

EXSYMOL
MONACO

Sustainable Development

Our commitments 2018



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development

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A word from the CEO

Compiling all the measures taken in favour of a sustainable development is a meaningful action, embedding a deep change in our communication with medias, and local authorities.

Corporate Social Responsibility is deeply rooted in our business, in our DNA. We developed our industrial activity in an urban centre, in the very heart of the principality of Monaco, and had to meet every technical challenge it implies.

EXSYMOL was founded in 1972, its reputation was built on its expertise on Organic Silicon and on its knowledge of the skin mechanisms.

The innovation and the trust of our clients are supported by our independence. Our sustainability may only be assured through a responsible development.

Naturalness, eco-responsibility, carbon footprint, green chemistry, biodegradability and biodiversity are day to day concerns of our teams.

This report is meant to formalize our project, to show our commitment and to prove our legitimacy in terms of sustainable development.

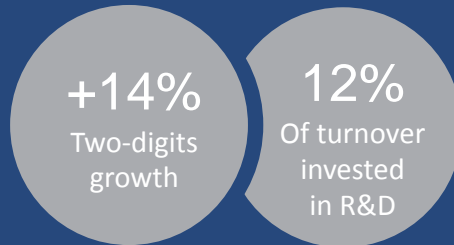
Pierre BONDON,
Chief Executive Officer



A responsible development

Our identity

Pioneer in the field of Skincare with applications close to dermatology, Exsymol's goal is to grow through providing real custom-made « Cosmedical » solutions.



Our Offer

*Researching innovative and efficient molecules
Developing scientific partnerships
Evaluating cosmetic applications
Customised service*

Worldwide distribution

35 Distributors for the promotion and the sales of over **150** actives worldwide

2 technical and scientific support based in South America and China



60% Of sales to export

42 countries

+400t Produced yearly

Our CSR objectives

9/17



Our *responsible development* is based on 9 of the United Nations sustainable development goals as well as business continuity.

2018

Modernization of the Stainless Steel vessels used in production

Whole renovation of the automated fire suppression systems in ATEX rooms

Dematerializing data from our information system

Reinforcement of the safety department : recruitment of a QSE officer

« Every year, the budget dedicated to the business continuity plan increases by 5% »

Awards and recognition

« WITH A SCORE OF **64/100**,
EXSYMOL RANKS IN THE TOP **4%** OF
THE SUPPLIERS EVALUATED ON OUR
PLATFORM »

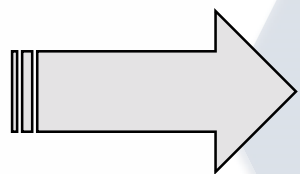
« Ecovadis, the CSR performance evaluation platform chosen by many companies to evaluate their suppliers, recently examined the CSR practices of EXSYMOL. The result, ranked « confirmed » is the reflexion of the CSR commitment of the company and the quality of the partnerships it maintains with both its clients and suppliers.



Our commitments in the principality of Monaco



Ratification of the engagement charter federating companies and private individuals around 3 improvement areas :
Mobility, waste and energy



3 Outstanding projects
Dematerializing all documentation
Acquisition of electric vehicles
Use of the *global cost* method for new equipment



100% of the energy used in 2018 comes from sources of sustainable origin.



Ethics in the supply chain



Main axes of our supply chain policy

- Traceability of materials and packaging
- Preferring geographic proximity
- Taking in account labels and naturalness index
- Respecting free competition
- Trade ethics
- Sharing our CSR vision with our suppliers
- Gathering feedback from our suppliers as stakeholders

Respecting the Nagoya protocol in spite of the non ratification by Monaco.

Exsymol chose to establish a contact procedure with local authorities in order to ensure the fair payment of producers.

A first analysis of raw material concerned was performed in Q4 2018.

92% of Raw Material (weight %) is of natural origin, versus 8% of synthetic sources.

73% of our products' naturalness were evaluated according to ISO 16128
OBJECTIVE 100% by 2020

In 2018, the average naturalness of our products according to ISO 16128

standard was **93% naturalness**

MeiYanol, the story of a virtuous active



Developed in collaboration with a Fragrance company based in Grasse (France), MeiYanol is an **Ecoresponsible** extract of Elderberry flowers (*Sambucus nigra*) rich in flavonoids and polyphenols for a strong anti-inflammatory and anti-oxidant action. MeiYanol is obtained through **optimized** extraction processes and **biorefining** techniques.

