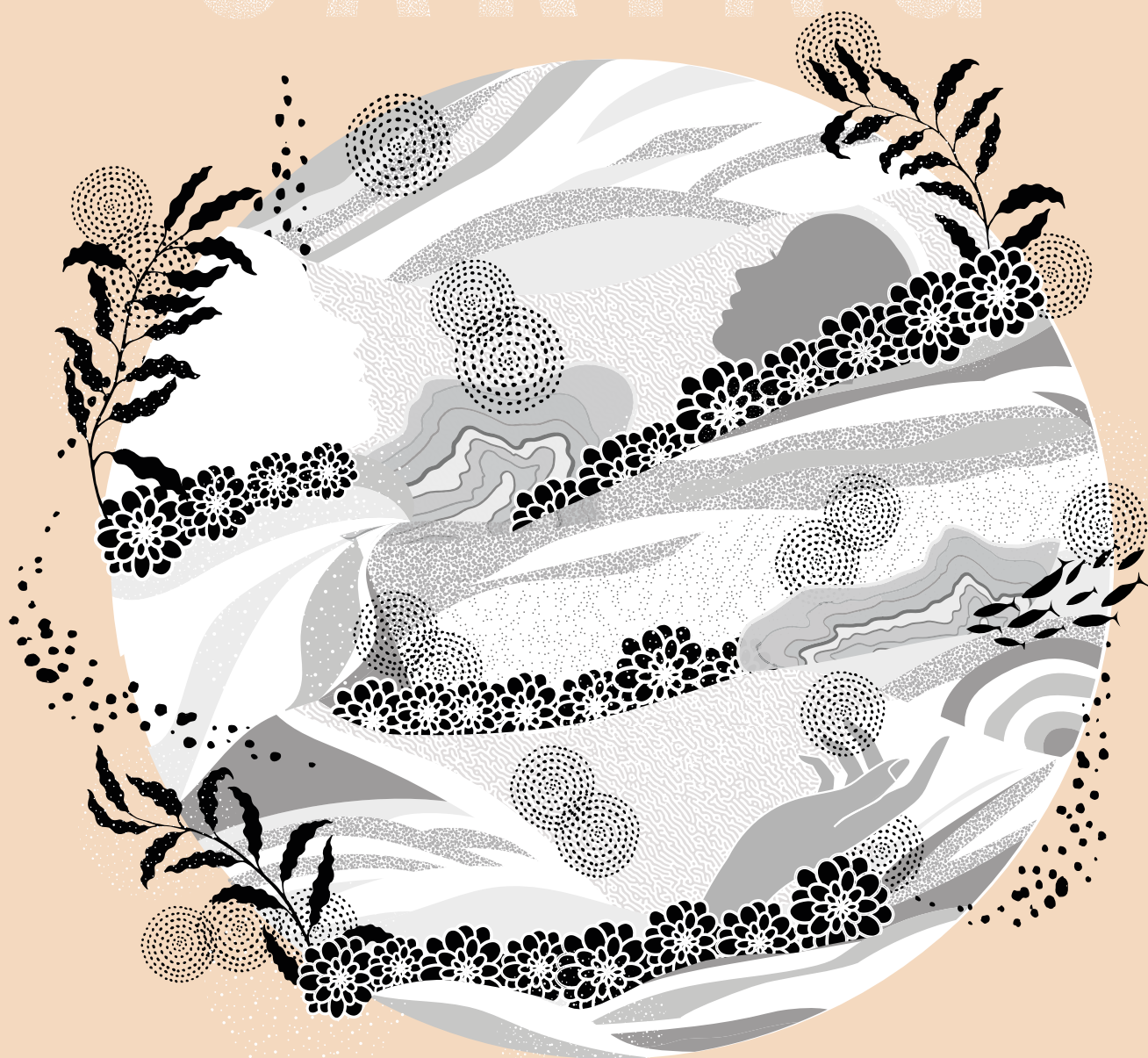


# CARING



# CARING

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SUSTAINABILITY REPORT 2022

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**Hannes Moeller**  
Chief Executive Officer of Seppic

## SEPPIC, COMMITTED TO A SUSTAINABLE FUTURE

**A**t Seppic, our activities are rooted in the desire to help everyone enjoy a healthy life in a healthy environment. In 2022, the energy crisis reinforced our conviction, as a company, of the importance of making a positive contribution to the community in which we are evolving. The challenges we face are many. Climate change is intensifying, biodiversity is under threat, social inequalities persist and new crises continue to emerge. Faced with this reality, our CSR approach goes far beyond compliance with regulatory obligations. It is a global approach that we have been pursuing for several years, in which we take into account social, environmental, and ethical issues in our activities. It's a deliberate commitment aimed at striking a balance between economic performance, the well-being of people, and respect for the environment.

In 2022, even more than in previous years, we sought to minimize the impact of our activities on the environment, by adopting sustainable practices, reducing our energy and water consumption, promoting recycling, and setting ambitious targets for preserving biodiversity. We are also committed to respecting and promoting diversity and inclusion, ensuring fair working conditions, and fostering the professional development of our employees.

Our commitment extends beyond internal corporate actions. It includes our relationships with our stakeholders, such as suppliers, customers, and local communities. As a socially responsible company, Seppic strives to establish sustainable partnerships, support local initiatives, participate in societal projects, and invest in educational and development programs.

Our eco-design approach to the creation of each new product offers tremendous opportunities for innovation and growth. These initiatives allow us to tackle future challenges and differentiate ourselves in the marketplace. We strive to create long-term value. For us, CSR is an essential driver for finding sustainable solutions to the social and environmental challenges we face.

Together with all our stakeholders, we're building a sustainable future!





# KEY FACTS 2022

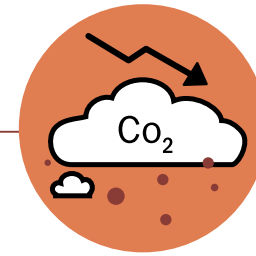


**FORMALIZING  
& ADOPTING OUR  
BIODIVERSITY  
PROGRAM:  
RICE\***

\*Reduce, Integrate, Control & Engage



**SEPPIC IMPROVED  
ITS CSR  
PERFORMANCE  
AND MAINTAINED  
ITS PLATINUM  
RATING**



**17% REDUCTION  
IN SCOPE 1 & 2  
EMISSIONS,  
COMPARED  
WITH 2018\***

\*Base year

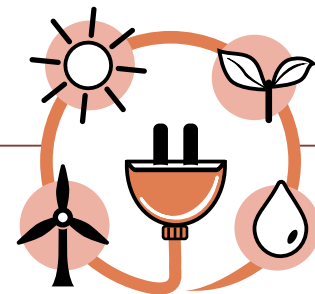


**VARIOUS COMMUNITY  
OUTREACH PROJECTS  
CARRIED OUT BY  
SEPPIC EMPLOYEES  
IN FRANCE AND  
THE AMERICAS**

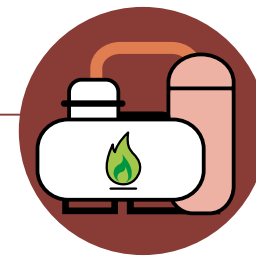


**SEPPIC IMPROVED  
ITS SPI\* RATING,  
REFLECTING THE  
PROGRESS MADE  
IN SUSTAINABLE  
PRACTICES IN  
PALM CULTIVATION**

\*Sustainable Palm Index (S.P.I.)



**SEPPIC  
REACHED ITS  
95%  
RENEWABLE  
ELECTRICITY  
TARGET**



**SEPPIC  
ATTAINED  
50%  
USAGE OF BIOGAS  
AT ITS FRENCH  
SITES**



**PARTICIPATION IN  
THE DUODAY  
CAMPAIGN  
TO SUPPORT  
EMPLOYMENT  
OF PEOPLE WITH  
DISABILITIES**

# SEPPIC ASSERTS ITS VISION

AT SEPPIC, WE STRIVE TO HELP  
EVERYONE ENJOY A HEALTHY LIFE  
IN A HEALTHY ENVIRONMENT

**This is why we create unique ingredients for products used every day by consumers, patients and professionals around the world.**

This **vision** gives meaning to our initiatives and commits us to a shared future. It is underpinned by **four pillars** that shape our history.



## GREAT PRODUCTS START WITH UNIQUE INGREDIENTS.

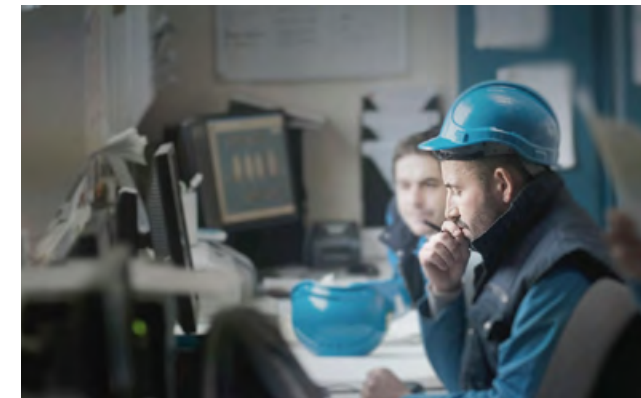
**Conscious innovation** and **robust science** are at the heart of what we do. We design and produce ingredients with the **highest respect** for people and the environment.

Advancing the science of ingredients for all.

## GREAT TRUST STARTS WITH CONTINUED DEDICATION.

We make each ingredient and serve **each customer** with the same level of care, acting **locally and globally** to build close and long-term relationships.

Committed to every customer's future.



## GREAT INSPIRATION STARTS WITH SHARED PASSION.

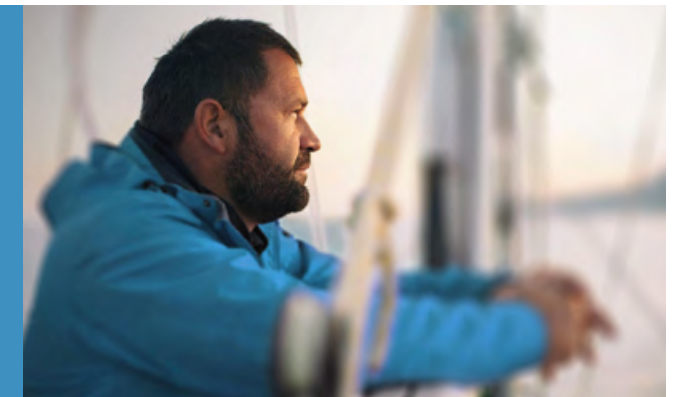
We are a team of talented men and women who love what we do. By combining **passion** with a broad **expertise**, we formulate the **best solution** to every customers' challenges.

Empowering each of us to unleash our potential.

## GREAT STORIES START WITH BOLD LEAPS.

Great journeys often begin with an **inspiration**. Having worked for over 80 years across multiple industries, we are always excited to push **boundaries** and open up new opportunities.

Exploring the next possibility.



Through innovative ingredients that serve health and well-being, as part of Air Liquide Healthcare, we contribute to changing care.

**Seppic, ingredients that inspire.**



# SEPPIC IN BRIEF

Founded 80 years ago, a subsidiary of the Air Liquide Group since 1986 and part of Air Liquide Healthcare, Seppic designs, develops, manufactures and distributes unique ingredients used in products for a wide range of markets:

## Beauty Care:

Seppic is known for its multifunctional ingredients that provide sensory experiences and inspire formulators' creativity, particularly its polymers, emulsifiers, and

emollients, as well as for its active ingredients. Seppic is a leading actor in skincare, the most dynamic segment of the cosmetics industry.

## Dietary supplements:

Seppic provides active ingredients and functional excipients for tablet film coating and innovative galenic forms dedicated to dietary supplements. Its active

ingredients target skincare and sports recovery. Seppic is committed to two basic trends: naturalness and the "Inside & Out" beauty concept.

## Pharmaceuticals:

As an expert in surfactants, polymers, and formulation, Seppic offers pharmaceutical excipients adapted to oral, topical, and parenteral routes of administration. Its ingredients range from film coatings for tablets to injectable

solubilizers and polymers for dermopharmacy. For over 25 years, Seppic has also offered high-performance adjuvants for therapeutic vaccines. Now, our work has expanded to involvement in prophylactic vaccines.

## Animal health:

For over 40 years, Seppic has been working alongside veterinary laboratories to prevent animal diseases. With MONTANIDE™, ready-to-use adjuvants based on

emulsions, micro-emulsions, and polymers, Seppic is a major player in farm animal and pet vaccinations.

## Performance materials:

Seppic creates specialty ingredients to be integrated in end products in many markets, from detergents to oil drilling. Sugar-derived surfactants and energy-efficient

cold technologies represent Seppic's solutions that combine performance, ease of use, and respect for the environment.

## KEY FIGURES 2022:



**882** employees in **13 countries**,  
**INCLUDING 691 IN FRANCE**

Consolidated sales with Air Liquide's Healthcare activities: **€3.9 billion**.



**7,000+** customers in **100 countries**,  
**63** distributors,  
**5** technical customer service centers



**6 MANUFACTURING FACILITIES**

## MANUFACTURING FACILITIES

Seppic's largest manufacturing facility is the result of the acquisition of Société des Produits Chimiques de la Montagne Noire in 1972, in Castres, France. This facility also houses Seppic's largest research center, which opened in 1988. The Seppic manufacturing plant located in Qing Pu, China, is entirely dedicated to animal health and was built in 2007. In 2013 and 2017 respectively, Seppic acquired the Pontrieux and

Lons manufacturing facilities, which specialize in the creation and production of plant-based active ingredients for cosmetics. In 2020, a brand new production site was inaugurated and put into operation in the United States, in Sandston, New Jersey. In 2021, Seppic acquired EPI France in Villers-sur-Fère to support its business strategy and strengthen its position in the cosmetics and nutricosmetics markets.

### CASTRES, FRANCE

**INGREDIENT MANUFACTURED**  
Polymers, surfactants, emulsifiers, active ingredients, vaccine adjuvants, coating agents, for cosmetic, nutraceutical, pharmaceutical, veterinary products and performance materials

### INFRASTRUCTURE

8 hectare surface area  
26 manufacturing units  
Innovation laboratories  
European Customer Technical Service Center

### CERTIFICATIONS AND STANDARDS

ISO 9001  
ISO 14001  
ISO 45001  
EFfCI  
EXCiPACT  
Pharmaceutical Good Manufacturing Practices Part 2  
85% RSPO Mass Balance certified palm derivative inputs (base 2022)

### LONS, FRANCE

**INGREDIENT MANUFACTURED**  
Cosmetic and pharmaceutical active ingredients resulting from the extraction of Malagasy plants

### INFRASTRUCTURE

6 hectare surface area  
2 manufacturing units  
Innovation laboratories dedicated to botanical active ingredients

### CERTIFICATIONS AND STANDARDS

ISO 9001  
Pharmaceutical Good Manufacturing Practices Part 2  
UEBT Member

### PONTRIEUX, FRANCE

**INGREDIENT MANUFACTURED**  
Cosmetic active ingredients derived from marine biotechnologies and the extraction of algae and marine plants

### INFRASTRUCTURE

3.5 hectare surface area  
3 manufacturing units  
Innovation laboratories dedicated to marine active ingredients

### CERTIFICATIONS AND STANDARDS

ISO 9001  
EFfCI  
100% RSPO Mass Balance certified palm derivative inputs  
UEBT member

### RICHMOND, SANDSTON, UNITED STATES

**INGREDIENT MANUFACTURED**  
Ingredients for cosmetic and pharmaceutical products

### INFRASTRUCTURE

8 hectare surface area  
4 manufacturing units

### CERTIFICATIONS AND STANDARDS

Site opened in 2020  
ISO 9001  
EFfCI  
100% RSPO Mass Balance certified palm derivative inputs (palm equivalent)

### VILLERS-SUR-FÈRE, FRANCE

**INGREDIENT MANUFACTURED**  
Natural active ingredients for cosmetics and dietary supplements

### INFRASTRUCTURE

0.2 hectare surface area

### QING PU, CHINA

**INGREDIENT MANUFACTURED**  
Veterinary vaccine adjuvants

### INFRASTRUCTURE

0.5 hectare surface area  
1 manufacturing unit  
Asian Customer Technical Service Center

### CERTIFICATIONS AND STANDARDS

ISO 9001  
EXCiPACT  
Classified as environmentally-friendly by local Chinese authorities

## OUR VALUE CREATION MODEL

AT SEPPIC, WE STRIVE TO HELP EVERYONE ENJOY A HEALTHY LIFE IN A HEALTHY ENVIRONMENT

[illegible]

## RESPONDING TO ENVIRONMENTAL CHALLENGES

- Transition in energy consumption and the fight against climate change.
- Conserving resources and preserving biodiversity.
- Demand for naturalness and transparency.



