



Our CSR initiatives **2021**





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Editorials

The strength of SILAB

You are about to discover the new edition of our annual CSR initiatives report, *Actively Caring*. I would like to emphasize that SILAB (*Société Industrielle Limousine d'Application Biologique*) has truly become a sustainable company for good, thanks to its employees and their mission mindset.

As you read through these pages, you will in fact notice that our values of independence, excellence, quality and humanism - which we so strongly claim - constitute a genuine corporate culture, testifying to a very high scientific and technical level, particularly recognized and praised by our customers. They are reflected, for example, in our requirements in terms of efficacy, safety and regulatory compliance of our products, which are systematically applied. We also find them in our attention to living beings, to limiting water consumption, to zero final waste policy, to reducing carbon footprint, to energy saving... all subjects in which we are deeply involved.

Beyond our activity, you will be able to assess our commitment in a completely different field, that of medical research. I am referring to the SILAB Foundation, of which we are very proud and whose purpose is to fund the scientific work of young researchers for three years (the duration of a thesis), which is often extended by joint work or even employment in our research laboratories.

Lastly, let us not forget our attachment to our territory. We are known or recognized as citizens of Brive, and we have agreed to be one of the first sponsors of the Brive rugby team, the famous "CAB", which is particularly appreciated by our community.

There would be so many other topics to talk about... SILAB's strength lies in the ambition of its projects, the diversity of its expertise and the richness of its teams, which all make this company unique in more ways than one!

Jean Paufique
President and founder

SILAB, a "mission-oriented company"

Our primary mission is to do our job well and thereby do some good through our work. This is evident in the very nature of our activities - the development and manufacture of innovative active ingredients of natural origin for cosmetics and dermocosmetics - and in our values of independence, excellence, and quality, which drive us and serve a sustainable development. Our convictions also lead us toward an ever more committed societal mission, whether it be toward people or the respect of our planet.

As a "mission-oriented company", SILAB is firmly committed to its customers, staff, partners, suppliers... all its stakeholders! We take pride in respecting this commitment. We carry out this mission with determination but above all with passion: passion in our profession, our objectives, and our daily work. It has our full and undivided attention. As Thomas Pesquet so aptly stated, "one thing is certain, nothing - or almost nothing - can stop someone who goes into mission mode. Being in mission mode means dreaming, daring, and working to achieve the mission, using all physical and mental faculties to do so."

For a sustainable development, let us do our job properly, make steady progress, and work to contribute to the success of our ecosystem. Then, at the end of our journey, we can declare that our mission is accomplished!

Brigitte Closs-Gonthier
*Deputy general manager
Innovation*

Xavier Gaillard
*Deputy general manager
Strategy, in charge of CSR*

*Thomas Pesquet in the preface to the book: "Mission BlaBlaCar : les coulisses de la création d'un phénomène" by BlaBlaCar CEO Frédéric Mazzella, Laure Claire Reillier, and Benoît Reillier.

SILAB, a sustainable company

A French innovation company, SILAB is a pioneer in the research and industrialization of natural active ingredients for the global cosmetic and dermocosmetic markets. Since its founding in 1984, the company's mission has been to sublimate Nature through scientific innovation for the beauty and health of the skin, a raison d'être in complete harmony with its societal approach devoted to both humankind and respect of the planet.

Founding values

In addition to its humanistic principles, SILAB's strategy is guided by its three fundamental values: **independence, excellence, and quality**. They reflect the company's desire to control its development, with the belief that its independence is inseparable from a policy of quality and continuous improvement, aiming at excellence in all areas.

Nature sublimated by science

Nature provides SILAB with its raw materials, whether plants or derived from biotechnologies. It inspires a strategic vision of research and development that is respectful of natural ecosystems. Intelligence of the living organisms is a genuine source of innovation (bio-inspiration, biomimetism, etc.) that the company enhances through its multidisciplinary scientific expertise.

"Our products respect the fundamental laws of natural balances. Because in its infinite diversity and in order to ensure its balance and sustainability, Nature has thought of everything, everything and the opposite of everything."

Jean Paufigue, President and founder of SILAB, a pioneer in cosmetic active ingredients, likes to remind this principle.

From cosmetics to dermatology

SILAB's expertise in the biology of healthy skin naturally led the company to take an interest in the cutaneous disorders (atopic dermatitis, acne, etc.) of compromised skin. The two departments, SILAB Cosmetics and SILAB Softcare, offer innovative, natural, safe, and effective active ingredients to their respective markets.

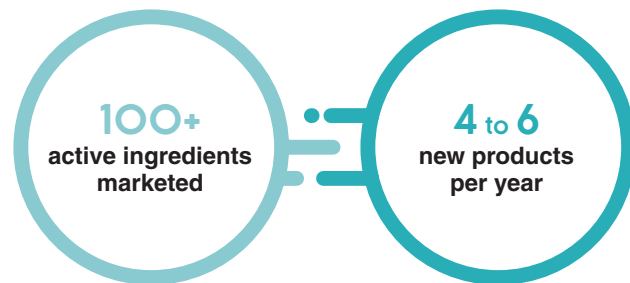


Engineering natural active ingredients

1. SILAB Cosmetics

Solutions for healthy skin

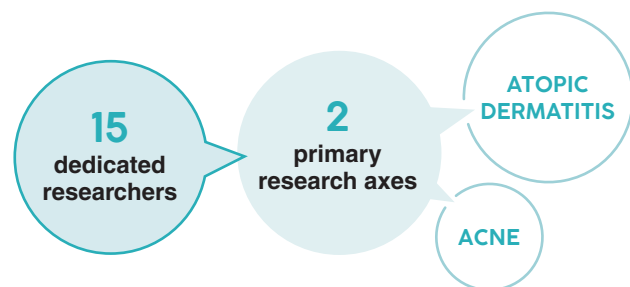
Nature, science, and technology, this is the credo of SILAB Cosmetics, which provides the worldwide beauty market with natural active ingredients known for their high scientific innovation.



2. SILAB Softcare

Solutions for compromised skin

SILAB Softcare's natural active ingredients are integrated into dermocosmetic care programs according to three principles of excellence: **efficacy, safety, and naturality**.



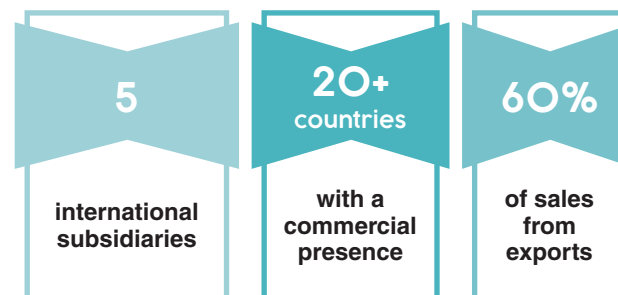
All active ingredients are developed according to strict specifications:



French know-how with an international influence

SILAB's strength lies in its ability to innovate as well as in its business model: it operates in a single site in France (near Brive-la-Gaillarde), where all skills (R&D, production, etc.) are integrated.

Internationally, SILAB relies on a network of subsidiaries (United States, Brazil, China, Singapore, and South Korea) and exclusive independent distributors, actively working in close proximity to customers to best meet their expectations.