Cosmetic applications

Anti-Dark Circles
Reduces rashes
Anti-puffy eyes
Reduces oedemas



Skincare effects

Diminishes inflammation
Reduction of anchoring protein expression at the surface of endothelial cells
Improves microcirculation
Anti-oxidation
Iron Chelation



MeiYanol, a virtuous active



Natural sourcing of raw material, Elderberry

Use of an aggro-based solvent



Benefits of the coproduct use vs. direct use of the plant:

- 30% energy consumption
- 20% solvent use
- 35% waste production



Full traceability
Nagoya protocol-related procedure started in Bulgaria



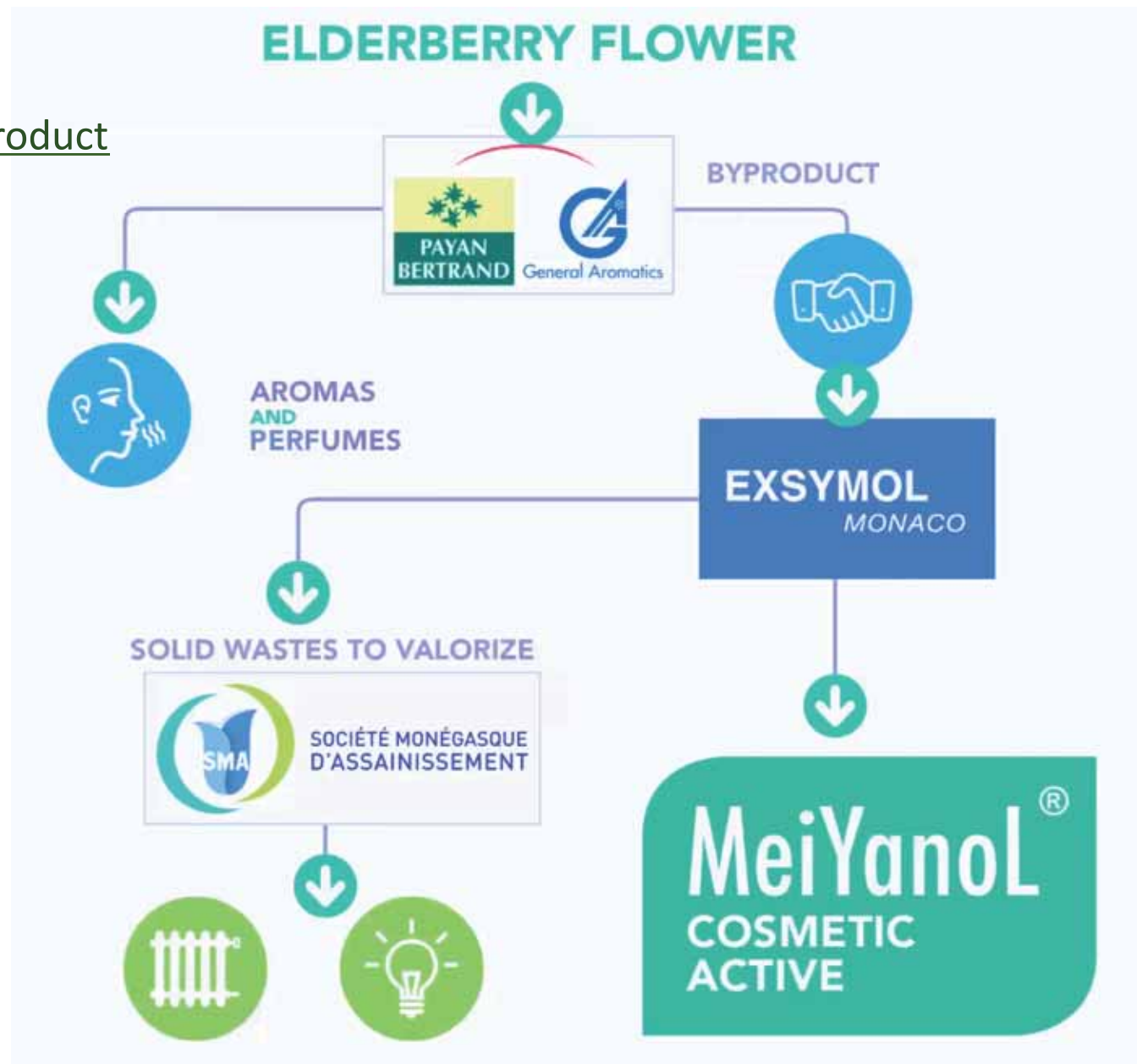
Carbon Footprint
1g MeiYanol emits 5,12g CO₂e