## RESPONDING TO SOCIETAL CHALLENGES

- Enhancing social and societal actions.
- Transformation of the value chain.
- Conducting business in accordance with regulations, human rights, social rights, and the environment.
- Improving the quality of life of employees, consumers, and patients.

[illegible]

## PERFORMANCE & INNOVATION

- Patented and responsible innovation based on the ability to develop new products and meet customer demand.



## DIFFERENTIATION & INSPIRATION

- A vast catalog of ingredients with unlimited access to the global market.
- A broad expertise in formulation and local specificities.
- Passionate and committed men and women with strong values.



## SERVICE & SUPPORT

- Technical expertise to support customers from the very beginning of the sales process.
- Regional customer support centers.
- Passionate and committed men and women with strong values.



## SAFETY, QUALITY & COMPLIANCE

- Strong regulatory and quality assurance processes throughout the supply chain (design, sourcing, and manufacturing).

Seppic's strategy is fully in line with the four strategic pillars of the Air Liquide **ADVANCE** program:

## DELIVERING STRONG FINANCIAL PERFORMANCE

- Maintaining our growth dynamic while respecting our environmental and social commitments.
- Investing to consolidate our capacity for innovation, our industrial capabilities and our market offering.

## ACTING FOR THE PLANET

- Reducing our CO<sub>2</sub> emissions from fossil fuels, for a more sustainable production model.
- Defining our improvement objectives and corresponding action plans, particularly in terms of preserving biodiversity.

## UNLOCKING PROGRESS VIA TECHNOLOGY

- Developing our markets through new and innovative technologies and partnerships.
- Ensuring growth, reliability, compliance, safety, and performance through industrial investments.
- Leveraging digital technology to improve customer experience, enhance our processes, and extract greater value from data.

## ACTING FOR ALL

**For our employees:**

- Ensuring the employment, safety, health, and well-being of our employees.
- Promoting diversity, inclusion, and personal development, attracting talent, promoting social dialogue.

**For our customers:**

- Serving all of our customers with the same level of attention and building lasting relationships.

**For all our stakeholders:**

- Building trust with our suppliers to foster continuous improvement along our supply chain.
- Creating wealth and sharing the resulting value with local communities.



# OUR CSR PROGRAM AND STRUCTURE

Acting responsibly and making progress on social, societal, and environmental issues are at the heart of our vision. Our current CSR program is built upon a process of improvement and is based on commitments around three pillars:

## CSR PROGRAM



## CSR GOVERNANCE AND PROCESSES

**Seppic has reinforced its commitment to CSR by setting up a CSR management unit, which currently consists of four employees. This team relies on liaisons within the company's various departments which actively contribute to the implementation of the CSR policy.**

Reporting directly to Seppic's Managing Director, the CSR management unit ensures the development of the company's positions and strategic initiatives on environmental and societal issues. It is also responsible for the strategic deployment and monitoring of Seppic's CSR metrics with respect to the company's various operations.

The twice-yearly leadership reviews of the CSR processes, as well as the specific steering reviews, make it possible to coordinate and monitor the action plans associated with climate, biodiversity, and sector objectives.

## ORGANIZATION

### MANAGING DIRECTOR

### CSR DIRECTOR

**The strategy for the development of sustainable activities and the monitoring of sustainability projects are defined as follows:**



#### BIOBASED DERIVATIVES SUSTAINABLE SOURCING - CSR MANAGER

Leads and contributes to the improvement of processes for the entire company, in collaboration with Purchasing, Operations, Quality, Research & Innovation, and Marketing. He ensures implementation as well as monitoring and reporting to sustainable sourcing organizations, authorities, and customers.



#### THE ENVIRONMENTAL ACTIONS MANAGER

Leads each program aiming to reduce the impact of Seppic's activities on the environment and climate. At the intersection of the HSE, Purchasing, Operations, Quality, Research & Innovation and Marketing departments, she gives each program visibility internally as well as with external stakeholders.



#### SUSTAINABLE VEGETAL SOURCING MANAGER

Leads and contributes to the professionalism of these plant supply chains in collaboration with Operations, Purchasing, Quality Control, the CSR department, and Marketing. He is responsible for deploying sustainable initiatives, monitoring UEBT certification, and reporting to sustainable sourcing organizations, authorities, and customers.



#### CSR DATA ANALYST

Coordinates and calculates strategic CSR data to support the Seppic Group's CSR policy. Among other things, the analyst is responsible for producing the annual carbon footprint report.

**Other departments within the company collaborate with the CSR department on environmental, social and societal issues:**

The **HSE-MR department** pilots the action plan concerning health and safety at work.

The **Human Resources department** is charged with overseeing social initiatives and employee solidarity.

The **Purchasing department**, which manages Seppic's responsible purchasing policy.

# OUR COMMITMENT TO SUSTAINABLE DEVELOPMENT GOALS

Seppic promotes the 17 Sustainable Development Goals (SDGs) established by the United Nations. At the heart of the 2030 Agenda, the SDGs cover every development issue in every country, including climate, biodiversity, energy, water, poverty, gender equality, economic prosperity, and peace. Through its corporate social responsibility strategy, Seppic contributes to the realization of these goals.



## SEPPIC’S CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT OBJECTIVES

THE 17 SUSTAINABLE DEVELOPMENT GOALS OF THE UNITED NATIONS																	
	1 PAS DE PAUVRETÉ	2 FAIM «ZÉRO»	3 BONNE SANTÉ ET BIEN-ÊTRE	4 ÉDUCATION DE QUALITÉ	5 ÉGALITÉ ENTRE LES SEXES	6 EAU PROPRE ET ASSAINISSEMENT	7 ÉNERGIE PROPRE ET D'UN COÛT ABORDABLE	8 TRAVAIL DÉCENT ET CROISSANCE ÉCONOMIQUE	9 INDUSTRIE INNOVATION ET INFRASTRUCTURE	10 INÉGALITÉS RÉDUITES	11 VILLES ET COMMUNAUTÉS DURABLES	12 CONSOMMATION ET PRODUCTION RESPONSABLES	13 MESURES RELATIVES À LA LUTTE CONTRE LES CHANGEMENTS CLIMATIQUES	14 VIE AQUATIQUE	15 VIE TERRESTRE	16 PAIX, JUSTICE ET INSTITUTIONS EFFICACES	17 PARTENARIATS POUR LA RÉALISATION DES OBJECTIFS
CARING FOR PEOPLE																	
ENSURING SAFETY IN THE WORKPLACE			●					●									
SEEING TO OUR EMPLOYEES' GROWTH			●		●					●							
DEVELOPING EXPERTISE AND TALENT					●			●		●							
PROMOTING DIVERSITY AND INCLUSION			●		●			●		●							
CARING FOR ENVIRONNEMENT																	
PRESERVING BIODIVERSITY			●			●	●		●			●	●	●	●		
ACTING FOR THE CLIMAT			●			●	●		●			●	●		●		
ECO-DESIGN			●			●	●		●			●	●		●		
CARING FOR OUR STAKEHOLDERS																	
BUILDING OUR BUSINESS TO THE HIGHEST ETHICAL STANDARDS			●					●								●	●
BUILDING TRUSTWORTHY RELATIONSHIPS	●										●	●				●	●
CREATING VALUE LOCALLY	●	●		●				●	●		●					●	●

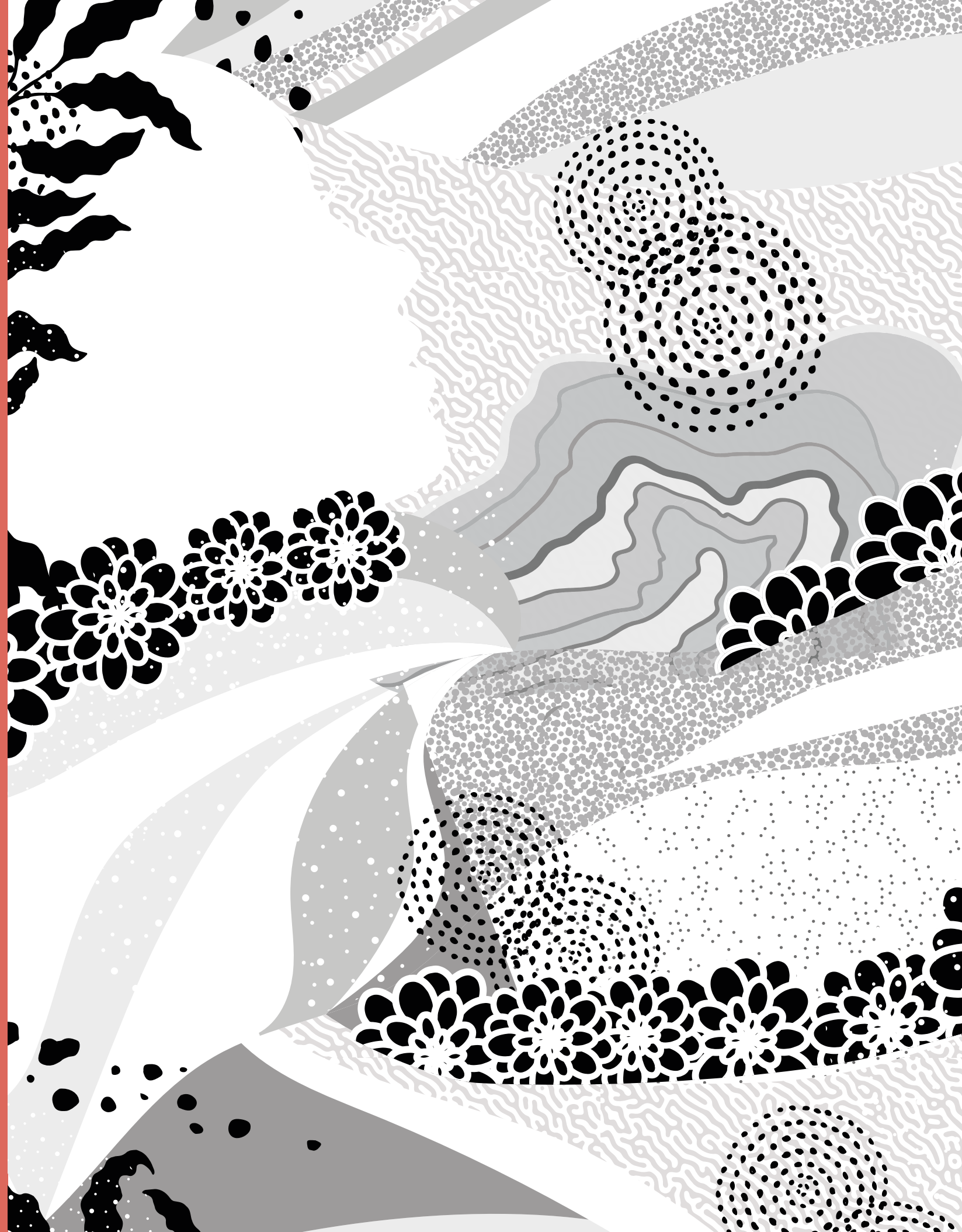
# 01

## A TEAM OF PASSIONATE MEN AND WOMEN



### CARING FOR OUR PEOPLE

The men and women of Seppic, their safety, health, well-being, and professional development, are at the heart of Seppic's concerns. It is their commitment and talent that enables Seppic to serve its customers and consumers every day.





# ENSURING SAFETY IN THE WORKPLACE

Since 1989, Air Liquide has been committed to “**zero accident**” and the continuous improvement of its safety performance. To achieve this goal, the Group fosters a “**Safety Culture**” that enables all employees to view safety as a fundamental value of the Group's operational excellence.

The “**Safety Culture**” is a set of convictions and values, habits and practices, shared by all, which influences our decision-making and shapes our daily behavior in terms of Safety. As a subsidiary of the Air Liquide Group, Seppic adheres to the principles and commitments adopted by Air Liquide:

- the “**Responsible Care**” charter, which aims to improve performance in terms of health, safety, and environmental protection,
- the **United Nations Global Compact**, whose 10 founding principles cover human rights, international labor standards, the environment, and the fight against corruption.

Seppic is committed to ensuring that all its employees work in a safe environment conducive to well-being, by developing a collective awareness of the most important risks and encouraging their active involvement in the process. Every year, Seppic promotes awareness among all its employees of the need to observe and apply safety principles, in order to avoid accidents and injuries resulting from company operations. Indeed, achieving the “**zero accident**” ambition for employees and partners remains a priority for the Air Liquide Group and its subsidiaries.



**FRÉDÉRIC SANCHEZ** Industrial Manager, Castres facility

*Safety is a journey, not a destination. It requires shared vigilance, a constant reassessment of risks, goodwill, and a collective mandate.*

*It is by persevering over and over again in applying these principles that we will achieve our "zero accident" ambition.*

## TAKING CHARGE OF PERSONAL SAFETY AND THAT OF OTHERS

At Seppic, we actively promote the "Safety Culture" by encouraging individual commitment to safety and fostering an environment of open communication within our teams. Every member of the company is invited to take an active part in their personal safety, as well as that of those around them. This approach focuses on three essential dimensions to reinforce safety within the business:

- Benevolence:** each employee looks after their colleague and, in turn, trusts them to ensure their safety.
- Listening:** each employee has something to contribute to the group, free dialogue is encouraged and taking initiative is valued.
- Mutual aid:** employees work in teams to identify dangerous situations and find practical solutions to everyday problems.

Seppic regularly reports its safety performance to the Air Liquide Group. Every month, the Group publishes an internal **HSE Flash** to raise employee awareness of safety issues and to report on accidents as well as good practices featuring testimonies from employees across the Group.

Seppic encourages safety-related exchanges at its production facilities. A “**Safety Exchange**” focuses on the person visited and the task performed. The main objective is to highlight and reinforce good safety practices, but also to detect and eliminate potential causes of accidents where applicable. The safety exchange is a preventive tool. It contributes to the fostering of a strong safety culture.

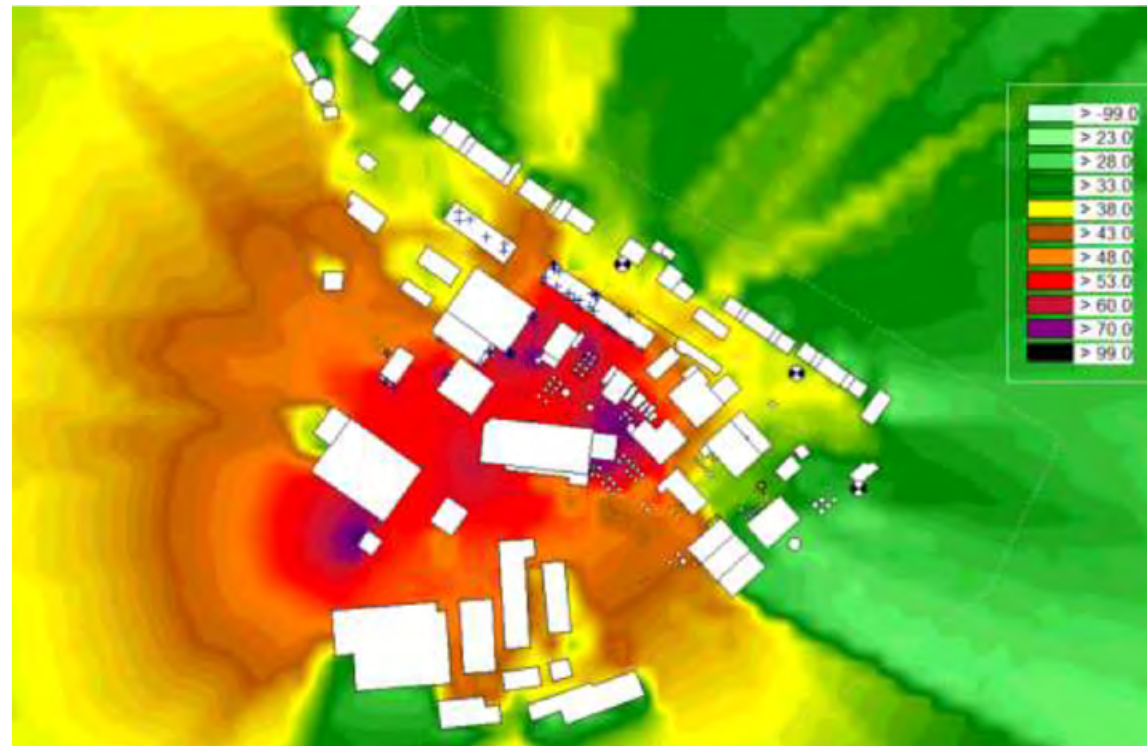
Each of Seppic's industrial facilities applies the Air Liquide Group's Industrial Management System (IMS). The IMS Streamlining project, intended to renew and strengthen the IMS based on 15 years of operational experience and feedback, was introduced at Seppic in early 2021. This new initiative, built on process-based organization and a

continuous improvement approach, will strengthen our safety practices and culture. Internal IMS audits are in place to verify the implementation of these measures. It is within this context that Seppic deployed the **Gear Up Safety** program, designed to help operational managers exercise their everyday safety leadership with greater ease.