Acting with its ecosystem

All stakeholders are integrated into SILAB's sustainable development, which is inseparable from the company's roots. This is done through values, in a sector of activity, in a territory, and with the communities with which the company interacts. By directly or indirectly supporting its ecosystem, SILAB intends to create and nurture a virtuous circle, thereby providing meaning and added value to create a real leverage effect.

Committing to a sustainable world

SILAB has been deeply committed to sustainable development since its founding. In 2021, this commitment was formalized in a program called Actively Caring. The strength of this program is based on a cross-functional vision that includes the five major CSR issues: sustainable strategy, development of human potential, responsible sourcing, preserved environment, and support to communities. With multi-year objectives and action plans, Actively Caring responds to the need for continuous progress, which naturally commits SILAB to a sustainable world.



“The strength of this program is based on a cross-functional vision that includes the 5 major CSR issues”



strategy

For a sustainable strategy

Objective: foster a sustainable growth dynamics

- **Permanent innovation**

Innovate constantly and demonstrate agility to satisfy our customers

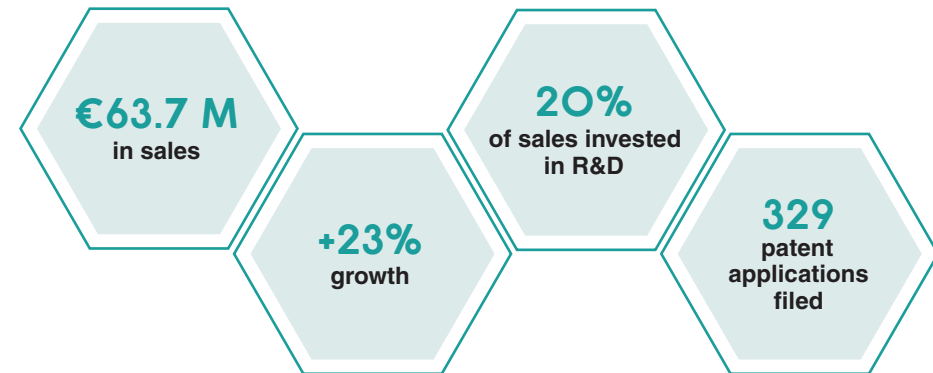
- **Dynamic growth**

Perpetuate the virtuous circle: independence, growth, and profitability

- **Sustainable activity**

Maintain our adaptability to keep our commitments to our stakeholders

2021



2025 targets



SILAB is an agile and reactive company. This dynamism implies a constant commitment of the staff. Such a commitment is essential to provide ever more innovative active ingredients and scientific concepts, maintain privileged relationships with customers, and offer a high-quality service. The results are there: continuous and significant organic growth capable of fueling an ambitious investment policy to meet the challenges ahead.



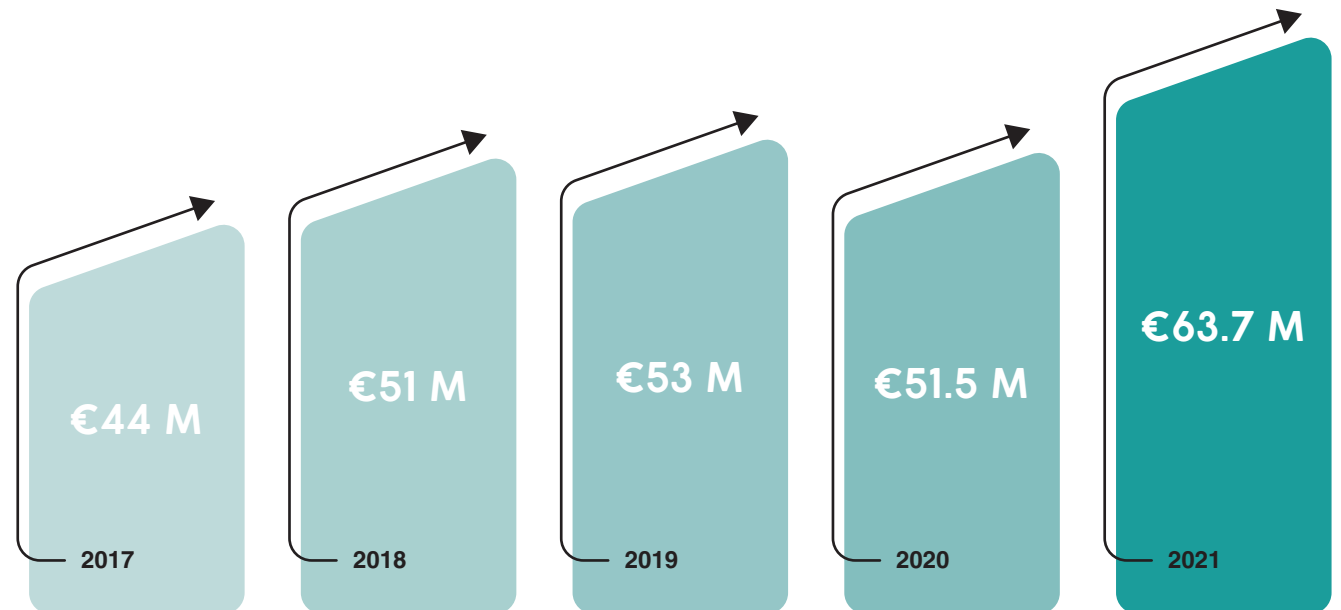
A single site located near to Brive-la-Gaillarde (France)

2021, a year of strong growth

1. Independence, growth, and profitability: a solid model

The efficiency of this model has been proven. SILAB has been able to adjust, astonish, and adapt its processes in order to have a positive impact in a context of health crisis. The secrets to the company's success: making customer satisfaction a priority, mobilizing teams that are actively involved at all times, and pursuing its investment program in technologies and innovation.

After a slight drop in activity in 2020, the company's efforts and dynamism were reflected in a considerable sales increase in 2021, showing a purely organic growth of 23%.



Evolution of sales over 5 years

2. Anticipate to adapt with the BCP

The role of the Business continuity plan (BCP) is to prevent risks and anticipate crisis management and business recovery. In this context, SILAB's objectives are to avoid any disruption of supply to customers, continue to introduce innovative products to the market, and honor its commitments to stakeholders. During the current health crisis, SILAB has demonstrated that its regularly updated BCP is robust in terms of its teams, facilities, and supply chain.

Thanks to the mobilization of its employees, the flexibility of its production workshops, and the building up of stocks in anticipation, the company was able to serve all its customers and continue its projects.