Or 50 m in an urban vehicle



MeiYanol, a virtuous active

Origin of this by-product



Our commitment to environment

Water, a precious resource



Drinkable water is a precious resource, which tends to go scarcer worldwide. Access to drinkable water is of major concern in many developing countries.

Water is essential to life, and to our cosmetic activity as a whole.

From the irrigation of fields that provide raw material for our plant extracts, to the production of water (the main raw material of our products) via reverse osmosis, water is everywhere and takes part in every step of our manufacturing processes.

We have to ensure the quality of this water, and to monitor its use, especially for osmosed water production or for the washing cycles of our equipment.

Our water supply

Given the position of Exsymol in the very heart of Monaco, our water supply may only come from the city's water network.

6 natural springs : Ingram, Testimonio, Marie, Vaulabelle, Puits nord and Alice ensure **30 to 50%** of the yearly consumption of the principality. The rest is bought to France from the Vésubie Canal, the Var plain well or the Roya. These exchanges are regulated by specific conventions established by the French government. In total, 2 to 3 millions m³ of water are brought to the principality reserves in order to complete Monaco's own resources.

That water is stored in 7 tanks. The water distribution network totals 110km. Following a self-motivated policy of leak research and pipe renewal, the network yield is **one of the best worldwide** with a water tightness reaching 95% over the last years

« Watertightness reaching **95%** on the water network »

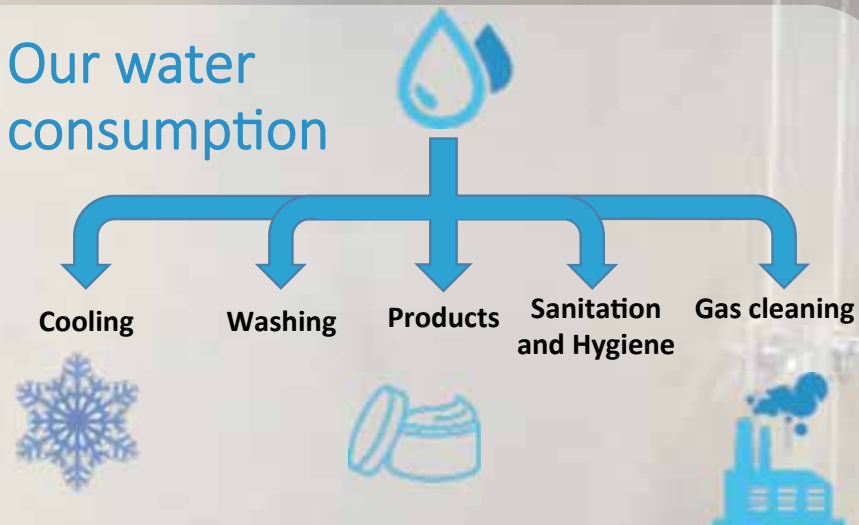
Quality

Drinkable water is a food product, and one of the most controlled. In order to control it, different watch programmes are ensured :

- An official control delegated to an external independent laboratory
- A self-control ensured directly by the Société Monégasque des Eaux
- A control made by the DASS office (Direction of Health)