### FIVE-YEARLY ENVIRONMENTAL NOISE SURVEY

Every five years, Seppic Castres carries out a periodic assessment of noise and noise pollution. The latest exercise, carried out in 2019, provided an opportunity to make adjustments. In addition to the statutory five-yearly inspections, Seppic also mapped noise levels on the facility by modeling their sources and propagation. This modeling enabled us to gain a good understanding of noise in the facility and to define mitigation solutions.



Noise impact reduction mapping, Castres industrial facility. Status after treatment - Scale: dB(A)

### MANAGING INDUSTRIAL RISKS

The facilities at Castres (France), Lons (France), and Sandston (United States) are, by the nature of their activities, regulated by local environmental laws.

The Castres site is classified as Seveso 2 high threshold. Its environmental risk management system is **ISO 14001 certified**.

Polykon's Sandston facility is registered with the **U.S. Environmental Protection Agency (EPA)**. Built to the highest standards of fire protection, the site complies with all U.S. Occupational Safety and Health Administration (OSHA) standards and has a Process Safety Management (PSM) system in place.





# SEEING TO OUR EMPLOYEES' GROWTH

Seppic, a human-sized business within a large Group, pays particular attention to working conditions, quality of life, and adopting new work methods as part of a continuous improvement process.

## FINDING WORK-LIFE BALANCE

Employee commitment is at the heart of the Air Liquide Group and Seppic's HR strategy. It is central to the company's sustainable performance.

Recognizing that the world of work is in a greater state of flux, and in order to meet employee expectations for greater flexibility and work-life balance, Seppic extended its remote working policy in 2021 by allowing its employees to benefit from two days of remote work per week. The agreement signed with employee representatives is valid for 3 years and applies to all sites in France.

**83** Seppic also allows employees to opt for part-time work when this is compatible with the smooth operation of the company. As of December 31, 2022, **83 employees opted to work part-time**. To promote work-life balance, Seppic is committed to the "right to disconnect", enshrined in an agreement signed in 2019. The agreement, which remains in effect, regulates the use of technology outside of working hours.

## QUALITY OF THE WORK ENVIRONMENT

In addition to a healthy work-life balance, employee well-being also depends on the quality of the working environment. Conscious of this, Seppic pays close attention to managing the working environment and corporate culture. In France, employees at the La Garenne-Colombe headquarters benefit from collaborative workspaces and a green terrace featuring beehives. In the United States, the application laboratory at Air Liquide's research and development center has a sports center that organizes annual sports activities to promote cohesion and interaction between employees at Seppic's Sandston and Fairfield sites in the United States. In Italy, offices have been completely renovated, and a new meeting room and break room were built for employee use.

## PREVENTING PSYCHOSOCIAL RISKS

Seppic has launched a number of measures to prevent psychosocial risks. At the Castres plant, a social worker is present on-site to assist employees with personal or professional issues. Employees at other Seppic sites in France can also contact counsellors by telephone every day of the week via a dedicated platform.

## INITIATIVES FOR OUR UNITS OUTSIDE FRANCE

**Over 21% of Seppic employees work in entities outside France.** These entities implement local initiatives to promote a balanced lifestyle and well-being at work.

For example, in 2022, Seppic's Sandston site in the United States organized a "family day" which allowed employees to introduce their work environment to their loved ones. In China, at our Qing Pu and Shanghai sites, Seppic continues to encourage employees to prioritize their health and that of their families through the "Gympass" sports program, which provides financial subsidies towards gym memberships.

Seppic's international employees also enjoy the option to work remotely.



## LISTENING TO OUR EMPLOYEES

For several years, Seppic has relied on listening and feedback mechanisms from its employees through two major projects:

**MyVoice**  
We share, we progress.

**MyVoice**, an annual engagement survey conducted for the first time in September 2020 within Air Liquide and among all Seppic employees worldwide.

**73** /100

With an **engagement score of 73/100 in 2022**, Seppic employees once again testified to their pride in belonging to and working for Seppic and the Air Liquide group. All employees were given the opportunity to anonymously express their views on 26 questions relating to everyday issues and their future (including topics such as safety, management, inclusion, communication, career prospects, and more). Their survey answers helped the company to define targeted action plans through a «Close the Loop» process designed to continuously improve the employee experience and offer our employees an environment that is conducive to their development and fulfillment.

**BeActEngage**, a framework used by all Air Liquide Group employees globally to better meet the expectations of customers and employees, which outlines how Seppic wishes to embody the Group's values.

**Be** means “Living our fundamentals:” safety, ethics, and sustainable performance are the pillars of its success.

**Act** reflects Seppic's dedication to delivering excellent results, taking responsibility for the company's actions while caring for customers and employees, and continually evolving to improve.

**Engage** values leadership that creates an engaging environment in which Seppic gives meaning to action in a climate of mutual trust and with a common purpose.

This framework is based on fostering a culture of feedback, encouraging employees to reinforce their strengths and continuously grow through constructive and supportive interactions with their professional environment. The “Dialogue with me” initiative launched in 2021 supports this approach by encouraging all employees to create opportunities to give and receive feedback.





# DEVELOPING TALENT AND EXPERTISE

Developing our employees' talents, attracting top performers, and sharing knowledge and know-how are all essential to the success of our company.

## ATTRACTING AND RECRUITING YOUNG TALENT

In an environment of constant evolution, one of the HR challenges is to support Seppic's growth while preparing for the future. By developing close partnerships with targeted schools, Seppic is actively helping to attract new talent to its business and trades.

**12** In this respect, the strategy of building relationships with specific schools facilitates recruitment of young talent, interns, and work-study students. **Since 2021, Seppic has maintained close ties with 12 schools whose courses prepare students for the professions practiced by our company.** Through conferences, roundtables, case studies, and site visits, the next generation is introduced to expertise and the professions for the future. In this manner, we are able to anticipate future needs within the company.

In 2022, Seppic recruited 11 young graduates on indefinite contracts, and welcomed 25 interns, work-study students, and volunteers under our "Volontariat International en Entreprise" (VIE) program.

Every year, employees who graduated from our target schools join an Alumni network and talk about their experience at Seppic, enabling students to gain insight into the company's activities and professions.



**COLINE HUBERT** Product Manager

*After graduating from a chemical engineering school, I joined Seppic on a work-study program while completing my second Master's degree in Cosmetics Marketing. I then joined the team on a permanent basis as Product Manager. At school, the idea of a chemical engineer is often confined to Research and Innovation, Production or Quality Assurance. As an alumnus, one of my key objectives is to highlight the diversity of pathways available to chemical engineers, from the day they graduate. One of Seppic's strengths is in offering recent chemistry graduates the opportunity to flourish in a wide variety of positions (Marketing, Sales, Supply Chain, Regulatory, etc.) while continuing to use their*

*scientific know-how.*

*Through the two school events I attended in 2022, a conference and a school fair, I had the privilege of sharing my experience and promoting different career paths in the field of specialty ingredients.*

## DEVELOPING AND ENHANCING TECHNICAL EXPERTISE AND INNOVATION

Seppic values employees who have built in-depth expertise and who demonstrate a keen appetite for sharing their knowledge. The Air Liquide Group-wide Technical Community Leaders program identifies these experts, encourages the spreading of knowledge, and accelerates innovation. It also opens up an additional path for career development.

**36** In 2022, **36 employees were part of this program**, including ten with an international scope within the Air Liquide Group. They join focus groups on strategic issues, run training courses, and contribute to scientific outreach at conferences and within trade associations. In March 2022, we launched a series of internal conferences called "Expert Fridays". Open to all Seppic employees and conducted in French and English, eight conferences gave over 700 participants the opportunity to increase their knowledge of the company's various scientific and technical activities, and to interact with the Experts.

**13%** These expertise which the Group values enhance Seppic's innovation momentum. Furthermore, **13% of Seppic's workforce** is specifically dedicated to innovation, working in a network of four laboratories at the Castres, Pontriex and Lons sites, and on the premises of the Maisons-Alfort Veterinary School.

## TRAINING AND SKILLS DEVELOPMENT

Seppic is conscious that employee development is one of the essential components in the growth of our employees' employability and the company's sustainable performance.

Skill development begins as soon as a new employee joins the company. The new joiner follows an onboarding program that lasts several weeks and includes meetings, presentations of Seppic's activities, and e-learning modules. To give them every possible opportunity to build their network, Seppic promotes mentoring within the company. Thus, each new employee is paired with a mentor to help them discover the company, its culture, and its operations from day one.

Throughout their career, managers and the Human Resources team accompany employees in their professional development. **Seppic offers training designed to support its strategy around 4 pillars:**

- Maintaining our CSR commitments
- Accelerating our digital transformation
- Developing new working practices and methods
- Further strengthening our fundamentals

**96%** By 2022, **96% of employees in France received training**, and the average time spent on training was **18 hours** per employee.



Seppic continued to roll out its C-IMP continuous improvement program launched in 2020. The program has enhanced the existing processes and consequently improved Seppic's performance in serving its customers, thanks to the deployment of three training modules.

- A 3-hour awareness-building **Serious Game** ("White Belt" level): the first step in understanding what continuous improvement means.
- A 3-day **C-IMP Basics module** ("Yellow Belt" level) which allows participants to contribute to the implementation of an improvement project.
- A 3-day **C-IMP Advanced module** ("Green Belt" level) which enables participants to lead improvement projects.

As part of our drive for continuous improvement and to support the sustainable growth of Seppic and Air Liquide, a training program in feedback was rolled out in France in 2022 for 42 managers to contribute to individual and collective performance growth.

SUPPORTING CAREERS

Each employee benefits from personalized career planning based on dialogue between managers and employees, so as to tailor employees' career paths\* suited to their skills and in line with the company's needs. Each year, in addition to regular performance reviews, employees meet with their managers to discuss their personal objectives. In 2022, 84% of Seppic employees worldwide completed this yearly assessment.

**136** In 2022, 136 employees benefitted from professional development interviews with their Human Resources manager, either in a targeted context (onboarding assessment, beginning or end of a corporate mandate, return from parental or sabbatical leave), or as part of a career assessment or possible internal reassignment.

Finally, Seppic offers a range of assistance packages for its employees nearing the end of their careers, such as reduced working hours while maintaining their pension contributions to compulsory and supplementary schemes. Furthermore, the company pays a salary supplement to limit the impact on compensation resulting from the reduction in working hours.

REWARDING THE QUALITY OF EMPLOYEE CONTRIBUTIONS

Seppic rewards employee performance through its compensation policy and career development. The compensation policy is based on performance, responsibilities in the position held, and external market compensation benchmarks. Mobility, within Seppic's entities or towards other entities in the Air Liquide Group, allows employees to evolve continuously and to develop their skills. Each employee has access to Seppic job offers and to the Air Liquide Group job exchange and candidacies from salaried Group employees received a priority review. In the case of expatriation, a support system is implemented (visa, moving, schooling, etc.).



\*In France, a professional interview is mandatory every two years.

# PROMOTING DIVERSITY AND INCLUSION

In 2022, Seppic continued to implement its 2019 commitments across its French entities in a three-year company agreement on hiring, compensation, training, and combating discrimination.



## GENDER EQUALITY IN THE WORKPLACE

**84**<sup>/100</sup> The professional gender equality index was **84/100 in 2022** for Seppic’s two largest entities (Castres and La Garenne-Colombes). This index is calculated by examining the difference in pay and the distribution of individual raises and promotions, the amount of female employees who received a pay raise after returning from maternity leave, and the parity among the ten highest paid employees.

Seppic is also active in the fight against sexual harassment and gender-based misconduct. Each facility in France has a coordinator responsible for informing, guiding, and supporting employees.

## PROMOTING AND SUPPORTING OUR DISABLED EMPLOYEES

In France, Seppic’s **Diversity & Inclusion Mission** and the Air Liquide Group’s Disability Mission share the same motto: “Our differences make our performance”.

Seppic’s resolve led to the strengthening of the Diversity & Inclusion Mission in January 2021, with a national pilot program as well as local initiatives to closely monitor each site’s challenges. A network of four local representatives identified within the Human Resources teams, as well as thirteen employees across all French facilities, is working to inform and support employees regarding disabilities on a day-to-day basis.

**6.7**% As a result of this strategy and collective commitment, Seppic met its mandatory 6% employment rate of people with disabilities with an **employment rate of 6.7% in 2022**.

Beyond this figure, which is up compared with the previous year, Seppic is demonstrating its ambition to become a more inclusive company. In the framework of its labor agreement on Professional Equality, Quality of Life at Work, and Disability for the Castres and La Garenne-Colombes entities, Seppic has committed to the following:

- Recruitment:** banning all forms of discrimination in hiring and implementing measures to disseminate job offers via a network of partners dedicated to the integration of people with disabilities.
- Job security:** supporting employees in their administrative duties and adapting their working environment.
- Communication and employee awareness:** organizing the European Week for the Employment of People with Disabilities annually at our four French facilities and offering educational workshops, conferences, and activities related to disability and its consideration in the workplace.



**Over the course of 2022, Seppic carried out a number of major initiatives at its French sites:**

- Supporting employees in the process of obtaining or renewing their status as a disabled worker.
- Preventing unsuitability for work, in partnership with the occupational medicine department
- Adapting and modifying workstations.
- Recruiting disabled workers for temporary, fixed-term, and permanent contracts
- Raising team awareness of various forms of disability.
- Communicating digitally to raise employee awareness and inform them of possible accommodations.
- Organizing the European Week for the Employment of People with Disabilities, which included numerous events and participation in Duoday, a nationwide operation during which Seppic employees introduced a person from outside the company, recognized as a disabled worker, to their profession.
- Participating in the Hello Handicap specialized recruitment fair, and distributing job offers to "Agefiph" and "Cap Emploi" throughout the year.
- Hosting a conference on Seppic's disability inclusion policy for students at a Parisian school teaching our trades.
- Continuing service contracts with ESATs (recycling, maintenance of green spaces, etc.).