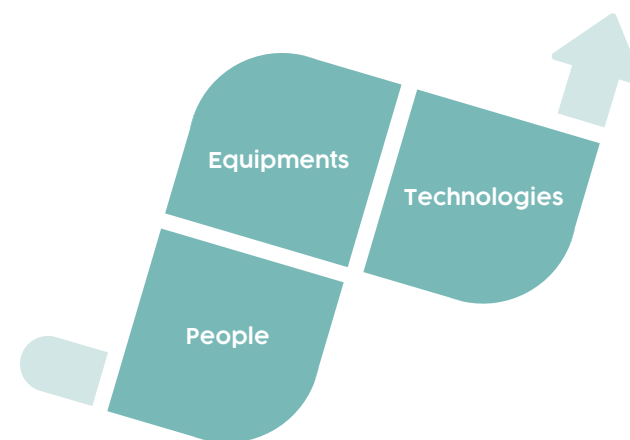
Focus on:

Guaranteeing business durability

With its risk assessment and prevention policy, SILAB aims to ensure the durability of its activities as well as an optimal service to its customers. Regulations have been anticipated and processes are secure. Particular attention is being paid to the protection of its know-how, image, and industrial heritage. The latter includes seven independent, or even homothetic, production workshops, guaranteeing a high level of flexibility.

3. A single site: cohesion and agility

SILAB has made independence one of its founding values, thus guaranteeing the necessary autonomy in its strategic choices. This translates into self-financed investments in people, equipment, and technologies in order to integrate the many skills at the French company's single site.



SILAB's strength lies in this centralization of activities, representing a real asset in this particular health crisis which generates strong supply chain tensions. Interactions between teams are maintained (with respect for social distancing in spacious premises), information circulates efficiently, tools are available, and projects are moving forward. This cohesion and agility lead to an optimal reactivity of the organization.



A priority: ensuring on-time products delivery

“SILAB's strength lies in this centralization of activities”



Cutting-edge technologies (LC-OCT)

Innovation: 360° investment

1. At the cutting-edge
of scientific advances

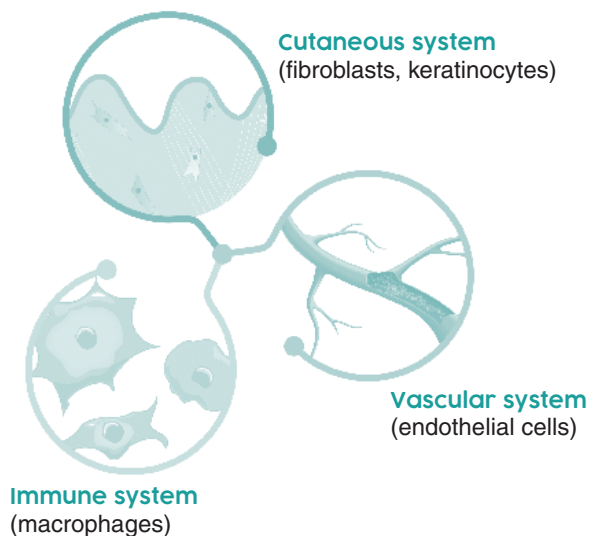
An enriched product catalog

With intense teamwork aimed at completing and diversifying its range of natural active ingredients, SILAB has launched new innovations, with proven innocuousness, safety, and efficacy, in 2021: PEPTILIUM®, an anti-aging active ingredient obtained from a cranberry co-product, REGENIXIR®, a biotechnology-derived regenerating active ingredient based on an original cellular interconnectivity approach, and also the new efficacy data provided on EXFOLACTIVE®, an exfoliating active ingredient launched in 2005.

Focus on: SILAB Research

Each year, SILAB invests more than 20% of its turnover in R&D, thus prioritizing innovation in order to continuously surprise its customers. More than 100 qualified doctors, engineers, and technicians develop products based on high level scientific work directly inspired by nature and natural balances. They rely on cutting-edge tools and ultra-modern technologies: a high-tech research center, latest generation equipment, 14 platforms and specialized laboratories, etc.

Regeneration: a recognized expertise



SILAB investigated the cutaneous system's involvement in the regeneration process very early on as of 2017, scientific teams initiated a specific research program to increase their understanding of the biological mechanisms related to cellular interconnectivity. Thanks to partnerships with renowned scientists, they were able to characterize the cutaneous, immune, and vascular systems' involvement in the regenerative process as well as the latter's evolution during aging.

REGENIXIR®, a regenerating anti-aging active ingredient from biotechnological origin, was developed from this program in 2021. This natural cosmetic solution can stimulate the skin's endogenous capacity to synthesize its own regeneration elixir.

“Intense teamwork aimed at completing and diversifying the range of natural active ingredients”

2. High-tech industrial tools dedicated to biotechnologies

SILAB manufactures microorganisms (yeasts, bacteria, microalgae, etc.) with guaranteed traceability and safety in its biotechnology production plant, inaugurated in 2014. Faced with its customers' growing demand for natural active ingredients of biotechnological origin, the company invested in a new production line commissioned for March 2021.

This industrial workshop - which is automated and offers excellent ergonomics - will quadruple the company's total production capacity for unicellular organisms. With all development phases (from R&D to industrialization) fully integrated, SILAB ensures total control over the supply of biotechnological raw materials, which are then used to manufacture natural active ingredients offered in liquid or powder form.

20%

of the catalog is from biotechnological origin

3. Digitalization at the service of customer relations

Digitalization is one of the major strategic axes of SILAB's development. Sizable investments have been made in digitalization tools with the priority objective of improving overall performance, facilitating collaborative work, saving time in business applications, ensuring security, training staff, etc.

In this context, new digital practices have been introduced into commercial relations in order to respond to health constraints. With its integrated SILABEvent platform, SILAB has provided the most qualitative

technical solutions to broadcast live events online. No less than seventeen 100% digital events (customer, distributor or subsidiary seminars, site visits, and webinars) took place in 2021 to maintain relationships with customers and partners.

This initiative demonstrates the company's agility and adaptability in discussing upcoming projects as well as the latest innovations, technologies, and facilities in France and abroad (America, Asia, Europe).



Behind the scenes of a digital seminar dedicated to customers



“Maintain relationships with customers and partners”



People

For the development of human potential

Objective: promote professional fulfillment and quality of life at work

- **Commitment**

Encourage the involvement of each employee through a motivating company project

- **Equality & diversity**

Guarantee equal treatment and proscribe any discrimination throughout the career

- **Skills development**

Make talent grow to support the company's development and respond to the challenges of tomorrow's professions

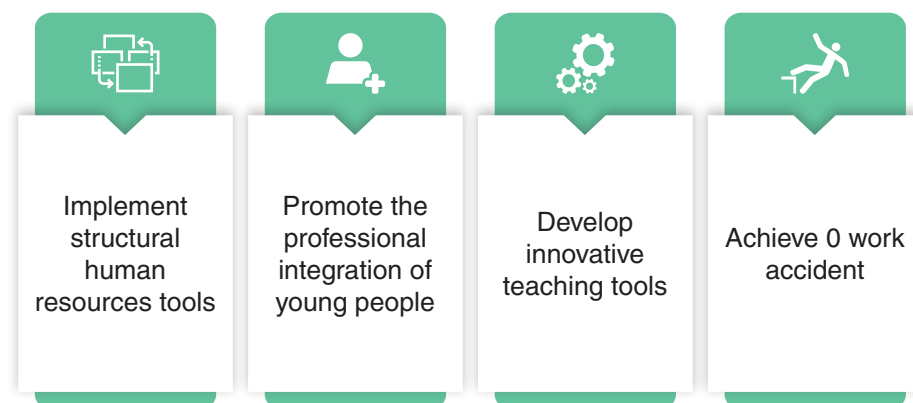
- **Health & quality of life at work**

Ensure a high level of employee satisfaction in terms of health, safety, and quality of life at work

2021



2025 targets



Particular attention is paid to all employees, the company's essential resource, whether they work at the single site in France or at one of the international subsidiaries. To unite its teams, SILAB sets up the necessary means to contribute to the company project, value employee skills, and encourage professional development.

