard has been developed to define criteria for natural cosmetic products and ingredients, in order to promote the development of virtuous and sustainable manufacturing processes in the cosmetic industry. This label is a guarantee of quality, naturalness, and transparency. Our COSMOS approved/certified ingredients have the following commitments:

- Respect for biodiversity
- Use of sustainable natural resources that are environmentally friendly
- Use of clean manufacturing processes that are respectful of human health and the environment



PIERRE POTIER prize:

The Pierre Potier Prize awards companies in the chemical sector whose products, processes or technologies respect the principles of green chemistry. In 2011, SOPHIM was awarded the Pierre Potier prize for innovation in chemistry for promoting sustainable development.

INTRODUCTION

SOPHIM : Quality



ECOVADIS certification:

EcoVadis certification is obtained by evaluating the policies put in place within the company around many subjects: environment, respect for human rights, ethics and responsible sourcing. In 2019, SOPHIM evolved from EcoVadis Silver certification to Gold. This level of recognition guarantees our customers quality in terms of the management of our Social and Environmental Responsibility (CSR).

ISCC certification:

International Sustainability and Carbon Certification



Certifies the sustainable aspect of the production and transformation of biomass aimed at biofuels production.

It applies to vegetable-based chemistry companies and takes into account the following criteria:

- Absence of deforestation
- Follow up and reduction of greenhouse gases
- Respect the legislation on work conditions (no forced labor, no child labor)



Halal certification:

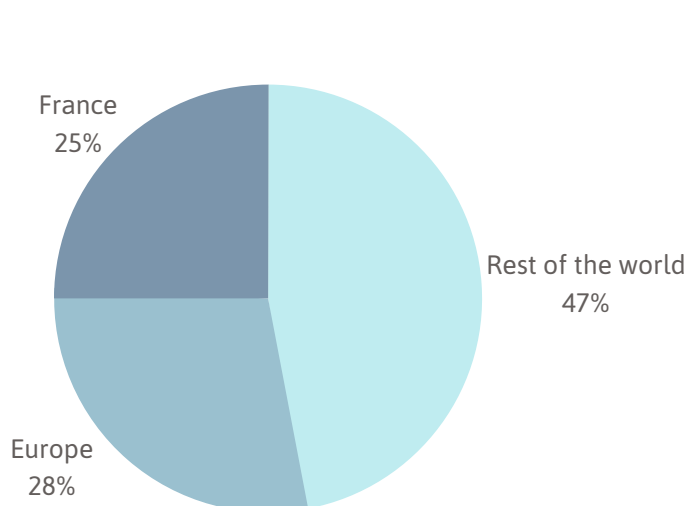
All our products are halal certified, meaning they are free from any forbidden animal-derived components. The halal certification enables SOPHIM to reach international markets and to meet an increasing demand. It is compliant with ISO 17065 standards.