**JULIEN GOUT** HR Development Officer

*I joined Seppic in 2019 following a professional reconversion project. I was previously in the military and, following a work accident that left me with long-term injuries, I had to review my career path. I received temporary disability recognition (two years), then permanent recognition through a military disability pension.*

*I talked about my disability from my first recruitment interviews at Seppic because my disability is invisible but, despite the fact that it's not "severe," it can impact my relationships. So I need my work environment to take this into account. I lost some hearing in my left ear following the accident, I'm sensitive to noise and*

*I have ongoing tinnitus. As soon as I arrived, and with the agreement of my occupational therapist, Seppic provided me with a calm and suitable working environment, which compensates for my disability. My advice to anyone with an invisible disability and a recognized disability certificate is to talk about it, to avoid misunderstandings, and make everyday life easier, especially when dealing with colleagues and managers.*

*At Seppic, the Diversity & Inclusion Mission, to which I am also committed, supports employees in their application for disability recognition and throughout their career. It arranges workstation adjustments that we might not have considered, and raises awareness among managers and colleagues. It is reassuring and allows us to plan for the future.*





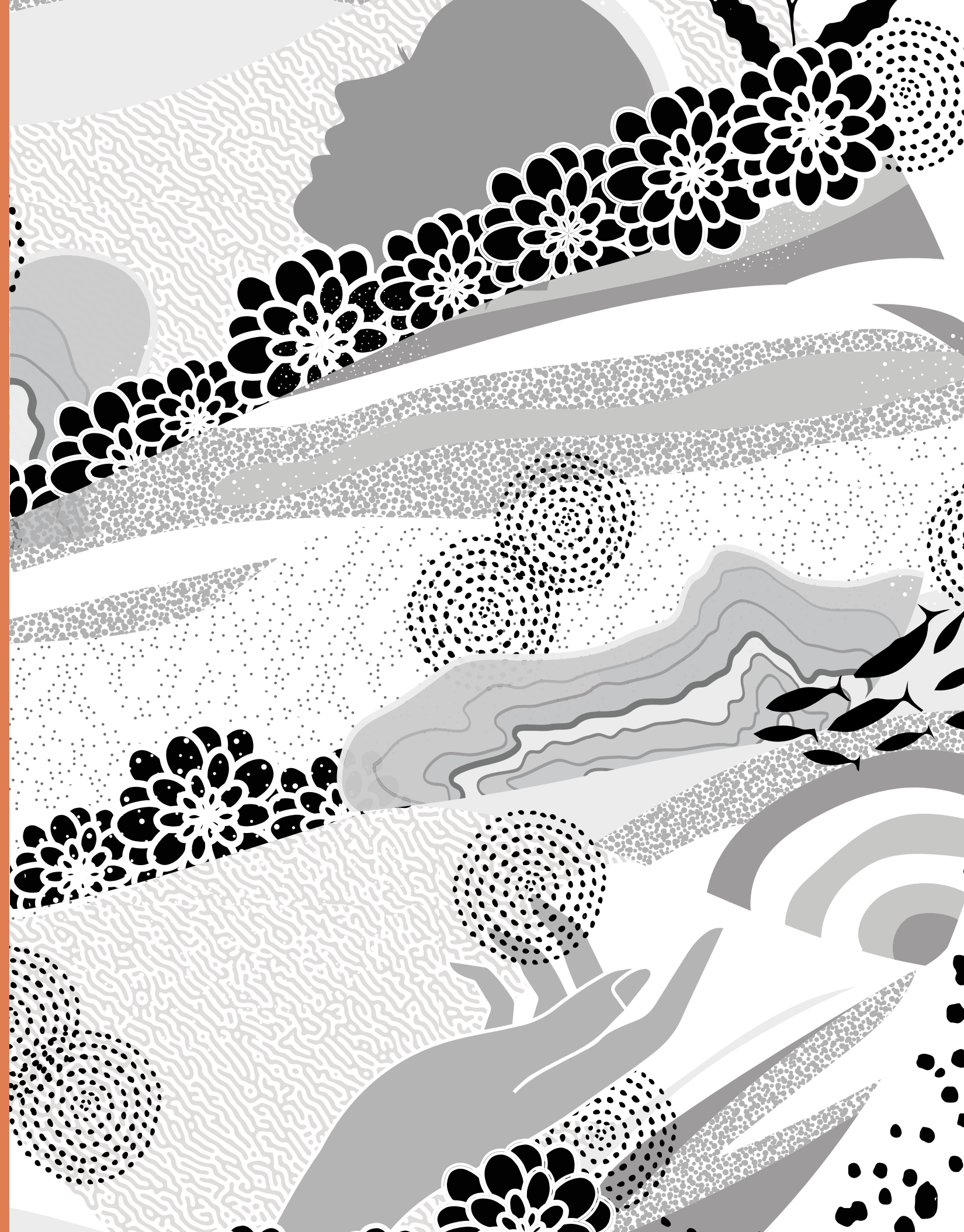
# 02

## LIVING IN A HEALTHY ENVIRONMENT



### CARING FOR THE ENVIRONMENT

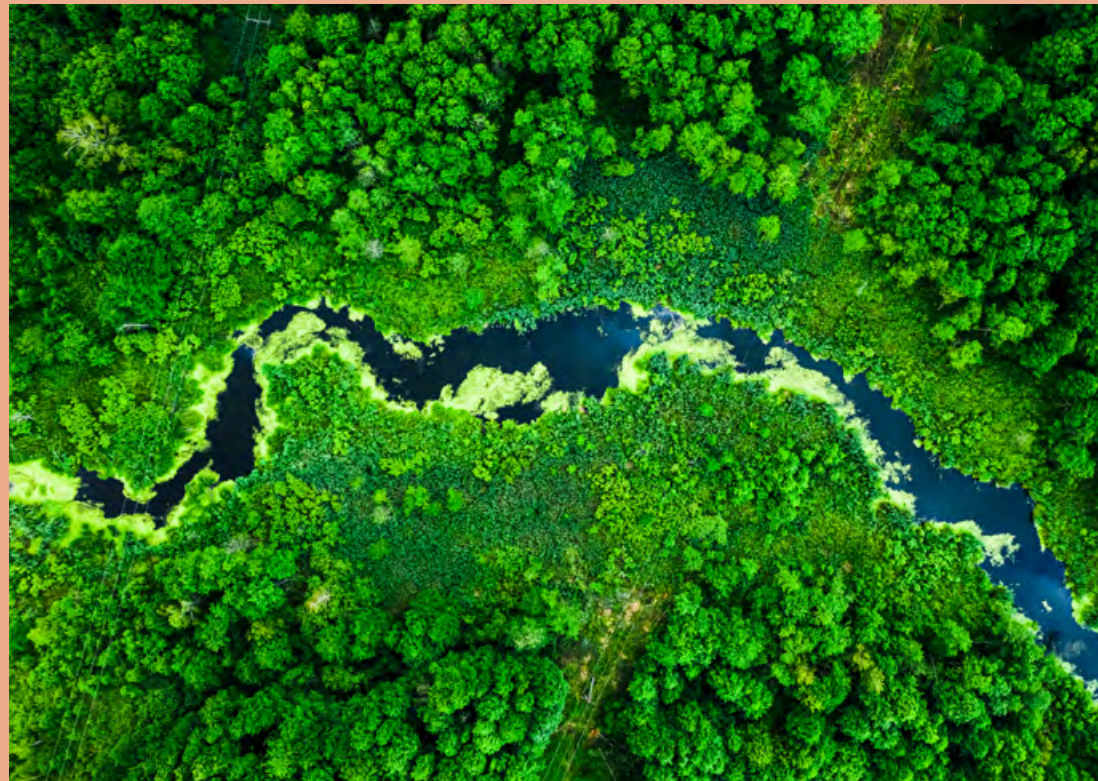
At Seppic, we strive to help everyone enjoy a healthy life in a healthy environment. As a manufacturer of ingredients that enter into many everyday products, Seppic recognizes how important it is to reduce its impact on the climate and biodiversity at the level of its manufacturing facilities, its global operations, and its ingredients.





# OUR ENVIRONMENTAL STRATEGY

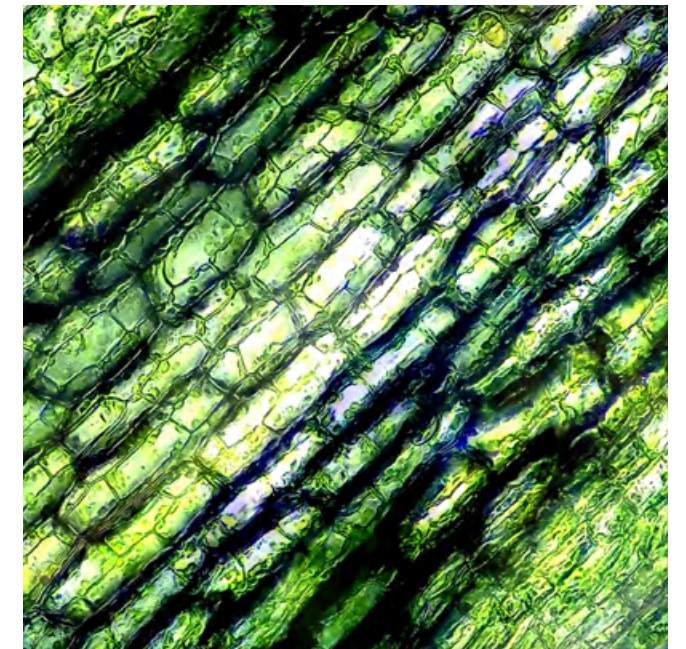
Reducing environmental impact is part of Seppic's corporate strategy. Seppic's environmental strategy is based on two main axes: combating global warming and respecting biodiversity. Since the start of 2022, Seppic has defined new commitments and **climate and biodiversity protection plans** with targets for 2025-2030.



## TECHNOLOGICAL INNOVATIONS FOR A SUSTAINABLE FUTURE



SUGAR CHEMISTRY



MARINE BIOTECHNOLOGIES



PLANT EXTRACTION



PHARMACEUTICAL FORMULATION

See page 59 for more details on these technologies



# PRESERVING BIODIVERSITY

More than half of Seppic's raw materials are from plant origins. Seppic is therefore conscious of its role in preserving ecosystems and biodiversity throughout its value chain (from its sourcing, operations, and manufacturing sites to product end-of-life).

## OUR BIODIVERSITY PROGRAM

In 2021 and 2022, Seppic conducted an initial impact study to better identify and remedy its effects. This study identified the top challenges Seppic faces with regard to the five major pressures on biodiversity: the destruction or degradation of natural habitats, the introduction and spread of invasive species or invasive alien species, the pollution of natural environments, the overexploitation of natural resources by human activity and climate change. The analysis of these main impacts led Seppic to identify its areas for improvement and formalize its **Biodiversity program** based on **four strategic pillars (RICE)**:



## OUR 'RICE' BIODIVERSITY PROGRAM ALIGNS WITH THE CHALLENGES AND TARGETS OF COP15.

COP15 (or Conference of the Parties) is the 15<sup>th</sup> meeting of the **Convention on Biological Diversity (CBD)**. Held in Montreal in December 2022, its key priorities were to preserve 30% of the world's land and sea, to increase North-South funding, and to reduce the use of pesticides in order to halt further declines in biodiversity. To achieve this, the conference defined a set of 23 targets upon which countries should take action.



**MARIE OLLAGNIER** CSR Director

*Biobased raw materials, sugar chemistry, plant and algae extraction... Due to the nature of Seppic's products and technologies, the future of the company is strongly linked to the future of the planet. As part of our corporate strategy, we wanted to make a more tangible commitment to reducing the impact of our facilities and products on biodiversity.*

*However, to determine how to do so effectively, we first need to measure. This is why we began by identifying the issues at stake and measuring our impact on biodiversity. This biodiversity impact assessment enabled us to build a cross-functional strategic program that is also aligned with a number of the COP15 commitments.*

*Every Seppic employee now knows how his or her actions contribute to reducing the impact of Seppic's operations on biodiversity.*





REDUCE THE PRESSURES ON BIODIVERSITY  
GENERATED BY OUR SOURCING ACTIVITIES



More than half of Seppic's raw materials are from plant origins. This underscores the importance for Seppic to ensure that sourcing methods are respectful of biodiversity.

As part of its sustainable sourcing strategy, Seppic ensures that its suppliers take into account not only biodiversity concerns but also the social and environmental issues related to cultivation and harvesting in the wild, thus enabling a more sustainable selection of raw materials and long-term sourcing. To this end, Seppic is committed first and foremost to respecting regulations pertaining to biodiversity, but also to voluntarily adhering to sustainability standards such as the Roundtable for Sustainable Palm Oil (RSPO) or

the Union for Ethical Biotrade (UEBT) in order to guarantee good harvesting practices and prevent deforestation. Another essential element of this pillar of Seppic's biodiversity program is the business's commitment to developing a database of its raw materials in order to enhance the transparency of its supply chain. These actions are in line with COP15 targets 4 and 5 in particular.

Indeed, our UEBT membership and commitments to ethical sourcing are aligned with the use of sustainable resource management practices, ensuring that the harvesting and trade of wild plant species is sustainable, safe, and compliant with regulations by preventing overexploitation and minimizing impacts on ecosystems.

COMPLYING WITH BIODIVERSITY  
REGULATIONS

Seppic complies with biodiversity regulations in the countries where it accesses genetic resources and their derivatives, as well as with the principles of the Convention on Biological Diversity and the Nagoya Protocol relating to access to genetic resources and the sharing of benefits arising from their use, which also meets the requirements of COP15 targets 9 and 13. Seppic constantly monitors the evolution of the relevant regulatory frameworks and the status of the plant and marine species used in relation to the CITES and IUCN lists of threatened and endangered species. An internal validation process with a steering committee has been set up to ensure that the raw materials used comply with the Nagoya Protocol and the relevant national legislation.

EUROPEAN UNION REGULATIONS ON  
IMPORTED DEFORESTATION

The exploitation, cultivation or breeding of cattle, cocoa, coffee, soya, wood, rubber, printed paper, palm oil, and derivatives are held responsible for most deforestation in tropical zones. The European Union defines deforestation as the conversion of forests and primary forests into plantation forests, as defined by the Food and Agriculture Organization (FAO). The European Parliament has adopted new legislation to combat imported deforestation: businesses based in the European Union (EU) will be required to demonstrate that the raw materials they import into the EU do not contribute to deforestation. Concretely, Seppic must demonstrate that palm derivatives imported into the EU after december 2024 did not contribute to deforestation after December 31, 2020.



JÉRÔME LOEUIL CSR Manager

*To prepare for changes in European regulations through a joint approach within the cosmetics industry, Seppic is working on several fronts:*

- Seppic is a "Lead Member" of ASD (representing the flow of 1 million tonnes of palm derivatives from RSPO member businesses in the cosmetics sector) to reinforce the RSPO Mass Balance model. RSPO Mass Balance certification, based on a volume equivalent system rather than on the physical flow of raw materials, does not meet the requirements of the law as it now stands. The challenge lies in adjusting the standard RSPO Principles and Criteria for plantations as well as the reporting and verification procedures concerning: the geo-location of plantations, the legal or jurisdictional description of plantations, and data collection on plantations.
- Seppic is a member of the "No Deforestation Joint Steering Group - RSPO," a group of RSPO member stakeholders working to define the best levers for change to adapt the standard to the legal requirements.
- Seppic is helping to fund a satellite-mapped verification approach for each mill in the period since 2020. Cases of suspected or proven deforestation, as well as cases of human rights abuses, trigger the launch of an infringement procedure, inviting our suppliers to investigate and carefully select mills in the supply chain.



## FOR A SUSTAINABLE ALGAE AND PLANT INDUSTRY



As part of its sustainable sourcing strategy, Seppic ensures that its suppliers take into account not only biodiversity issues but also social and environmental issues related to cultivation and harvesting in the wild. Seppic's commitment to ethical sourcing practices is reinforced by its membership in the UEBT.

**The Lons (2008) and Pontrieux (2021) facilities are members of the UEBT and are committed to “Sourcing with respect®”.**

Seppic, at its Pontrieux facility, favors local and sustainable sourcing for its shoreline algae resources. Harvesting on the foreshore is done by hand at low tide by harvesters and at sea by seaweed harvesters who use techniques adapted to each species. These techniques ensure the preservation of the resource. Shoreline harvesters and seaweed harvesters are licensed and the harvest is regulated by the French authorities, who issue and manage permits and set the harvesting period.

The Lons facility is specialized in active ingredients from plants harvested in Madagascar. Seppic Lons has developed a responsible supply chain in Madagascar over the last 20 years.

Collection best practice and awareness programs have been put into place to preserve species renewal. The exact volume of plants is ordered

annually prior to the start of the harvest season to allow for reasonable quantities to be collected.