An ethical commitment

1. A policy of fairness: the case of gender equality

Driven by a responsible social policy, SILAB ensures equal treatment of all employees and prohibits all forms of discrimination as detailed in its Human Resources Charter.

In 2021, the company obtained a score of 84/100 for the professional equality index between men and women (created by the French ministry of employment). As part of its dedicated action plan, SILAB uses increased monitoring in five areas to guarantee strict equality of treatment: recruitment, qualification, professional development, work-life balance, and remuneration.



Encourage interaction between employees

56%
women

60%
of managers
are women

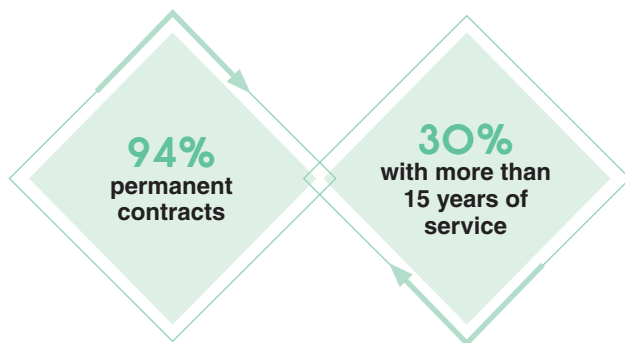
40%
women on
the Executive
Committee

2. Build employee loyalty

Each year, SILAB expands its teams to support its development. In 2021, 94% of the staff was on permanent contracts.

Favoring permanent contracts indicates the company's willingness to seal a mutual commitment. SILAB offers clear professional perspectives to new employees, who in turn have the opportunity to get more easily involved in the company project and project themselves in the long term.

Aware that human resources are the driving force of the company, SILAB builds loyalty among its teams by ensuring their professional development through the quality of their missions, training, opportunities for career development, work-life balance, and social benefits. The objective is to ensure that each employee is recognized for his or her daily commitment to the company.



Focus on:

A company with values

Beyond its founding values (independence, excellence, and quality), SILAB is driven by its human values, formalized in its Human Resources and Ethical Charters. True federating assets, these individual SILAB values have been defined by a working group representing the various business functions within the company. Shared by all, they continually reinforce collective team involvement and are as follows: conviviality, quality of life at work; intellectual honesty, transparency; commitment, availability; respect for others and for the work environment; desire for progress; fairness; team spirit, solidarity.

A strong corporate culture

1. Essential communication

Attentive to sharing the company's life with all its staff, SILAB continuously adapts in order to ensure efficient daily communications as it develops.

The management team conducts regular in-person or digital updates to present the company's performance and future projects.

Moreover, a new version of the intranet was launched in October 2021 to keep teams informed of the latest news. With its intuitive and ergonomic navigation, this interface provides access to a wealth of information from the site in France or the subsidiaries.

“The objective is to ensure that each employee is recognized for his or her daily commitment to the company”



Preparation of the semi-annual management report

2. Digitalization of HR processes

All business lines are changing at the pace of digital and technological developments. The HR function is also undergoing a digital transformation to support the company's growth for the personnel administration, the recruitment, the training, and the career and performance management. The goal is to automate processes and support employees and managers in new user experiences.

Focus on:

A personalized support

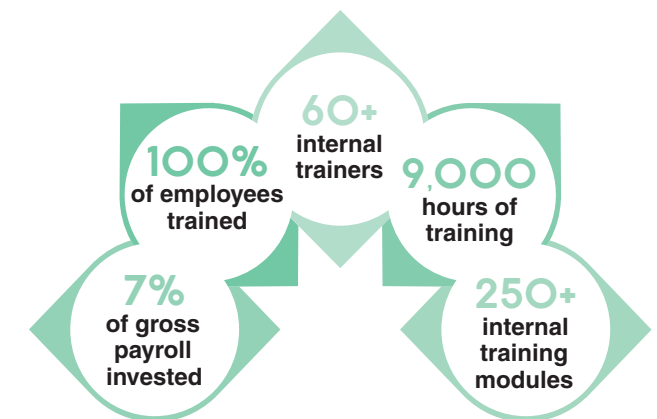
The workforce continues to grow year after year. Maintaining contact with all the staff, in France and internationally, is a priority. In addition to the annual development interview conducted between each employee and his or her manager, the company organizes an interview with members of the HR department. Each year, 15% of employees in France and within the subsidiaries have the opportunity to take stock of their career path and respective projects. The individualized social report summarizes the situation of each one in terms of remuneration, social benefits, and training. Submitted every year, it highlights the company's strong social investment.



Work-study students 2021-2022

Training: a priority axis

1. A few figures



“Invest heavily in the development of its staff skills”

2. Efficient tools

SILAB continues to invest MSD in the development of its staff skills. After the opening of the training center which offers efficient teaching tools and dedicated areas (amphitheater, practical laboratories, computer room, language laboratory, webinar rooms, etc.), the health crisis has accelerated the digitalization process that was already initiated.

Some twenty training modules have been adapted to digital or blended learning thanks to the mobilization of internal trainers and specialized educational designers. LMS (Learning management system) and LCMS (Learning content management system) technologies have made it possible to offer new learning methods, through a richer, more interactive experience, and to give internal trainers the opportunity to adopt new teaching methods.

3. An active commitment to young people

SILAB implements a voluntarist policy aimed at training young talents with various levels of education (vocational training certificate, university bachelor of technology, professional degree, master's degree, or doctorate). Tutors are trained to ensure quality support for the youngest, and effective skill transmission, thus creating value through the sharing of experience.

In 2021, the company welcomed a new class of 12 work-study students and interns in the following departments: R&D, sales, production, quality, IT, communication, purchasing, and human resources. With new jobs being created each year, some of these young people, with the necessary skills to assume an operational position, will have the opportunity to join the company permanently.



MSD prevention: the example of exoskeletons

Health and safety: preventing risks

SILAB is committed to a policy of MSD (Musculoskeletal disorders) risk prevention. For example, at the industrial level, an in-depth study of workstations showed that employees had very few repetitive movements as defined by the INRS (French national institute for research and safety).

Nevertheless, after an evaluation of the needs and constraints of a key production position, SILAB invested in exoskeletons in order to preserve the health of technicians and prevent possible lumbar pain (due

to carrying heavy loads). Exoskeletons are active assistance devices, which are easy to set up, light and simple to use, providing ergonomic postural support, and that do not interfere with freedom of movement.