INTRODUCTION

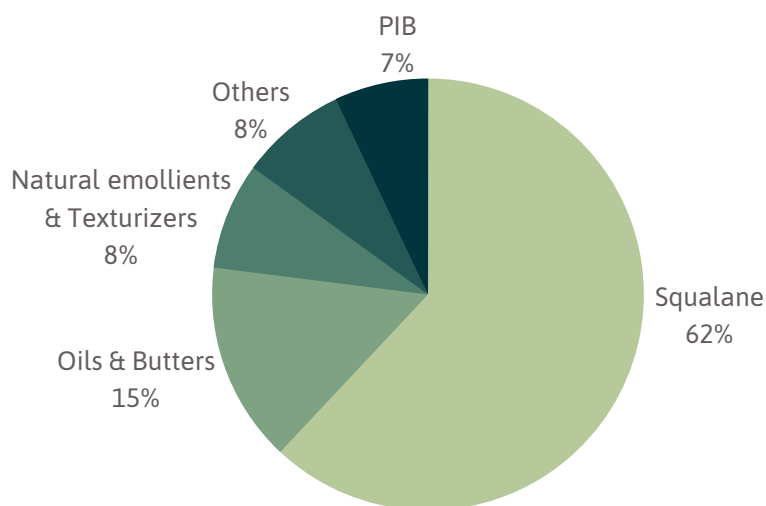
SOPHIM : ACTIVITY

TURNOVER BREAKDOWN

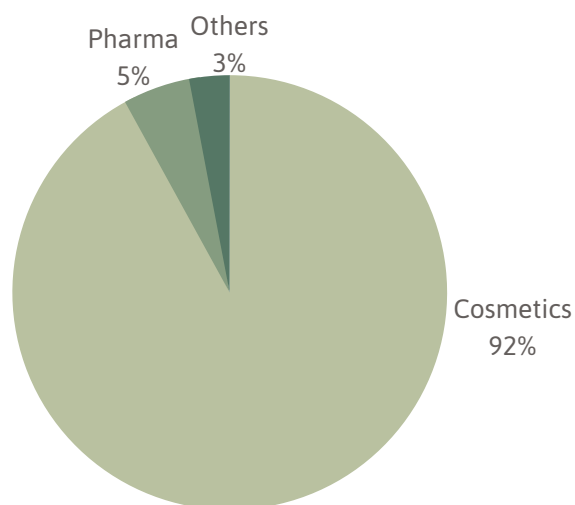
SOPHIM's efforts have been rewarded by a significant increase in its activity €10,770,000 in turnover in 2008 v €29,900,000 (consolidated) in turnover in 2021



GEOGRAPHICAL SPLIT



PRODUCT FAMILY SPLIT



APPLICATION SPLIT

I. CSR : Building our approach

COMMITMENT TO THE GLOBAL COMPACT

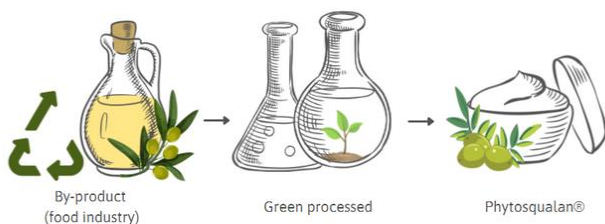
Through CSR (Corporate Social Responsibility), SOPHIM is pursuing its mission to accompany all its partners (suppliers, distributors, subcontractors, etc.) towards greater naturalness, with a major commitment: to have a positive impact on its environment, its partners, its employees and, of course, its customers.

To this end, we undertake to apply, promote and ensure respect for human rights and the ethical, social and environmental requirements that we consider fundamental and essential to our activity.

This Communication on Progress testifies and formalizes our desire to integrate principles of sustainable development throughout the company and to promote them in our relations with our partners.

PARTNERS COMMITMENT

We want our suppliers to support us in our desire to provide a better future for future generations, and expect them to respect the human rights, and every ethical, social and environmental requirements we consider to be fundamental and indispensable to a healthy collaboration. A charter is currently in progress and will be submitted to our partners to formalize their commitment.



I. CSR : Building our approach

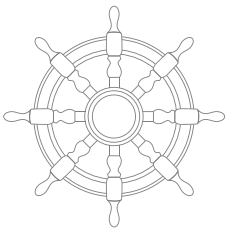
PILLARS : THE 4 "P"s

PRESIDENCY

PLANET

PEOPLE

PARTNERSHIPS



PRESIDENCY/GOVERNANCE

SOPHIM's purpose is to establish a circular economy model in our everyday activities, and to promote and evaluate sustainability objectives



PLANET

SOPHIM wishes to include the ecological dimension in every project of the company



PEOPLE

SOPHIM contributes to the well-being of employees and promotes social dialogue

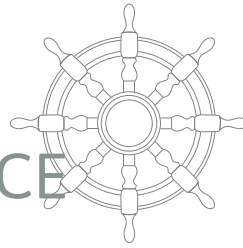


PARTNERSHIPS

SOPHIM respects the rules of fair competition & encourages its suppliers and subcontractors to adopt a CSR approach

II. PILLAR 1

PRESIDENCY/GOVERNANCE



Objective

Beyond the optimization of our circular economy model:
Implement CSR at every layer of the company, both
strategically and operationally

CSR actions and KPIs : examples

Sponsorship of Pure Ocean

SOPHIM has been a sponsor
of Pure Ocean for many
years, to help protect the
oceans

2022 : Formation of a CSR committee

To involve our volunteer
employees, and make CSR
more accessible to all

2022 : Signature of the definitive CSR charter

To formalize our vision and
make a statement to all our
employees, customers,
suppliers, etc.