In Madagascar, Seppic is committed to sharing benefits and empowering local partners, in line with COP15 targets 13 and 20. Not only does the business finance community development projects, such as building schools and setting up health initiatives, it has also entered into a research partnership with the local university. Since 2003, Seppic has also been helping its Madagascan industrial partner to enhance its expertise through the transfer of knowledge and know-how around quality control and technology transfer.



By 2025, **100% of Seppic's new cosmetic, pharmaceutical, and nutraceutical ingredients** manufactured in the Lons & Pontrieux industrial facilities will be sourced according to its **Ethical Sourcing System\***.

\*Ethical Sourcing System: a set of policies and procedures that promote Ethical BioTrade practices. The in-house manufacturing and corresponding supply chains that are outsourced to Lons and Pontrieux for a third party are excluded from the scope of the Ethical Sourcing System. Biotechnological ingredients manufactured at Pontrieux are excluded from the scope of the UEBT membership.

## FOR A MORE SUSTAINABLE PALM OIL INDUSTRY

The palm industry plays an essential role in the production of Seppic's bio-based ingredients. Indeed, palm oil derivatives account for almost half (40%) of the volume of plant-based inputs used at Seppic.

Although palm oil is highly productive per hectare when compared to other vegetable oils, unsustainable palm cultivation can damage forests and endanger communities and wildlife.

This is why Seppic is committed to converting the palm oil industry into a sustainable sector, with the aim of combating deforestation and upholding human rights.



### RSPO-CERTIFIED PALM INPUTS

Since 2010, Seppic has been a member of the **Roundtable for Sustainable Palm Oil (RSPO)**, whose objective is to transform the palm oil industry into a sustainable sector. Seppic is committed to ensuring that all its palm oil derivatives are certified as sustainable according to RSPO criteria.

The **“RSPO Mass Balance” certification** demonstrates Seppic's commitment to issues such as zero deforestation, protection of peatlands, and positive socio-economic impact on communities.



**Seppic is pursuing its objective of having 100% of incoming raw materials be “RSPO Mass Balance” certified by 2025.**

# 100%

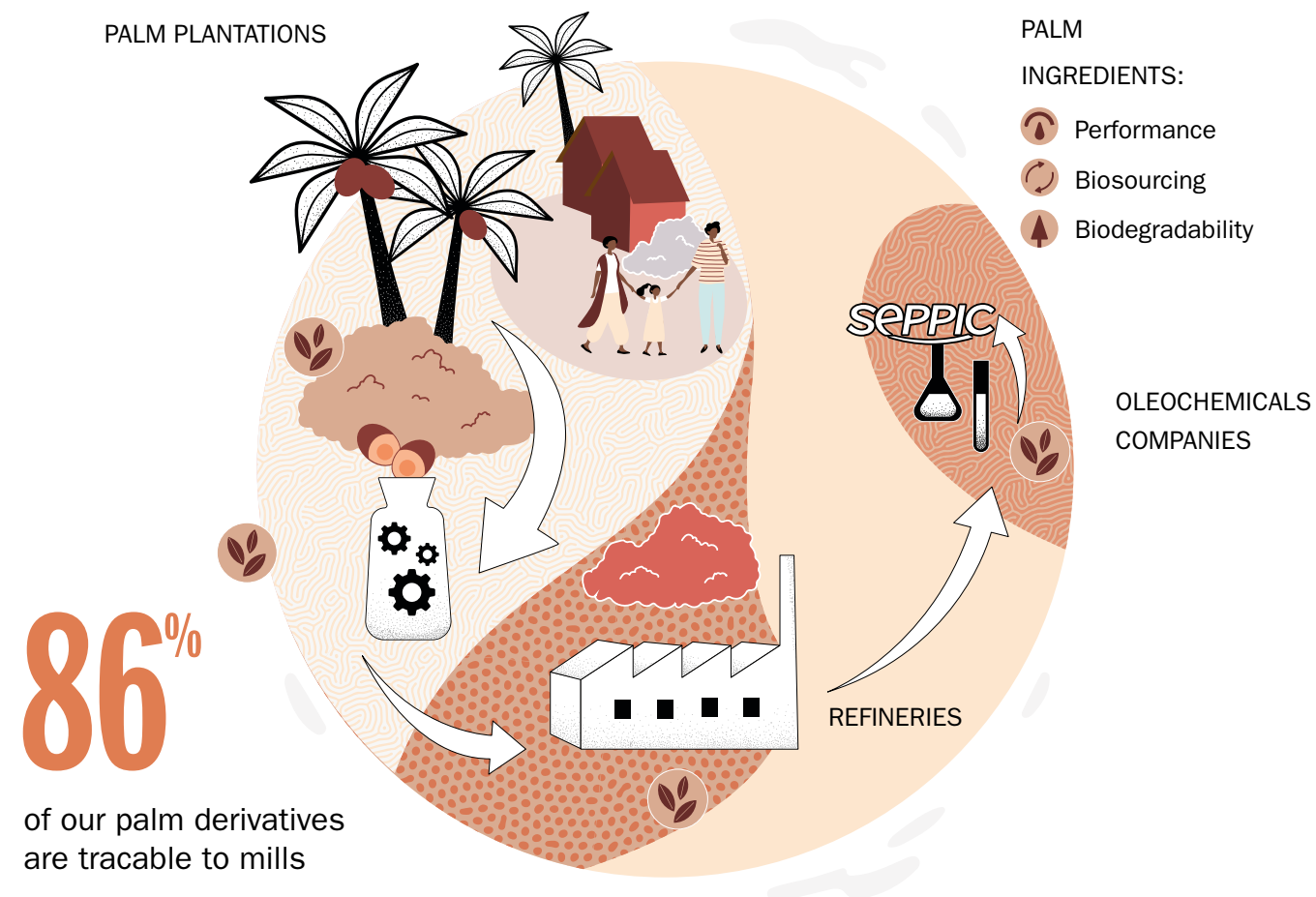
By 2022, **100% of incoming palm volumes were RSPO certified**, including **85% as “Mass Balance”** (98% in 2021) **and 15% as “Book & Claim”** (2% in 2021). Faced with a disruption in the market for “Mass Balance RSPO” certified palm derivatives due to supply chain challenges in 2022, **Seppic turned to the purchase of “Mass Balance ISCC+” certified palm derivatives for 12% of its supply volume**, to continue to uphold good social and environmental practices and ensure greater sustainability in its supply chain.



## TRANSPARENCY, SOCIAL RIGHTS AND THE FIGHT AGAINST DEFORESTATION

The palm supply chain linking Seppic to plantations comprises several links, which complicates the traceability of supplies. Seppic therefore joined the ASD (Action for Sustainable Derivatives) initiative in 2019, in order to pool traceability efforts while also carrying out on-the-ground initiatives alongside other businesses. Thus, since 2019, Seppic has carried out an annual transparency survey all the way to mills and plantations with the help of the ASD collective. For its 2021 supply base, **Seppic was able to trace 86% of its palm oil derivatives to mills and 43% to plantations.**

Committed to promoting human rights and combating deforestation in the palm industry, Seppic has signed the **NDPE principles** (No Deforestation, No Peat, No Exploitation) defended by ASD and set out its plan of action. It revolves around transparency, impact analysis, and on-the-ground projects to sustainably transform the palm industry.

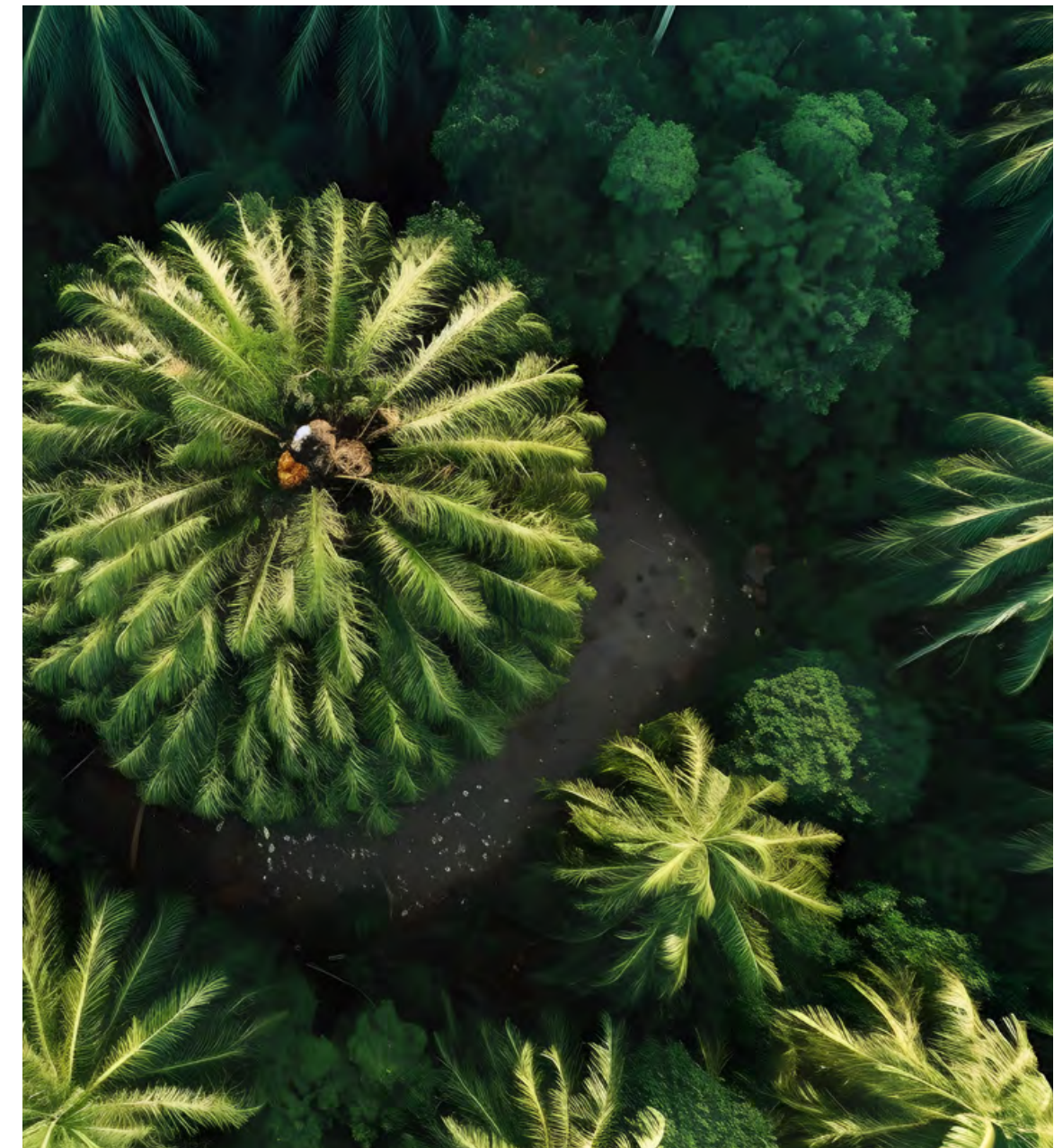


## SELF-EVALUATION DRIVES PROGRESS

Each year, Seppic completes a survey on its commitments, processes, and achievements toward a sustainable supply chain of palm derivatives, the Sustainable Palm Index (SPI). Once evaluated and verified by Transitions, this survey results in a score reflecting the level of sustainability of Seppic's palm sourcing practices.

**94**<sup>/100</sup>

**In 2021, Seppic achieved an SPI score of 94/100**, an improvement compared to 2020 (91/100).





## INTEGRATE BIODIVERSITY INTO OUR INDUSTRIAL PROCESSES AND FACILITIES

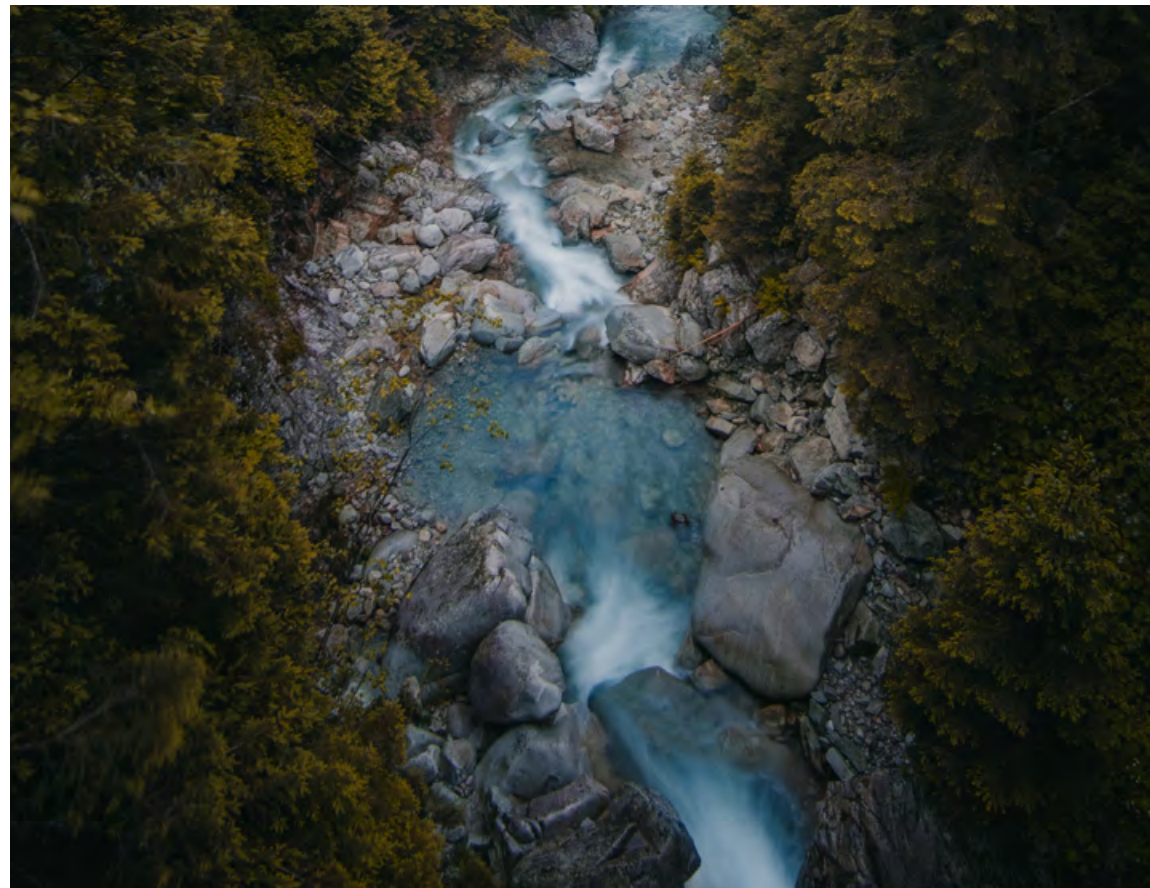


In order to address the impact of climate change on biodiversity, Seppic is committed to improving the efficiency of its production facilities by reducing their water and energy consumption.