€30 k invested

4 exoskeletons available to operators

“Committed to a policy of MSD risk prevention”



Sourcing

For responsible sourcing

Objective: apply our Mastering natural program with respect for people and the planet

- **Traceability & securing**

Manage our natural raw material supply chains in France and abroad

- **Quality & safety of raw materials**

Secure natural raw materials, from plant and biotechnological origin

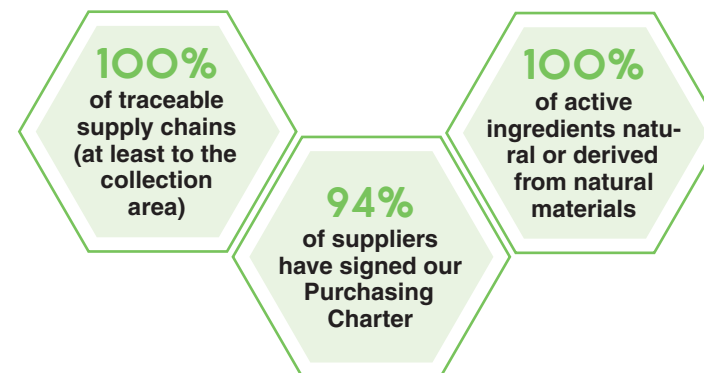
- **Environmental footprint**

Limit the overall impact of supplies on the environment

- **Ethics & solidarity**

Be committed to and engage others in practices that respect communities

2021



2025 targets



*NRM: Natural raw material

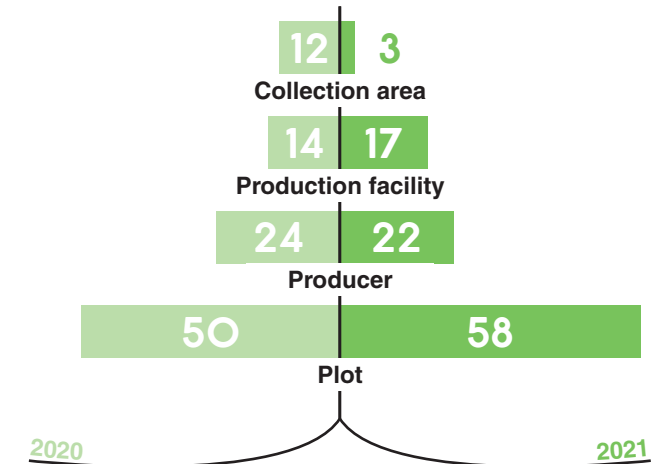
In its Responsible Purchasing Charter, SILAB commits itself to its suppliers and expects them to meet the strictest requirements in terms of human rights, labor standards, the environment, and the fight against corruption. More generally, the company intends to apply its Mastering natural program by continuing to act in accordance with the guidelines it has been following for more than 35 years. These guidelines echo the current search for meaning expressed by consumers: transparency, naturality, ethics, solidarity, etc.

From traceability to sustainability

1. Ensuring raw material traceability

SILAB maintains a clear objective: trace 100% of its supply. Depending on product types, it is more or less possible to achieve traceability down to the plot, which is the optimal level targeted by the company. SILAB works on a daily basis to refine the traceability level of cultivated plant raw materials. To date, 58% are traceable to the plot, which is eight points more than in 2020.

Plant raw material traceability map (%)



“SILAB maintains a clear objective: trace 100% of its supply”



Pomegranate: traceable to the plot in Tunisia for the development of ACNESIUM®

2. A more responsible supply system

SILAB has been committed to biodiversity for many years, in particular through collaborative actions with different partners and stakeholders. One such partner is the UEBT (Union for ethical biotrade), a non-profit association that promotes sourcing respectful to humans and nature. This long-standing collaboration has enabled SILAB to better understand the notions of sustainable sourcing and responsible purchasing, and has led the company to officially become a UEBT member in May 2021.

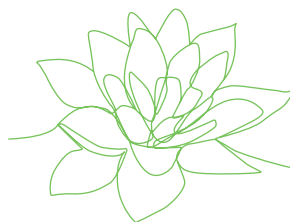
As Rik Kutsch Lojenga, Executive director of UEBT, explains:

“In 2021, SILAB became a member of the Union for ethical biotrade - UEBT. This means that the company underwent an assessment of its sourcing systems and practices. SILAB has also set specific and meaningful targets for their sourcing of ingredients from biodiversity. As member of UEBT, SILAB is part of a growing movement of companies that have committed to sourcing with respect for people and nature.”

Today, SILAB is actively working on structuring its responsible sourcing system and implementing it based on UEBT standards and recommendations. In this respect and in line with this sustainable and continuous improvement approach, the company intends to strengthen its commitment and enhance its achievements through additional partnerships.

“SILAB became a member of the UEBT”

Authentication of raw materials



100% of natural raw materials authenticated

SILAB created a reference laboratory for natural raw materials ten years ago. Its primary mission is to secure plant materials intended for the manufacture of existing products and the development of future active ingredients.

Identification and characterization analyses are thus carried out on all received natural material batches to ensure their quality and conformity with specifications.

- Identification

Botanical examination at the macroscopic and microscopic levels allows the identity of the plant, as well as the part received to be verified, and any adulteration to be quickly detected. Since 2021, SILAB is also able to identify a plant species at the genomic level using the molecular barcoding technique.

- Analytical characterization

HPLC, GC-MS/MS, LC-MS/MS, HPTLC, and colorimetric assays are all techniques used at SILAB to ensure the presence of expected active molecules.

This multidisciplinary technical approach is correlated with all raw material specification data, which details geographical origin, traceability, cultivation route, etc.

SILAB has thus set up a transversal strategy combining several fields of expertise in order to ensure the botanical authenticity of its raw materials and avoid any risk of adulteration or contamination.



Carob harvest in Majorca

Sustainability criteria for supplies

Based on the strength of its CSR convictions, SILAB has been applying sustainability criteria in its choice of natural raw materials and suppliers for many years. Potential suppliers are selected according to their ability to supply the required quality and quantity of raw materials and stand out for their environmental and societal commitments and/or geographical proximity.

1. Press cakes: co-products of interest

The pressing of certain seeds, such as soybeans, or specific fruits, such as cranberries, generates the creation of a co-product referred to as press cake. SILAB has the will to beneficially use all agricultural resources and contribute limiting the production of plant waste for many years.

Soybean press cake, the raw material of RIDULISSE C®, is a perfect illustration of this approach. The entire supply is GMO-free, produced in France and purchased from certified organic agriculture suppliers. This choice reflects the desire to encourage environmentally friendly farming practices and avoid the risks of deforestation associated with soybean cultivation in certain countries.

When developing PEPTILIUM® in 2021, SILAB specifically selected the cranberry press cake, a co-product of this super-fruit, in an upcycling process. The company favored an environmentally friendly supply, by working with a supplier committed to sustainable development practices.

Today, SILAB has more than 15 natural active ingredients obtained from co-products in its portfolio, offering multiple cosmetic benefits: anti-aging, firming, repairing, anti-irritant, etc. Relying on a more ethical

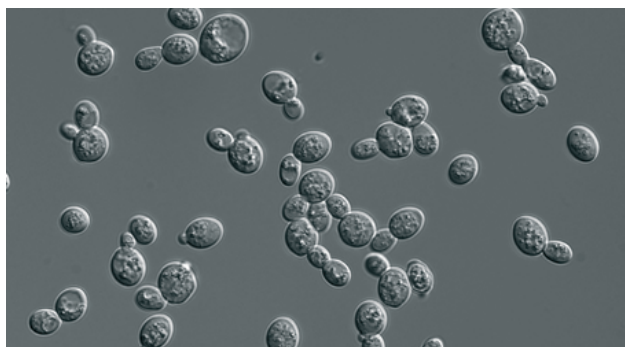


Cranberry: its co-product used for the development of PEPTILIUM®

and ecological approach, the use of co-products as natural raw materials in the development of cosmetic active ingredients has a significant positive impact both on the environment and on the income of the farmers who produce them.