III. PILLAR 2

PLANET



Objective

Lower our environmental impact industrially
Encourage planet-friendly actions individually

CSR actions and KPIs : examples

2021 : Energy savings

2021 vs 2019 :
Water : -22.18%
Electricity : -2.38%
Gas : +11.07% (acquisition in 2020
of a new gas-powered hydrogenator)

2021 : Recycling

Thanks to RECYGO, SOPHIM
valorized in 2021:
88kg of paper
8kg of cardboard
4kg of bottles and cans

2022 : Change of lighting

30% of lights changed to
LED vs 2021

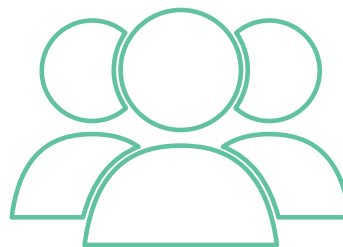
OBJ 2025: 100% LED

2022 : Upcycling of cigarette butts

6,000 cigarette butts
collected since April 2022

IV. PILLAR 3

PEOPLE



Objective

Contribute to our employees' well-being
Encourage the development of skills and internal promotion
Favorize inclusive employment

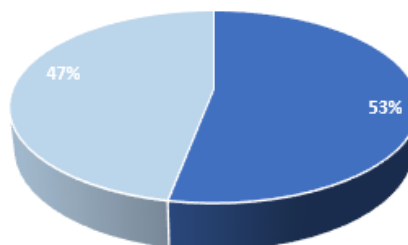
CSR actions and KPIs : examples

Since 2015 :
ESAT for our
cleaning tools

Every year :
100% of cleaning tools are
ordered from ESAT (buckets,
brooms, etc.)

2021 : Parity

Gender Parity
(office workers)



■ Men ■ Women

2022 vs 2021 :
Workplace
accident

2021 : 2 accidents
S1 2022 : 0 accident
Action Jan 2022: new HSE
manager and employee training

May 2022 : CSR
awareness-raising

100% of our staff was
introduced to CSR, our
company's vision, and how
to support CSR at SOPHIM

V. PILLAR 4

PARTNERSHIPS



Objective

Respect the rules of fair competition

Encourage our suppliers and subcontractors to adopt a CSR approach

CSR actions and KPIs : examples

Bid solicitation
on every new
project

New rule integrated : every project leader must ask for a minimum of 2 quotes with the same specifications

Suppliers charter
signature
objective

A new suppliers CSR charter was written and will be sent to our suppliers

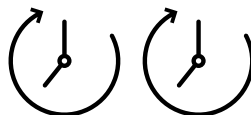
Obj end 2022 : 70% signature

VI. CSR AGENDA

OBJECTIVES



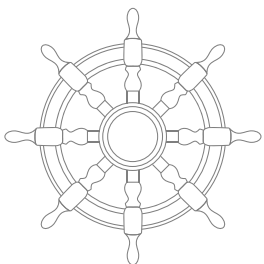
SHORT-TERM
End 2022



MID-TERM
Beginning 2024



LONG-TERM
2 years +



Create a CSR
committee

Promote soft
mobility

CSR specifications
for every project



Reduction of our
hazardous waste
stock

Reduce our
energetic
consumption

ISO 14 001



CSR training sessions
Internal

Training for
production operators

New offices
on our Peyruis plant



Suppliers
charter

Auditing our
subcontractors

Selection of our
suppliers on **CSR**
criteria

COMMUNICATION
ON PROGRESS



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.



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