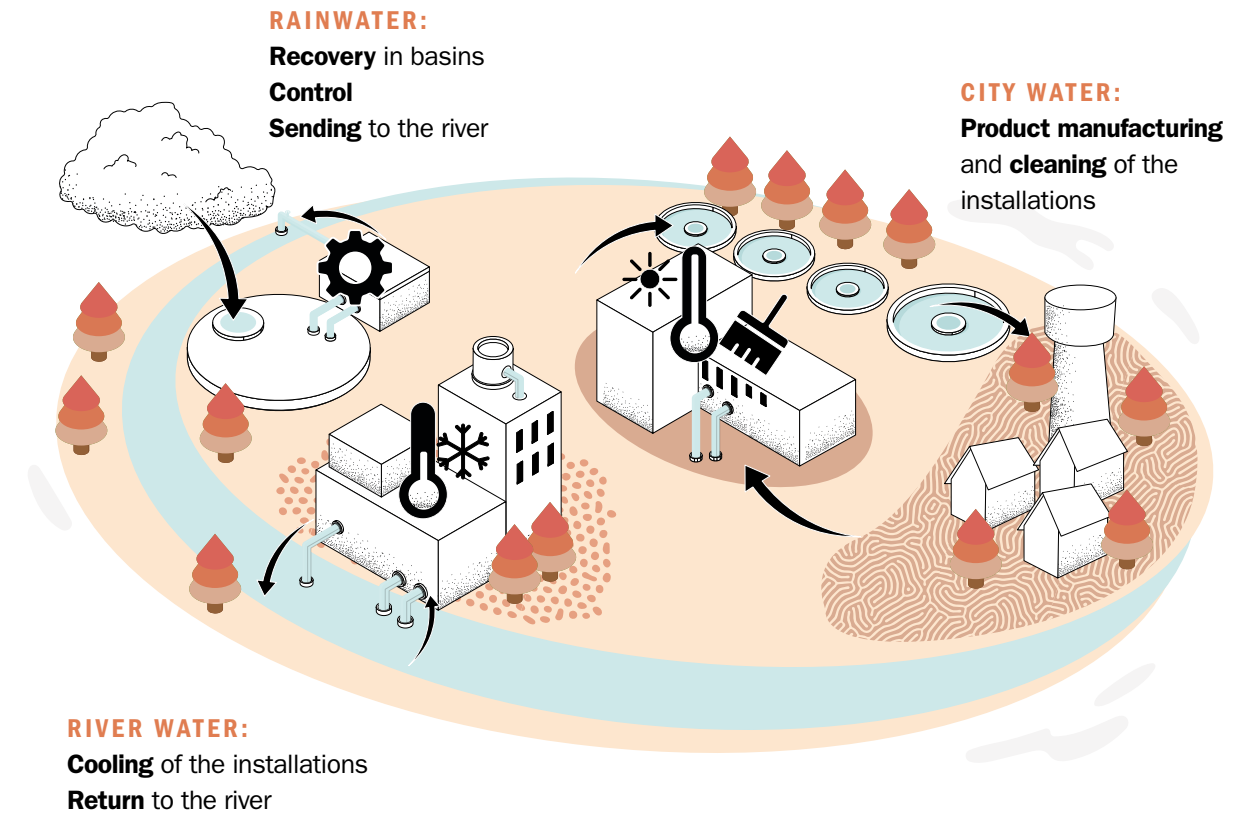
These steps are in line with the business's continuity plan and the facilities' **Internal Operation Plans** (IOPs), and are also part of an overall effort to adapt to and reduce the physical risks associated with climatic hazards. These measures are in line with COP15 target 8.

Furthermore, in line with its actions to address the impact of climate change on biodiversity, Seppic is committed to limiting the pollution risks associated with its activities by **improving its waste management in line with COP15 target**.

Finally, in the medium term, the business plans to develop a **species management plan** at some of its facilities, to reinforce its strategy of biodiversity preservation.



## WATER MANAGEMENT



The Castres facility accounts for the majority of Seppic's water consumption. Water is used in the manufacturing of ingredients, the cooling of installations and sanitary use. This water used for cooling comes primarily from the town and the Agout river. In recent years, the Castres facility has taken steps to reduce water consumption.

In 2022, by expanding to additional units the use of steam to wash tanks initiated in 2021, we **saved around 97% of municipal water** compared with conventional tank washing. In 2021, the installation of automatic valves on various production equipment, combined with the substitution of municipal water with river water in a closed circuit launched in 2022, resulted in a **saving of around 5% of municipal water over the course of the year**.

**80%** After a pilot phase on a facility unit starting in 2022, **Cleaning In Place (CIP)** combined with washing balls not only saves water but also saves energy. Compared with conventional washing, the **estimated saving in municipal water is around 80% for every wash**. The system is now being deployed across the company's other facilities.



In the present context of current water scarcity, Seppic Castres is committed to **reducing its consumption of mains water by 20% and river water by 25%** by the end of 2026.



## ENERGY MANAGEMENT

Seppic is committed to reducing the energy consumption of its **industrial operations and facilities**, and consequently its CO<sub>2</sub> emissions. Seppic has set quantitative targets and is taking action to reduce emissions, as described in the "Climate strategy" section of this report.

## PRODUCTION WASTE MANAGEMENT

In line with a circular economy approach, Seppic's Castres facility is committed to recycling or recovering energy from production waste, mainly chemical, plastic, metal, and solvent waste. **Seppic Castres aims to recover over 95% of its production waste annually.**



**97%** In 2022, Seppic's Castres facility, which has ISO 14001 certification and a waste management program, **recycled and recovered energy from 97% of its waste**, compared with 96% in 2021.

Plastic and metal waste, as well as some solvents, are **recycled**, while products with a high calorific value are recovered for energy purposes. **No waste is sent to landfill.**

## ALGAE MANAGEMENT AND RECOVERY AT THE PONTRIEUX FACILITY

The active ingredients at the Pontrieux facility are derived from local algae and marine plants. At the end of the manufacturing process, plant waste is recycled through **bio-methanization**.



## CONTROL THE IMPACTS OF PRODUCTS THROUGHOUT THEIR LIFE CYCLE

Seppic accords great significance to maintaining biodiversity in its Research and Innovation projects, with a firm commitment to designing products with minimal environmental impact. This means controlling the environmental impact of products from their inception to their end-of-life. This is why Seppic invests not only in the development of environmentally-friendly technologies, but also in an eco-design approach to measuring the environmental impact of new developments and existing products, so as to identify areas for improvement and design more environmentally-friendly ingredients.



## ENGAGE AND EMPOWER OUR STAKEHOLDERS IN SUPPORT OF BIODIVERSITY



**Seppic's goal is to raise its employees' awareness of the importance of biodiversity and involve all its stakeholders in its commitment to preserving it.**

As a member of the RSPO and UEBT, Seppic is committed to prioritizing respect for biodiversity throughout its value chain. To this end, Seppic requires its raw plant material suppliers to adopt eco-friendly practices and limit pollution risks, in line with COP15 targets 7 and 10.



### In 2022, Seppic supported a number of projects to preserve biodiversity:

#### | RÉCIFS GOËLO

Seppic Pontrieux lent its support to the RÉCIFS GOËLO association as part of a project to immerse ecological artificial reefs off the coast of Plouézec. The project will help preserve the marine ecosystem and raise awareness of the

fragility of the marine and coastal environment. It meets Seppic's objective to **develop a local species management plan (biodiversity)** for each of its facilities.

#### | KALEKA

Seppic has been committed to responsible palm sourcing for many years. In particular, it supports growers in taking biodiversity into account in their operations. This is precisely why, in 2022, Seppic joined forces with five other businesses in the Action for Sustainable Derivatives (ASD) collective to invest in a fund to support the Kaleka project.

Scheduled to last 5 years, KALEKA aims to **sustainably restore production areas** and **stimulate economic growth** in two of Indonesia's most important palm-producing regions, in Central Kalimantan. The project is

based on a three-pronged approach: encouraging local communities to protect the natural forests in their villages, providing technical support for small farmers' regenerative farming practices, and maintaining their RSPO certification. Projects on the ground began in September 2022. To date, these include:

- training producers in RSPO certification and in restoration methods,
- equipping producers with mapping tools,
- supplying high-quality palm seedlings,
- outlining good farming practices to avoid slash-and-burn.

#### | SAHARITRA

The SAHARITRA project aims to **empower the Ambohidray community** and **diversify its food resources** by rehabilitating and expanding its communal garden. The project's ambition is to guide coal-mining communities towards new, sustainable sources of income, while fostering

education for the next generation.

In 2022, a water supply system was implemented on site; this will enable the irrigation of the planned 2023 plantations.

This project simultaneously addresses environmental, social and economic issues.

#### | PLANT-A-TREE

In support of NParks' OneMillionTrees movement, which aims to transform Singapore into a natural city by 2030, the local Seppic team in Singapore took part in the Cosmetic, Toiletry, and Fragrance Association of Singapore's (CTFAS)

"Plant-A-Tree" donation campaign.

**The team planted seven trees of five different species** at Chestnut Nature Park on April 20, 2022, demonstrating Seppic's commitment to the environment and biodiversity.



# TAKING ACTION FOR CLIMATE

In many respects, climate change is leading to the intensification of a number of natural disasters (floods, heat waves, precipitation, violent winds, etc.). These phenomena can have an impact on the links in Seppic's supply chain. That's why taking action to protect the climate poses a key challenge and lies at the heart of our CSR strategy.

Seppic's actions are in line with Air Liquide's climate strategy. In 2021, Air Liquide strengthened its commitment to the climate and set a goal to begin reducing its emissions in absolute values around 2025 and to reduce its emissions by 33% by 2035 (vs. 2020). The Group's objective is to move toward carbon neutrality by 2050.

Since 2011, Seppic has conducted an annual Carbon Footprint Assessment for all its facilities in France and globally, in order to prioritize initiatives to reduce its carbon footprint. Since 2021, this reporting has been based on the GreenHouse Gas Protocol.

## OBJECTIVES AND PLAN OF ACTION



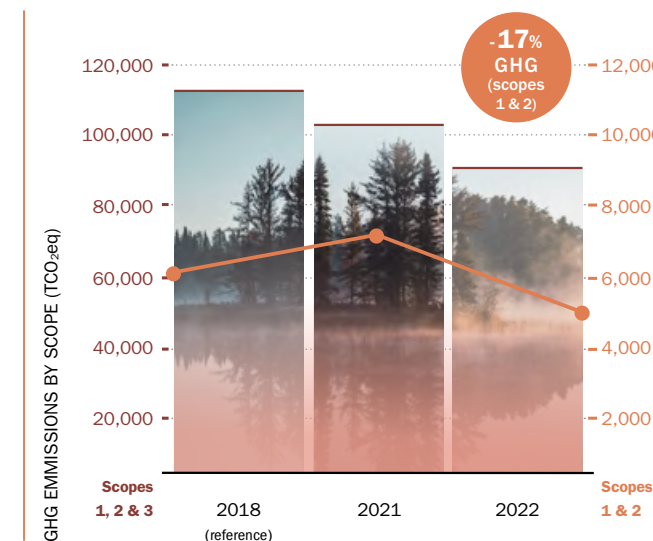
**Seppic has set an ambitious target to reduce its greenhouse gas emissions.**

Scopes 1 and 2, the business aims to **reduce its emissions by 50% in absolute terms** by 2030 compared with 2018. To reach this target, Seppic has committed to **achieving 95% renewable electricity** on its facilities by 2025 (reached in 2022), to **using 100% bio-gas** on all its French facilities in lieu of natural gas, and to optimizing its processes and equipment.

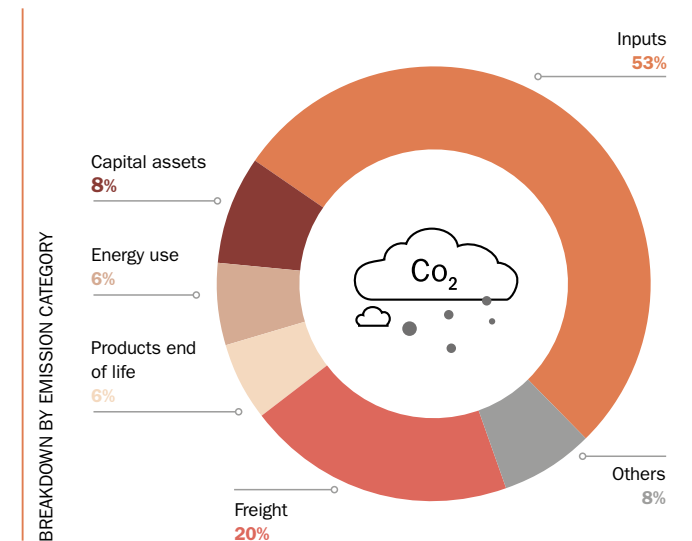
With regard to Scope 3, Seppic has adopted a strategy based primarily on sourcing raw materials that emit less CO<sub>2</sub>, optimizing transport, and reducing its products' impact. **Seppic committed to calculating the carbon impact of Seppic-branded products by the end of 2025.**

## A BREAKDOWN OF OUR GREENHOUSE GAS EMISSIONS

EVOLUTION OF OUR GREENHOUSE GAS (GHG) EMISSIONS, 2018 - 2022 PERIOD:



DISTRIBUTION OF OUR GREENHOUSE GAS EMISSIONS, TOTAL EMISSIONS IN 2022:



**17%** In 2022, the initiatives Seppic implemented reduced **Scopes 1 and 2 greenhouse gas emissions by 17% compared with 2018**. In the same period, supply difficulties, container shortages, and severe shipping disruptions in Asia required that we resort to air freight to ship our products to China, which negatively impacted our Scope 3 greenhouse gas emissions. As a result, we have introduced ambitious steps and targets for 2023 to return to our absolute emissions reduction trajectory compared with 2018.

## ENERGY EFFICIENCY

At its Castres facility, Seppic monitors energy consumption and conducts energy audits to identify reduction targets.

Over the course of 2022, Seppic undertook a number of energy-saving measures, including replacing traditional lighting fixtures with LEDs, which led to a **5% reduction in the facility's electricity consumption**. Additionally, Seppic successfully **reduced its energy consumption associated with cleaning processes** by implementing production campaigns to group together runs of the same product, thus avoiding cleaning between each cycle.

Furthermore, the Pontrieux facility is in the process of deploying LED lighting throughout its installations, which will contribute to greater energy efficiency.

**95%** In 2022, Seppic reached **50% of bio-gas use** at all its French facilities and **95% of renewable electricity worldwide**.



### CHARLES-HENRI DES VILLETES Vice-President of DE Biogas Solutions & Chairman of ALBGI · FRANCE

*Air Liquide Biogas Solutions supports Seppic in its energy transition using biomethane. This renewable energy helps decarbonize processes for industrial customers, including Air Liquide Group entities! The biomethane used in this partnership comes from a production unit in France that recovers agricultural waste and waste from the agro-food industry.*

*We are proud to contribute to the evolution of a low-carbon society, thanks to our biomethane production capacity of 1.7TWh in 2023, spread across 25 units worldwide.*



### LED LIGHTING PROJECT

Continuously reducing the environmental footprint of our operations is at the heart of Seppic's CSR strategy. Replicating projects that have already been implemented within the Air Liquide group, this project was born of the ambition to reduce the facility's electricity consumption, while maintaining the intensity of lighting and improving longevity. Specifically, this involved replacing 1,370 bulbs with LEDs, following a preliminary study that took into account safety issues, notably the Seveso status of the facility. **The project resulted in a 58% saving on the annual consumption of the replaced bulbs, and an overall saving of 5% on the facility's electricity consumption.**

58%

### LOWER-EMISSION RAW MATERIALS

By supporting the procurement of certified raw materials and participating in projects to encourage responsible agricultural practices throughout its supply chain, Seppic demonstrates its commitment to responsible raw materials with a reasonable carbon footprint. Additionally, Seppic is pursuing an innovative approach to increase the use of bio-sourced raw materials, replacing oil-sourced raw materials, which emit more CO<sub>2</sub>.

### TRANSPORT OPTIMIZATION

To reduce the impact of transport on air quality and global warming, Seppic is focusing its efforts on **local sourcing** and the **optimization of all freight flows**, both to customers and between the various Seppic entities. This involves shifting modes of transport, favoring sea freight over air freight, modifying packaging to better manage truck filling, and reducing journeys, particularly among Seppic entities.

When it comes to employee mobility, Seppic complies with regulations and encourages the use of soft mobility, while discouraging business travel by air over short distances where an alternative exists. This approach is reinforced by a **company-wide agreement on sustainable mobility**.

### RESPONSIBLE DIGITAL TECHNOLOGY

The digital sector is the fourth largest source of greenhouse gas emissions in France. Seppic is increasing employee awareness of the environmental challenges posed by digital technology and is taking steps to reduce its digital footprint. One example is the digital challenge organized in 2022 to encourage employees to clean up their e-mail inboxes and archives.

Since 2022, Seppic has also been working with **Emmaüs Connect**, an organization that aims to reduce the digital divide in France by providing underserved communities with computer access. In 2022, Seppic donated 80 laptops to Emmaüs Connect to give them a second life. This is part of an initiative to extend the lifespan of electronic devices through reuse.