“SILAB offers more than 15 natural active ingredients obtained from co-products”

2. Biotechnology: a lever for sustainable innovation



Saccharomyces cerevisiae yeast

Thanks to the company's expertise in biotechnologies, SILAB has used the health benefits of *Saccharomyces cerevisiae* yeast to develop its regenerating, anti-aging active ingredient REGENIXIR®, launched in 2021. This nutritional yeast is highly acclaimed by the medical and scientific community, which recognizes its multiple properties: nutrient richness, ability to stimulate energy production and immune defenses, etc.

The use of biotechnological raw materials (yeasts, bacteria, microalgae, etc.) offers immense potential for innovation, providing access to unique molecules of interest. It is also important to highlight their indirect beneficial role in the sustainable management of terrestrial and marine ecosystems. Indeed, only one strain of microorganisms needs to be collected from nature, which preserves biodiversity and soils. Cultivated on an industrial scale, this strain can be reproduced almost indefinitely, without any pressure on living organisms.

“Promote the development of cultures that are more respectful of people and nature”

3. Organic farming: a committed strategy

In 2020, 20% of the plant raw materials purchased were organically grown, whether or not the active ingredients associated with them were Cosmos certified. In 2021, this percentage increased to 28%, a perfect illustration of the Responsible purchasing policy applied by SILAB.

For example, in 2021, the company decided to change its supply of green lentils, used to produce its active ingredient p-REFINYL®, and to purchase a reference having the same quality from a certificated organic farming chain. The Purchasing team has thus set up

partnerships with several suppliers in order to secure the volumes necessary for this new supply.

In other places, SILAB favorably responded to a request for support from one of its suppliers of tiger nut (raw material for PAPILACTYL D®) in Niger. This supplier wished to change its cultivation practices to comply with the principles of organic farming. Today, a certified organic version is purchased instead of the usual conventional reference.

SILAB's objective is to promote the development of cultures that are more respectful of people and nature, while offering the same conditions in terms of product efficacy, safety, and quality.



Green lentils: from a certified organic farming chain



Environment

For a preserved environment

Objective: limit our environmental impact

- **Water**

Limit our water consumption and treat our effluents

- **Energy**

Promote energy sobriety

- **Waste**

Maintain a zero final waste policy

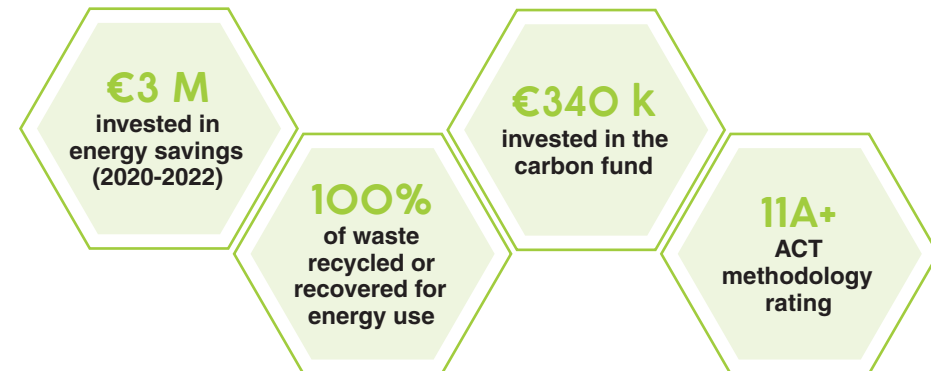
- **Carbon**

Limit our carbon footprint and preserve biodiversity

- **Management**

Structure the environmental approach and engage the stakeholders

2021



2025 targets



SILAB has been following a very rigorous and ambitious environmental policy for many years. Thanks to a team dedicated to these major issues and to significant investments, the company continues to follow a dynamic of continuous improvement to limit the overall impact of its activities on the environment.

Dolores Larroque, director of the firm and ACT assessor, stated:

"SILAB's economic model is consistent with a plan to transition to a low-carbon economy, thanks to cutting innovation practices (biotechnology) and a high level of commitment to climate issues on the part of its governance."

The strategy to engage the value chain on a decarbonization pathway is robust across the company, and the share of CAPEX invested in low-carbon and mitigation technologies is 80-100%."

Preserving the resources of the planet

1. Limiting water consumption

SILAB has set itself the objective of reducing its water consumption by half within the framework of its five-year plan. This means that projects must be ambitious, and that the investment program must be sizable.

-50%

WATER SAVINGS
per kg of products
manufactured

by
2025

A robust carbon strategy

By signing the Science Based Targets initiative in 2020, SILAB chose science to develop its own targets in line with the "two degrees" trajectory. In 2021, the company participated in the ACT (Assessing low carbon transition) program, a method developed by the ADEME and CDP to assess the maturity of companies' climate strategies. Evaluation was entrusted to MATERIALITY-Reporting, a firm specializing in CSR strategy and ESG reporting. SILAB received a rating of 11A+, placing the company among the best rated ones in terms of method and recognizing the quality, coherence, and positive trend of its carbon strategy.

**"Develop its own targets
in line with the 2 degrees trajectory"**



Monitoring of water consumption

First step: targeting high water consumption

The automatic production facility cleaning stage, known as Cleaning in place (CIP), represents the largest share of water consumption at the site. Launched in 2021, the CIP effluent recycling and treatment project consists of recovering effluent from these cleaning phases, sorting it, and treating it to recover a softened water quality. The objective is to allow effluent storage and reuse in the existing softened water network during certain stages of the industrial process. Following a feasibility study, SILAB identified a realistic solution to recover a minimum of 50 m³ per day. This would correspond to saving around 25% of the softened water consumed in the most important production sector and nearly 15% of the site's overall consumption.



Second step: monitoring rigorously

A four-person team works daily to precisely identify points of water consumption, be reactive in detecting anomalies, implement corrective and preventive actions, and optimize water consumption at the site. One year after the creation of this team and the installation of a hundred or so flow meters, the results are positive: nearly 1,300 m³ of water have been saved each month.

Upcoming steps include studying manufacturing processes, optimizing CIP, adding to the number of flow meters, and continuing to raise the awareness of internal operators.

2. Limiting energy consumption

As a company with more than 250 employees, SILAB is required by law to have an energy audit every four years. Following the last audit conducted in November 2020, a detailed action plan, accompanied by a personalized follow-up over three years, was launched in order to optimize energy consumption at the site.

To ensure that actions are carried out properly, a team of three people, two of whom are specially trained “energy referents,” was set up in 2021 and will oversee energy recovery projects, the installation of insulators, the optimization of cooling units, of the compressed air plant, of lighting, and of heating, etc. Among the highlights, a reduction in off-production compressed air consumption was achieved by replacing the pneumatic islands, generating a significant saving of 20 kWh.