## ECO-DESIGN AT SEPPIC

For Seppic, eco-design is a business project aiming to help all teams systematically integrate environmental aspects into the design and development of ingredients and to find the best balance between environmental, social, technical, and economic requirements.

To this end, Seppic has created a tool measuring the environmental impact of an ingredient in terms of carbon emissions, water consumption, or waste throughout its life cycle - from raw materials to end of lifecycle, inclusive of production and transportation. Thanks to this eco-design approach, our researchers are able to compare the environmental impact of different manufacturing stages, or of two manufacturing processes for an ingredient, in order to define and implement more precise and effective reduction measures.



**Starting in 2024, 100% of new products launched by Seppic will be developed using this eco-design approach.**



## RAW MATERIALS

Eco-design at Seppic plays a critical role in the selection and sourcing of raw materials. As described above, using RSPO-certified raw materials and joining the UEBT to minimize our environmental footprint are part of this eco-design approach

## ECO-FRIENDLY PROCESSES AND TECHNOLOGIES

### ECO-FRIENDLY MANUFACTURING AT SEPPIC & CUSTOMER

Lower consumption of energy, water,  
lower waste, CO<sub>2</sub> emission



### A KEY FUNCTION THAT IMPROVES HEALTH



**REDUCTION OF  
PRODUCT IMPACTS  
ALONG THE VALUE  
CHAIN**

### RENEWABLE RAW MATERIALS

Bio-sourcing, bio-based chemistry,  
sustainable of procurement



### ECO-FRIENDLY AT END OF LIFE

Lower environmental toxicity,  
biodegradability

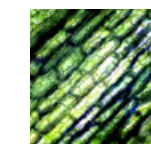


Seppic strives to reduce the environmental impact of its ingredient manufacturing processes by applying the **principles of green chemistry**. To this end, ingredient packaging solutions are also developed to reduce environmental impact.

Seppic also continues investment in its portfolio of **environmentally-friendly technologies**:



**Sugar chemistry** makes it possible to create **ingredients from renewable resources** based on the 12 principles of green chemistry. The emulsifiers in the **MONTANOV™** range, the active ingredient **AQUAXYL™** and the hydrotrope **SIMULSOL™ SL 7 G** are all derived from this process.



The **CELTOSOME™** and **CELEBRITY™** **marine biotechnologies**, which Seppic developed to create active cosmetic ingredients, make it possible to preserve marine resources while exploring their full potential by cultivating dedifferentiated cells from marine plants or macroalgae in bioreactors.



**Plant extraction**, used on terrestrial plants such as Centella asiatica or on seaweeds or marine plants, allows us to create effective active ingredients that are environmentally and socially friendly. Our facilities in Lons and Pontrieux have expertise in both plant sourcing and plant extraction.



**Health technologies:** Seppic creates ingredients dedicated to human and animal health by using technologies for health: formulation, vaccine adjuvants, and film-coating excipients.



### PRODUCT USE AT CUSTOMER SITES

To reduce the environmental impact for customers during ingredient integration, Seppic has a selection of ingredients that enable formulas to be produced using a cold process, saving time and energy.

**Seppic believes its solutions could help formulators achieve energy savings of up to 93%, contingent upon their installations, equipment and formulas.**

### PRODUCT END-OF-LIFE

Seppic's ingredients are used in the composition of finished products whose end-of-life impact must be taken into account from the very beginning of the ingredient's design, particularly in terms of biodegradability and ecotoxicity.

The end-of-life cycle implications for ingredients depend on their use:

- For **topical uses**, particularly cosmetics, and for **performance materials** (e.g. detergents), the ingredients that make up the end products may end up in the water and thus impact aquatic ecosystems.
- In the **dietary supplement, veterinary vaccine**, as well as **oral and injectable pharmaceutical fields**, the final products are administered to the human or animal body and biodegradability is not as critical.

Within the framework of European (**REACH**) and non-European regulations, biodegradability and ecotoxicity tests for aquatic environments can be performed on products. Laboratory tests are used to study the eventual fate of substances in the environment via studies which assess their persistence (ultimate biodegradability) and studies which assess their bioaccumulation.

In assessing the biodegradability of its products, Seppic follows **OECD** (Organization for Economic Cooperation and Development) guidelines. Our approach is to first test products for ready biodegradability (OECD 301 methods). If the results of the first evaluation show that the product is not readily biodegradable, an evaluation of the intrinsic biodegradability is conducted (OECD 302 methods).



# 03

## BUILDING SUSTAINABLE RELATIONSHIPS WITH OUR STAKEHOLDERS



### CARING FOR OUR STAKEHOLDERS

Seppic acts locally and globally to create trust-based relationships with its stakeholders, and to develop a collective commitment to serve local communities and the environment.





# CARRYING OUT OUR ACTIVITIES WITH THE HIGHEST ETHICAL STANDARDS

Ethics and compliance are essential to ensuring sustainable and profitable business development. In addition to complying with regulations in the countries where Seppic operates, the business also promotes a culture of integrity and transparency.

## SEPPIC CODE OF CONDUCT

The [Air Liquide Group's Code of Conduct](#), which applies to Seppic, was updated in 2022. It replaces the key concepts of the Code of Conduct published in 2007 and the Anti-corruption Code of Conduct published in 2009. It is an enriched and more easily consultable document which takes into account the latest changes in regulations, best practices, and risk mapping.

The major thrusts of the code are covered in the following three chapters:

**"Act with consideration"**, which addresses topics related to the protection of people and property.

**"Act with integrity and transparency"**, which highlights expected behaviors in terms of preventing corruption, respecting antitrust rules, and providing transparent information to the public.

**"Act responsibly"**, which describes the Group's and its employees' commitments to protecting the environment and human rights, (child labor, forced labor, fair wages, discrimination, freedom of association as defined by the ILO, OECD, UN etc.), and their contribution to their communities.

The code illustrates the ethical rules to be respected as well as expected behavior. It also provides concrete examples of possible scenarios. The code can be consulted and downloaded from the Seppic intranet, and is available in **20 languages** to make it accessible to all Seppic employees.

The code of conduct is covered in an e-learning module that is completed annually by all employees. Participation in this module enables all employees to familiarize themselves with the main principles of the code of conduct through examples of concrete situations, to test their understanding with a questionnaire, and to confirm their knowledge of the code of conduct. An individual certificate of completion of the module is issued to all participants. Risk-exposed employees also follow annual e-learning modules which raise anti-corruption awareness and promote compliance with antitrust law.

**Seppic's objective is to train 100% of eligible employees each year on ethical training modules**, i.e. the code of conduct, and compliance with regulations on corruption and competition.



In 2022, Seppic achieved a completion rate of:

**97%** for the **e-learning**  
on the **code of conduct**

and

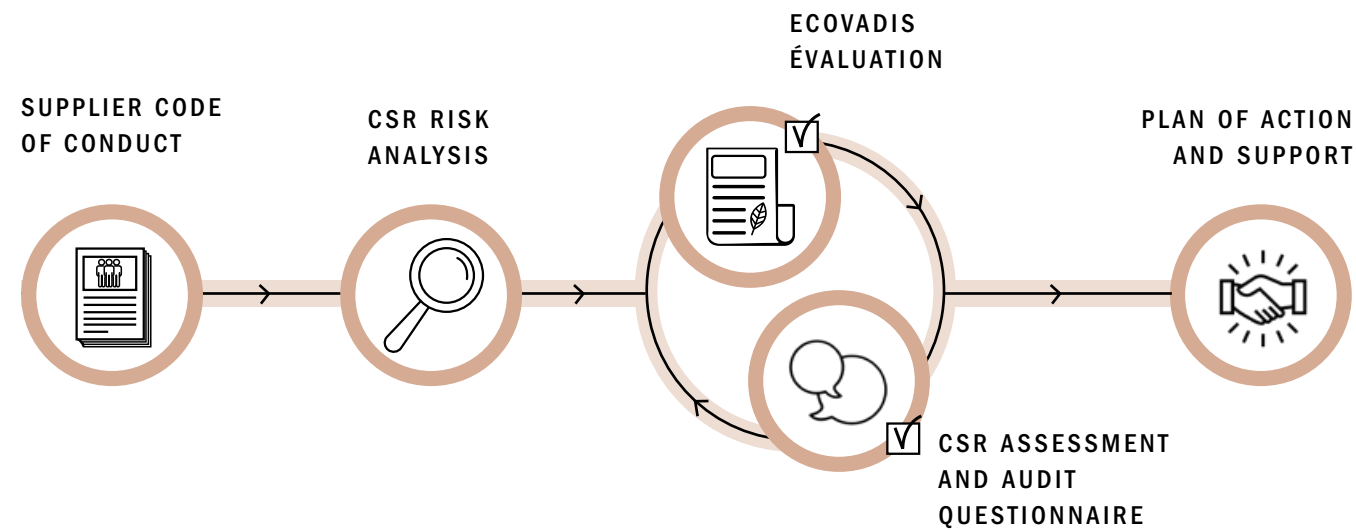
**99%** for the **anti-corruption**  
**policy.**

## ALERT SYSTEM

If an employee observes inappropriate behavior, they must report it to their manager, to Human Resources, or to the Air Liquide Group's Ethics Delegate. They may also use the anonymous external alert system, [Ethical](#).



## RESPONSIBLE PURCHASING POLICY



Seppic has established principles designed to ensure ethical and sustainable commercial relationships with its goods and services suppliers and subcontractors, in compliance with applicable laws and regulations, and with its commitments to corporate social responsibility (CSR).

These principles reflect Seppic's commitment to making every effort to prevent and reduce risks, as well as serious breaches and violations of ethical, environmental, and human rights standards associated with its operations, to optimize its positive impacts, and to do so throughout its value chain as part of a responsible purchasing approach.

To achieve this, Seppic includes a clause on compliance with the supplier code of conduct in all raw materials purchasing specifications as well as in all purchase orders and contracts. As a result, all Seppic suppliers are committed to complying with this code of conduct. In addition, Seppic carries out an annual risk analysis to identify critical suppliers. Some of them are monitored through their Ecovadis rating and others through our assessment surveys and CSR audits. Subsequent action plans are implemented to **support suppliers in their CSR efforts in order to promote a responsible supply chain.**

### SEPPIC'S SUPPLIER CODE OF CONDUCT

With our code of conduct, our suppliers commit to:

- **Respecting** human, labor, and other social rights.
- **Doing business ethically.**
- **Preserving the environment.**
- **Protecting resources**, notably data and information.



## DUTY OF DUE DILIGENCE

The Duty of Vigilance Act of 2017 requires parent companies of groups employing more than 5,000 employees in France or 10,000 employees in France and abroad, to establish and implement a Vigilance Plan to prevent risks to human rights and fundamental freedoms, the health and safety of people as well as the environment, in their operations as well as in those of their subsidiaries, suppliers and subcontractors. The Air Liquide Group complies with the law on by setting up a Vigilance Plan which covers all of its subsidiaries, including Seppic.



In preparation for the new European directive on the subject of sustainability (Corporate Sustainability Due Diligence), **in 2023, Seppic plans to carry out a "Duty of Vigilance" risk analysis linked to its activities in order to identify the key issues and better manage them.**

## INFORMATION PROTECTION AND DATA SECURITY

Data protection is an issue incorporated into Seppic's overall strategy and more generally into that of the Air Liquide Group. An awareness program on risks and best practices, carried out each quarter within the Group, warns employees of the risks they may encounter, with test phishing campaigns carried out several times a year.

Every year during the month of June, the **Information Protection Coordinator (IPC)** organizes workshops and demonstrations on cyber security issues. **Every other month, the IPC circulates the latest news and threats related to digital tools.**



# BUILDING RELATIONSHIPS BASED ON TRUST

Seppic is attentive to the needs of every stakeholder in its value chain - suppliers, customers, and users - and works alongside them to guarantee product quality and ensure the sustainability of everyone's operations.



## BEING CLOSE TO OUR CUSTOMERS

Seppic provides thoughtful services to over 7,000 customers, ranging from large multinationals to small local businesses, tailoring its offerings to meet the needs of each individual customer. This inclusive approach enables Seppic to make a collective commitment to promoting the health and well-being of all.

The proximity to its customers and the support that Seppic offers them are key to Seppic's value creation model. With a commercial presence in 13 countries, more than 21% of its employees are based outside France. Seppic is supported by a network of 63 distributors and has Technical Customer Service Centers in France, the United States, Brazil, China and, as of 2020, in India. Seppic offers its customers full support in the production of their products: transposition and formulation, technical and regulatory assistance, as well as practical training in all areas of ingredient application via the Sepischool.

To maintain contact and good business relations with its customers and partners in Asia, Seppic Asia organized, after a two-year hiatus, in-person events in Indonesia, Vietnam and South Korea in 2022. Feedback from our distributors and participants was very positive, and our teams were delighted to reconnect with them in person.

**Voice of customers**, a major listening and feedback initiative implemented by Seppic for its customers. As part of a continuous improvement approach, these customer satisfaction surveys carried out since 2016 help to assess customer satisfaction and introduce measures to more effectively meet their needs.

In October 2022, a new survey was launched for all Seppic customers in all markets. To boost the customer response rate, Seppic renewed its partnership with the **"Belle et bien" non-profit organization**, to which it donates 5 euros for every questionnaire completed by a customer. This action not only encourages customer participation but also supports an organization involved in the fight against cancer. Seppic in China also opted to make a donation to the **Adream Foundation association**, in line with its practice in previous years.

**8.5** /10 The survey results revealed a high customer satisfaction rate of 8.5/10, a loyalty rate of 100% and a Net Promoter Score of 50. Seppic's key strengths were described as the quality of its products, the quality of its customer relations, its technical and regulatory expertise, and its commitment to Corporate Social Responsibility (CSR).

To continue improving, Seppic is committed to enhancing its performance by continuing to improve complaints handling, communicating more effectively on delivery times and making greater use of digital tools to promote its products and their use.





## PROTECTING END-USER INTERESTS, BOTH CONSUMERS AND PATIENTS



Ingredients created by Seppic are found in products used every day by patients and consumers. Seppic guarantees that its ingredients are safe, through strict compliance with sectoral regulations (cosmetics, dietary supplements, pharmaceuticals, animal health, detergents, etc.) in France and in the countries where they are sold, through robust toxicological reports, and through its quality control system (see facility certifications on page 11).

Ingredients may also be subject to chemical regulations, which Seppic adheres to. For instance, Seppic complies with the European **REACH** (Registration, Evaluation, Authorisation and restriction of CHemicals) regulation and informs downstream actors of the risks involved in the use of the given ingredients. To this end, Seppic prepares and submits reports to the European Chemicals Agency (**ECHA**) in order to guarantee safe use of ingredients brought to market.