These actions complement major utility projects that have been underway for several years (e.g., energy recovery from cooling units and condensates, installation sharing, etc.) and are part of a three-million euro energy savings program covering a three-year time span.



“A 3-million euro energy savings program covering a 3-year time span”



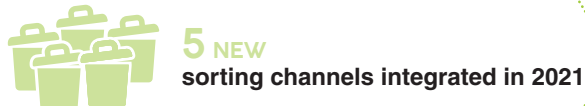


World Clean Up Day

3. Spearheading a responsible waste management policy

A zero final waste policy

SILAB does not produce any final waste! In order to stay the course despite the increase in activities, a great deal of work is done upstream (to reduce the amount of waste generated) and downstream (to identify potential re-use solutions). The balance sheet remains stable: waste is recycled with the regular integration of new sorting channels, or incinerated with energy recovery.



Giving equipment a second life

SILAB has also invested in the optimized end-of-life management of its equipment. In 2021, there were approximately fifty computer screens left unused following an annual computer equipment renewal program, motivated by improved workstation ergonomics.

SILAB contacted a local association named “Res-sourcerie Gaillarde”, which gave the screens a second life. This association is committed to an environmental project to reduce waste, by promoting repurposing and reuse, and to a social project aimed at helping people in precarious or socially excluded

situations return to work. This successful partnership will be renewed whenever necessary!

A second example involves the repurposing of personal protective clothing worn by the production and laboratory teams. Clothing that can no longer be worn is donated to two local animal shelters that can now use these garments in their various daily missions.

Mobilizing staff

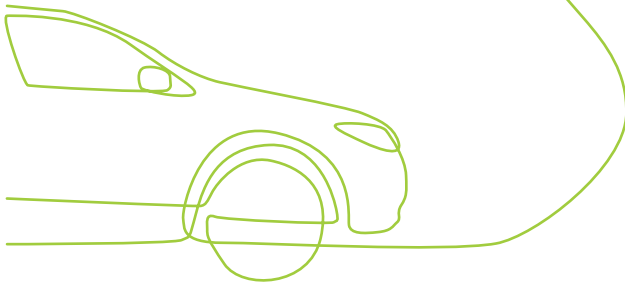
Throughout the year, numerous events were held to raise employees’ awareness of environmental issues. A few examples:

- Distribution of reusable glass bottles and cloth masks
- Training on the environmental policy and eco-actions for new arrivals; distribution of specific documents on waste sorting
- Communications on actions and promotions on good practices with respect to water and waste during World Water Day and World Waste Week
- Waste collection organized during World Clean Up Day (nearly 110 kg of waste collected to be sorted and recycled by approved collection agencies).

“SILAB does not produce any final waste”

Acting for biodiversity: a reforestation project

OFFSET 100%
of the CO₂ emissions related to
employees' home/work commutes



In 2021, SILAB chose to support a reforestation project in its territory as part of a sustainable forest management initiative in partnership with the CNPF (National forest ownership center). In October, SILAB had the opportunity to visit the 2.7-hectare plot of land benefiting from this recovery program. The plot is located in the commune of Bonnefond, in Corrèze, and more specifically on a Natura 2000 site with a special protection area for birds.

The reforestation plan is designed to preserve the soil and ensure optimal adaptation to climate change. Planting is planned for autumn 2022 to ensure ideal conditions. The project's positive impact on biodiversity will allow SILAB to offset CO₂ emissions related to the totality of its employees' home/work commutes, i.e., approximately 450 tons of CO₂ equivalent.

“Support a reforestation
project in its territory”

Focus on: Ecological offsets

In order to offset its environmental footprint, SILAB created an internal carbon fund in 2017 to voluntarily finance ecological initiatives. The aim is to set a price for each ton of CO₂ produced by the company and use the resulting sum to fund projects to reduce carbon footprint. Numerous actions have been implemented in recent years: renewable energy option subscription, installation of 334 photovoltaic panels on the roof of the training center, purchase of an electric car (recharged by electricity supplied by the photovoltaic panels) for employee travel, protection of 7,000 m² of biodiversity until 2050 as part of the Nature 2050 program, etc.



Reforestation project: plot to be reforested (France)



Communities

For the support of communities

Objective: create value through sharing experience

- **Scientific research**

Support projects in the field of innovation and medical research

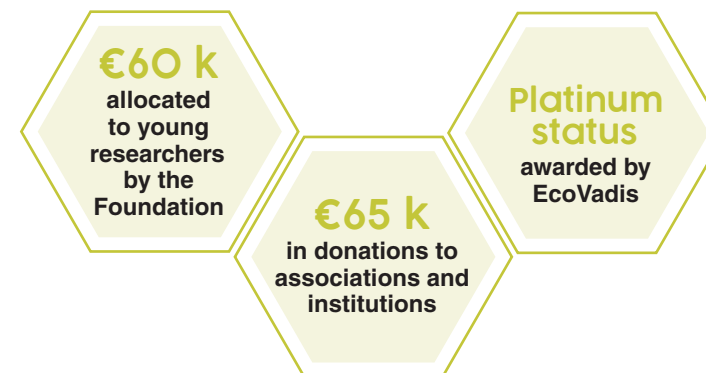
- **Professional sector**

Actively invest and share our experience with our peers

- **Territory**

Contribute to the region's economic development and appeal

2021



2025 targets



Being a citizen company means being attentive to its communities. To create value, on its own scale, for the surrounding ecosystem, SILAB supports the medical research, its sector of activity, the associative sector, and the attractiveness of its territory, either financially or through the sharing of its experience.

Supporting medical research

In 2021, Léa Dousset was designated as the 14th prize-winner of the SILAB - Jean PAUFIQUE Corporate Foundation for her project entitled “Therapeutic targeting by cell profiling of aggressive forms of squamous cell carcinoma (SCC).”

Her work was conducted in the Inserm U1035 unit at the university of Bordeaux, under the direction of Dr. Hamid Rezvani (dermatology & cancer team, BMGIC). The members of the Foundation’s scientific committee wished to reward this innovative project, which aims to offer significant advances in the prognosis and diagnosis of skin cancers and pave the way for new therapeutic targets.

This undertaking reflects the company’s commitment to support fundamental values: passion for Research and support for young talent.



Léa Dousset: 14th prize-winner of the SILAB - Jean PAUFIQUE Corporate Foundation

Focus on: The Corporate Foundation

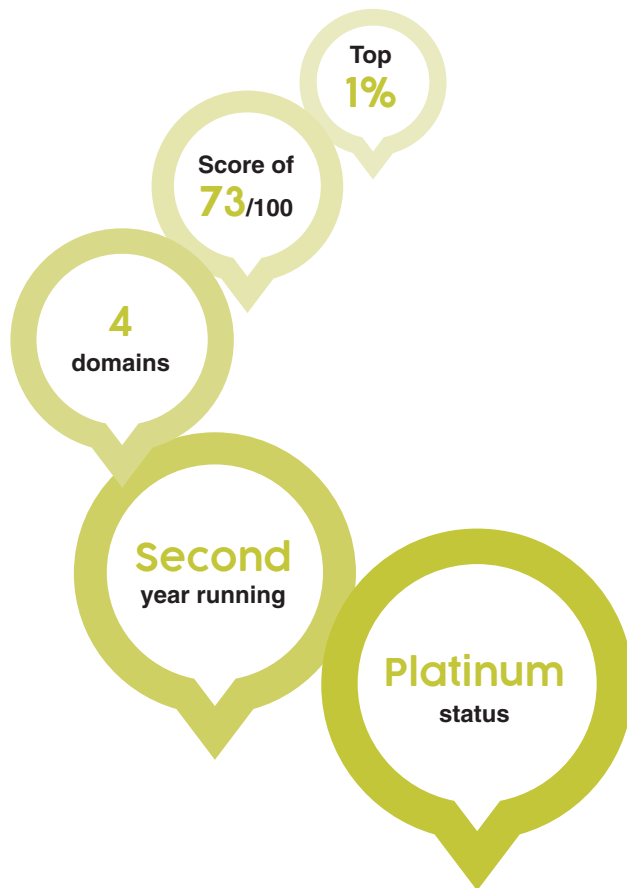
The SILAB - Jean PAUFIQUE Corporate Foundation provides assistance to medical Research up to €20,000 per year, renewable for a maximum of three years. It supports fundamental research projects related to the diagnosis, prognosis, and treatment of dermatological pathologies.

“To engage SILAB in a socially committed action while confirming its scientific culture, fundamental values and humanism - it is for these reasons that I decided on this creation.” Jean Paufique, President and founder of SILAB.

Engaging with peers

1. Evaluating its CSR commitments

SILAB has confirmed its exemplary corporate social responsibility by receiving the EcoVadis rating's highest distinction, the Platinum status, for the second year running. With a score of 73/100 spread across four domains (environment, social and human rights, ethics, and responsible purchasing), SILAB remains in the top 1% of best rated companies. This award attests to the strength and durability of the commitments, which are shared by all staff.



2. Sharing experience

The Cosmetic Valley Association

Created in 1994, the Cosmetic Valley Association aims to coordinate the French perfume and cosmetics industry. It was created by a group of SMEs and works with associations and professional federations in the sector. Today, Cosmetic Valley has a worldwide influence in the beauty sector.

Initially an associate member, SILAB is now represented on the association's board of directors, with Brigitte Closs, Deputy general manager in charge of

Innovation, elected Deputy vice-president. She also represents the New Aquitaine region.

Through these commitments, SILAB actively contributes to the development of French cosmetic innovation, recognized as a reference in the field.

“SILAB actively contributes to the development of French cosmetic innovation”

The Aspa-Ingrecos trade association

Since 2016, under the French impetus, national standards bodies have developed the ISO 16128 standard, specifying the criteria applicable to define a natural or naturally derived cosmetic ingredient. To address some of the gray areas, SILAB, under the aegis of Aspa-Ingrecos (French association of cosmetic ingredient manufacturers), Febea, and Unitis have grouped together stakeholder questions and proposed responses. Resulting from three years' work, the ISO/TR 23750 Technical Report, listing 82 questions/responses, was published in September 2021.

SILAB was appointed as a technical expert to AFNOR (French standards association) and ISO on this standard and related technical document. Since June 2021, SILAB has been chairing the AFNOR working group (GT4 Terminology) and is responsible for representing the French position in ISO meetings.

In parallel, alongside Febea, Unitis, and Prodaron, SILAB - on behalf of Aspa-Ingrecos - is co-editor of the certification project for natural and organic ingredients.

Finally, Delphine Creel, Regulatory affairs manager at SILAB, was elected chairman of the technical board, which brings together experts from the profession. This represents recognition of the company's legitimacy and know-how in its sector of activity: the development and production of natural cosmetic active ingredients.

All of these accomplishments perfectly illustrate SILAB's strong involvement in its professional union Aspa-Ingrecos, where it also sits on the board of directors.

“Recognition of the company's legitimacy and know-how in its sector of activity”

Showing solidarity

1. Citizen actions

Blood donation

Each year, SILAB organizes a blood drive on its own premises in association with the French Blood Association.

In September 2021, 70 employees were able to donate blood.

“Green” Santa Claus

Each year, the Social and economic committee offers staff the opportunity to donate toys in good condition for distribution to families and children in need. In 2021, employees once again proved their generosity as seven boxes of 200 liters were filled and donated to a French non-profit making association fighting against poverty and exclusion.



boxes of toys collected
for a French association



1,400 L
OF DONATIONS



Blood collection organized at SILAB

Pink October

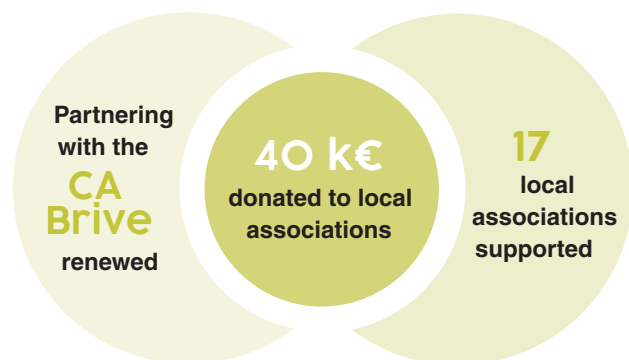
In 2021, SILAB's health team organized several collective actions to raise breast cancer awareness. One of them consisted of mobilizing employees in a collective challenge for the benefit of the Cancer League. Thanks to strong team involvement, the association received a check of almost €2,500 from the company! It also collected the profits from the sale of various bags and accessories gathered in partnership with a neighboring company (UV Germi).

2. Sponsorship actions

Supporting the vitality of its territory

In addition to partnering with the CA Brive rugby club for several years, SILAB regularly supports local initiatives, particularly in cultural and sports fields, through donations, sponsorship, or patronage.

These actions highlight SILAB's willingness to participate in the attractiveness of its territory.



“SILAB's willingness to participate in the attractiveness of its territory”



Preserving scientific heritage

A genuine place of history and science, the Louis Pasteur house in Arbois (France) is the only working location of the scientist preserved in its original state in France. A library, study, and laboratory bear witness to his research activity between 1848 and 1894. As the owner of the property, the Academy of sciences decided to renovate and equip the building and its garden to welcome a large public in complete safety.

SILAB supported the project by donating €20,000 to safeguard this privileged site of scientific culture.

This participation is particularly meaningful because Jean Paufigue, President and founder of the company, is a former student of the Pasteur Institute in Lille (France), where he studied food microbiology. Given his Pasteurian heritage, he testifies to its attachment to the work of this pioneer of microbiology. He also pursues its desire to contribute to the influence of science, especially in terms of arousing interest in scientific research and innovation among the young people, two fields that have always been of utmost interest to him. The bicentennial of Louis Pasteur's birth will be celebrated in 2022.

We would like to thank all the people who have contributed to producing this sustainable development report, in particular our employees and partners who have worked alongside us to create this document. We strongly believe that the continued success of our company and our practices will create shared values for our customers and the community we serve.

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Design and production: SILAB's Communication department

This document is available on our website www.silab.fr or on request from your usual SILAB contact.