In addition to following applicable regulations, labels certifying, for instance, compliance with naturalness standards (**Ecocert**, **COSMOS**, **NATRUE**) or religious precepts (halal, kosher) are of particular interest to consumers. **In order to meet this expectation, Seppic certifies a large part of its ingredients.**

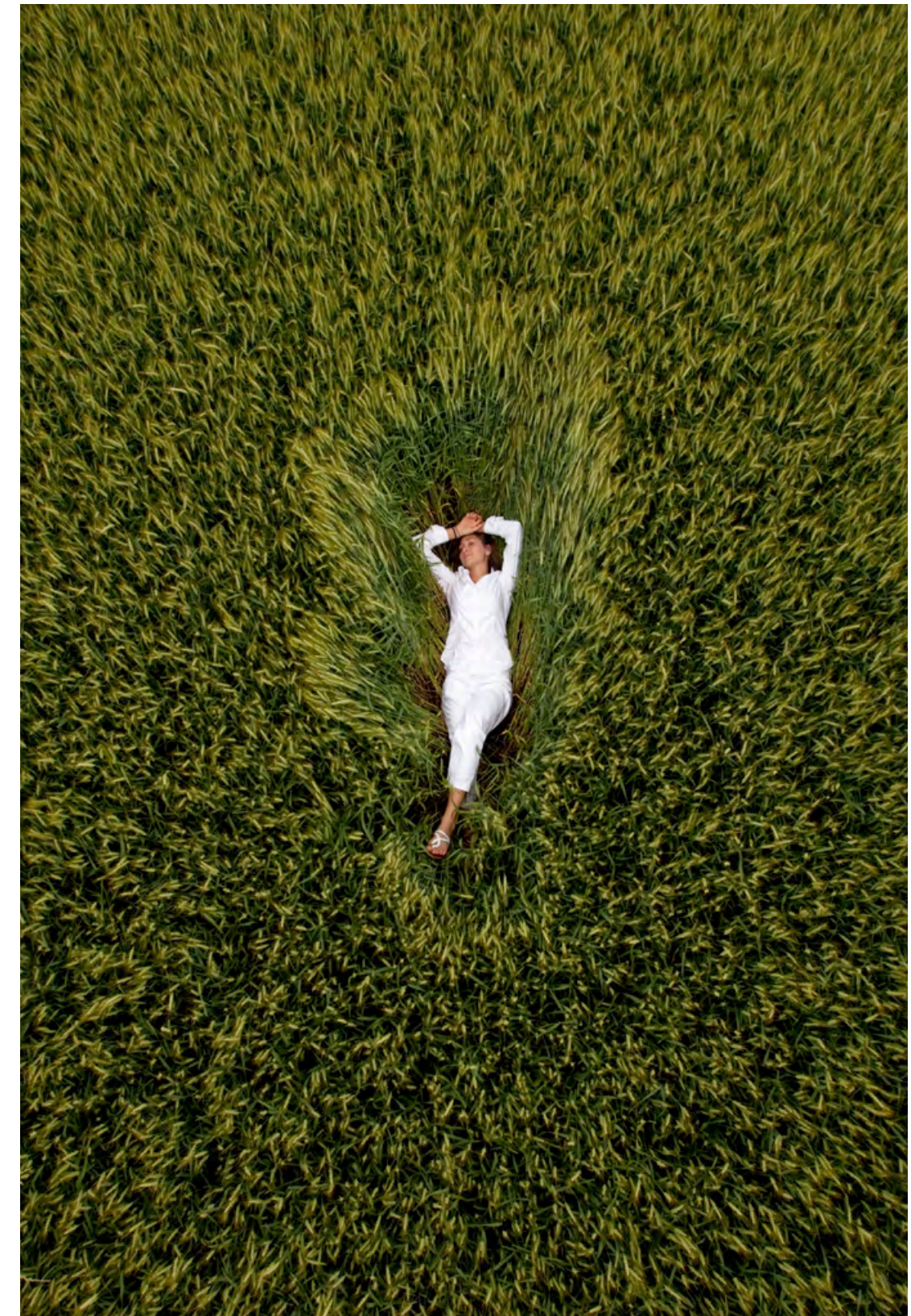
In 2022, in  
the Seppic  
catalogue:

**79** ingredients were  
**COSMOS** certified

**58** ingredients were  
**NATRUE** certified

**307** ingredients were  
Halal certified

Consumers are increasingly demanding transparency on the origin and geographic traceability of products they use in order to make informed choices. Seppic started a process to broaden the scope of information available on the origin of its ingredients. This approach requires working with suppliers to obtain relevant information and to develop internal information systems. This commitment is reflected in the online product catalog, with a search engine featuring CSR-oriented criteria to help Seppic customers choose their ingredients with complete clarity.





# CREATING SHARED VALUE

Seppic believes that creating shared value is a guarantee of sustainability and socio-economic development. Seppic relies on its teams and works with its external stakeholders, particularly suppliers, customers, NGOs, professional associations, and local players, to contribute to the revitalization and development of the areas in which it operates.

## PROMOTING ACCESS TO EMPLOYMENT AND EDUCATION

Each Seppic facility is integrated into the fabric of the local economy, from which it recruits its employees. With a legacy of 80 years in specialty chemistry, Seppic passes on its knowledge and passion to younger generations and promotes access to education and employment.

In 2022, Seppic recruited 135 people on permanent contracts and employed 25 interns, work-study students, and volunteers under the Volontariat International en Entreprise (VIE) program.

Seppic welcomes secondary school students to its Castres site every year. In 2022, some thirty students were welcomed on site.

In 2017, the site signed the "Entreprise and Neighborhood" charter and committed to welcoming trainees and jobseekers from under-resourced neighborhoods, to promoting jobs at school events, to advertising job openings and to reviewing applications submitted by the Pôle Emploi job organization and local agencies.

In addition, the Castres site regularly advertises its vacancies with Cap Emploi and on the **AGEFIPH** website, other job placement organizations.



## THE NON-GOVERNMENTAL ORGANIZATION (NGO), partner in MADAGASCAR

*Participating in the ongoing development of the communities we work with is a commitment we share with our partner Seppic. Seppic funds community development projects throughout our community. These projects mainly focus on health and education.*

*For instance, we have built classrooms that have really improved learning conditions in the area. In terms of health, we have built several medical centers, which has been a great relief for the local population.*

*For 2023, we plan to continue providing health care for pickers and their families. We are proud of giving back to the local communities.*



## ACTING WITHIN OUR COMMUNITY AND VALUE CHAIN

Beyond employment and education, Seppic contributes to the local economic fabric through the sourcing of its raw materials. The Pontrieux facility, located near the Bréhat Archipelago, favors Breton algae suppliers who comply with sustainability standards. Similarly, the Lons facility favors the use of plants harvested in Madagascar and has been working since 2003 to improve the living conditions of the communities in which the pickers live.

## SEPPIC LONS: A COLLECTIVE COMMITMENT TO SERVING COMMUNITIES IN MADAGASCAR



Seppic's facility in Lons is committed to supporting communities in Madagascar, with the help of its customers. In 2022, Seppic supported a school building project in Saharevo and a water supply project in Ambohidray. The continued commitment shown by the Lons facility between 2003 and 2022 has led to a number of achievements:



**130 +**  
classrooms and  
libraries built,  
accommodating  
3,900+ pupils



**170 +**  
teachers  
trained to enhance  
their teaching  
skills



**1,600 +**  
school supply  
kits and  
scholarships  
distributed



**+ over 2,000**  
pupils/year  
benefiting from  
nutritional  
programs



**7** health  
centers  
supported

The non-governmental organization (NGO) we work with in Madagascar has a robust methodology for identifying and prioritizing needs, and a rapid implementation rate that has enabled us to replicate this type of program for 20 years.



## OUR EMPLOYEES GET INVOLVED IN THE COMMUNITY



**Seppic's ambition is to become an even more inclusive, supportive, and responsible business.** To this end, each and every one of our employees is encouraged to propose local community outreach initiatives in support of a cause close to their hearts. As a result, each year we carry out numerous initiatives all over the world.

### IN THE UNITED STATES:

In October 2022, teams from Seppic Inc and the Sandston facility joined forces for cancer prevention by wearing pink clothing and accessories for a day. The aim was not only to **pay tribute to cancer victims** but also to promote screening and disseminate information as widely as possible.

Seppic employees at the Sandston facility also organized a **food drive** to support a local community in Virginia.

### IN SOUTH AMERICA:

Thanks to the collection of bottle tops, Seppic supports an organization that **helps abandoned animals** by providing them with food and medicine.

### IN ASIA:

Seppic teams often carry out local actions to support change-makers. In 2022, Seppic Singapore took part in the Cosmetic, Toiletry, and Fragrance Association of Singapore's (CTFAS) **"Plant-A-Tree"** donation campaign, as part of its 30<sup>th</sup> anniversary celebrations.

### IN GERMANY:

In 2022, Seppic supported the **Bunter Kreis** organization, as it has done since 2016, by

offering a day at a horse ranch to six children whose brother or sister was critically ill, to help bring a smile to their face. Seppic also sponsored a charity event.

### IN FRANCE:

With the launch of its Solidarity Commitment Platform in 2020, Seppic created a web portal gathering all the solidarity initiatives it supports throughout the year at the Castres, Paris, Lons and Pontrieux facilities. On this platform, each employee also has the opportunity to promote a cause close to their heart by involving all their colleagues.

- In 2022, Seppic had over a hundred employee contributors taking part in the **Micro-Donation** on Salary scheme. This program involves employees donating €1 to €5 of their paychecks to a charity. This donation is then doubled by Seppic.

- At the Paris facility, employees initiated a toy, book, and game drive in aid of the **"Rejoué"** organization.

- The Pontrieux facility continued its social commitment to the **Red Cross** by offering Christmas solidarity boxes to its beneficiaries. Employees organized a clothing drive (13 kg of various items) for the organization **"Association des Paralysés de France de Paimpol"**.





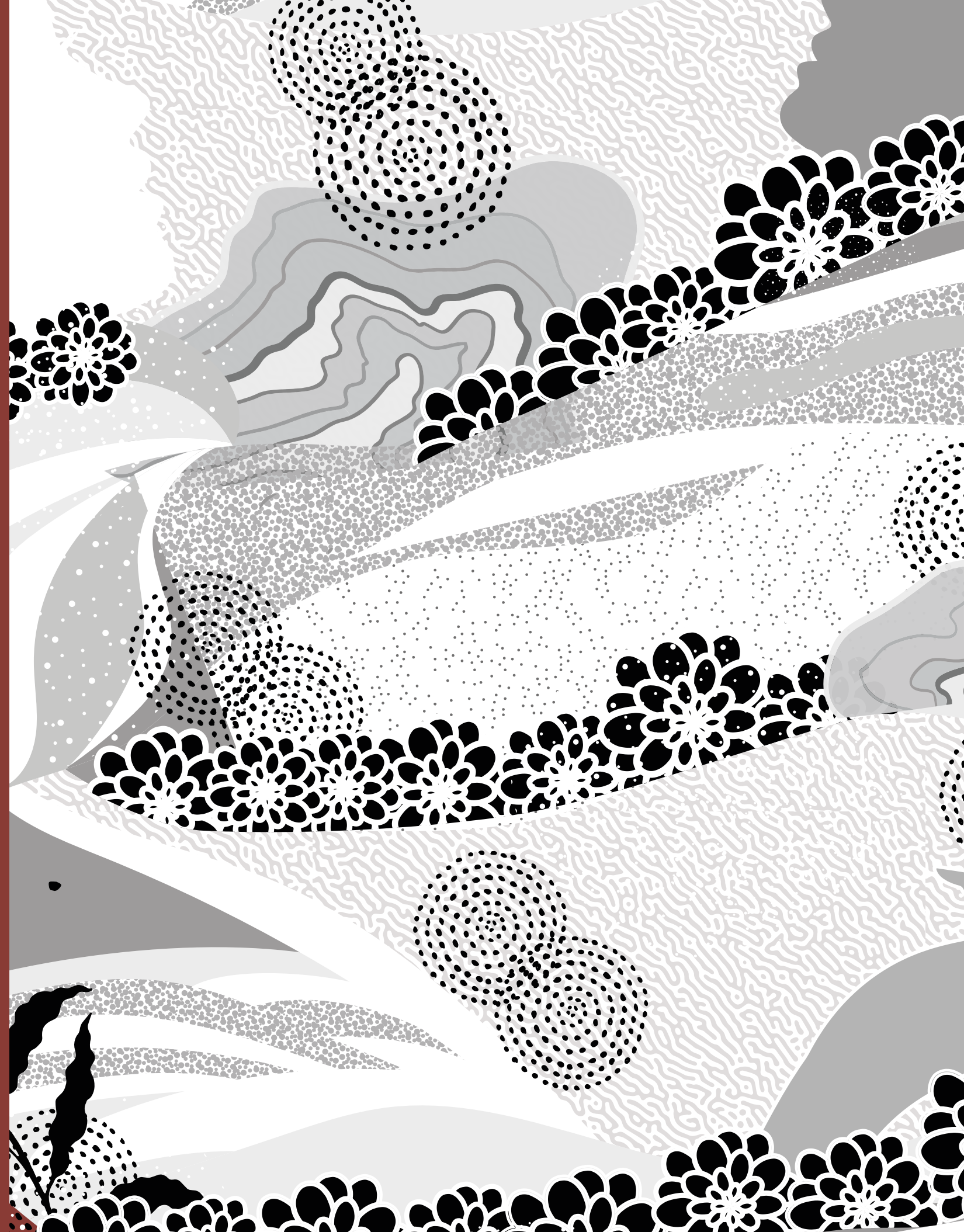
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## PERFORMANCE INDICATORS

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The results of our actions in the field of corporate social responsibility can be measured by non-financial performance indicators established at the global Seppic scale, and by ratings at Air Liquide Group level. Seppic is currently working on consolidating its indicators to establish new medium-term objectives.



A TEAM OF PASSIONATE PEOPLE		2020	2021	2022
EMPLOYMENT	Total workforce as of Dec. 31	812	832	882
	Workforce based in France as of Dec. 31	637	654	691
	Permanent contract hirings	75	68	135
	Turnover rate based on resignations	2.0%	3.9%	5.6%
	Number of trainees, work-study students and VIEs	23	46	25
HEALTH IN THE WORKPLACE	Number of work-related accidents with work interruption	10	7	4
	Rate of absenteeism	4.7% <sup>1</sup>	4.4% <sup>1</sup>	6.3% <sup>1</sup>
	Average number of training hours per employee per year	11.5	17.5	17.9
ASSOCIATES' PROFESSIONAL DEVELOPMENTS	Percentage of employees who have had a performance review meeting with their manager	79%	85%	84%
	Percentage of employees who have had a career development meeting with the HR Department	14%	22%	16%
WORK-LIFE BALANCE	Number of employees benefiting from a teleworking contract <sup>2</sup>	166	224	309
DIVERSITY AND EQUAL OPPORTUNITY	Share of employees based outside France	22%	21%	21.7%
	Percentage of women in the total workforce	45%	44%	44%
	Percentage of women in management	56%	55%	55%
	Hiring of young graduates	6	4	11
	Number of employees recognized as disabled workers	30	25	38
	Number of nationalities in the workforce	26	27	28

AIR LIQUIDE GROUP AND SEPPIC RATINGS FROM INDEPENDENT ORGANIZATIONS

AIR LIQUIDE GROUP

CDP A-  
MSCI A  
Ecovadis Gold  
Sustainalytics Low Risk  
ISS ESG C+

SEPPIC

FTSE4Good  
Moody's  
S&P Global CSA  
CHEMSCORE C+  
Corporate knights

Ecovadis PLATINUM  
  
SPI<sup>5</sup> Compliant  
  
UEBT audited  
(Lons and Pontrieux)

LIVING IN A HEALTHY ENVIRONMENT		2020	2021	2022
CLIMAT	Tons of CO <sub>2</sub> eq. emitted on scope 1 and 2 for Seppic as a whole	9,000	8,000	5,000
	Tons of CO <sub>2</sub> eq. emitted on scope 1, 2 and 3 for Seppic as a whole	101,000	103,000	116,000
BIODIVERSITY	Share of raw materials from plant origin	53%	54.4% <sup>3</sup>	50% <sup>3</sup>
	RSPO Book & Claim Certified Palm Derived Input Rates in palm equivalent	15.0%	2.0%	15.0%
	RSPO Mass Balance Certified Palm Derived Input Rates in palm equivalent	78.0%	98.0%	85.0%
	Wastewater from our manufacturing sites in m <sup>3</sup>	150,559	201,124 <sup>4</sup>	174,200
	Waste from our manufacturing sites, recycled or not, in metric tons [Integration of cardboard, plastic, iron and empty packaging]	2,779	2,836	2,220
BUILDING LONG-TERM RELATIONSHIPS WITH OUR STAKEHOLDERS		2020	2021	2022
AUDITS	Ecovadis grade	Gold	Platinum	Platinum
SUPPLY CHAINS	SPI score for sustainable palm	Compliant	Compliant	Compliant
ETHICS	Code of Conduct training completion rate	97%	97%	97%
ANTI CORRUPTION	Rate of completion for our anti-corruption e-learning module	100%	100%	99%

NOTES

<sup>1</sup> Increased paternity, parental and long-term sick leave.  
<sup>2</sup> In France, implementation of a business agreement formalized by an individual management memorandum.  
<sup>3</sup> Data includes trading products and subcontracted products.  
<sup>4</sup> Increase in organic growth of activities and the inclusion of Polykon Manufacturing.  
<sup>5</sup> Sustainable Palm Index, as per the methodology proposed by ASD (Action for Sustainable Derivatives).



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