Our commitment to environment

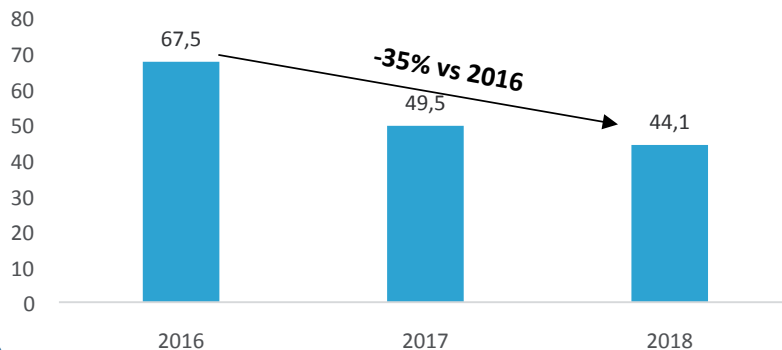
Our water consumption



Reducing our consumption



Water consumption (m³) per ton produced



Washing

Use of a washing booth for our drums, improvement of washing cycles, including a reuse of rinsing water in the next pre-washing sequence, Implementation of a CIP (Cleaning In Place) in a closed loop. The use of specifically designed washing head allows for a more efficient water consumption.

Products

The production of water via reverse osmosis is monitored by a Centralised Technical Management system in order to check on malfunctions that might cause excess waste water

Cooling

Open circuit cooling suppression through the installation of cooling units, with regulated compressors for optimal power efficiency. Water used for air conditioning and heating flows in closed loops. Power consumption is regulated by CTM following day/night modes in order to lower the air treatment rate when possible. Free cooling used in-between seasons in order to use the heat or cold of the incoming air. We save from **25%** up to **30%** of energy with those optimisations.

Sanitation and Hygiene

A maintenance plan is in place in order to hunt leaks (showers, toilets)
Information of the personnel on the sensible use of water during handwashing.

Gas cleaning

A gas cleaning tower is used for the treatment of our gas emissions. A water recovery system prevents the droplets from reaching the fouled air exhaust of the building.

Our commitment to environment

Reduce our consumption

Power

Electricity is the only power source we use. Neither natural gas or fossil fuel are used to power our facility.

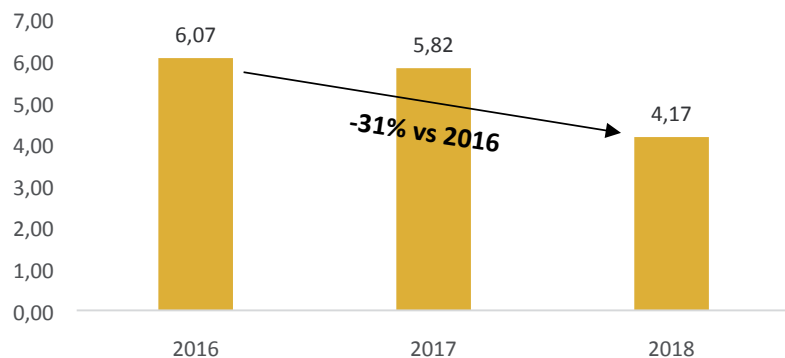
A virtuous energy



On the 1st of January 2015, we chose to adhere to a EGEO contract, Guarantee of Renewable Origin sales contract. This contract ensures that the equivalent of our power consumption is produced from renewable energy sources.



MWh used per ton produced



Our energy savings

- Use of a CTM system
- Globalise frequency variators to fit the power consumption to what really is needed
- Installation of electricity meters on every electric board with a direct tracking of consumption.
- Switching our lighting from neon to LEDs.
- Use of presence detector for an automated light off-switching
- Improvement of production processes by applying the principles of green chemistry.
- Subcontracting some steps of our processes with more power-efficient and adapted appliances.

Our commitment to environment

Reducing our waste production, Zero waste to landfill

Hazardous waste

0% to landfills



HWM



IMW

Non Hazardous waste

100% valorised

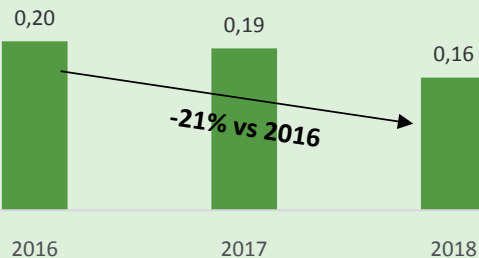


Unrecyclable



Sorting

Tons of Hazardous Waste produced per ton of product



48,7t of HWM produced in 2018



Energy recovery or Destruction



Energy recovery



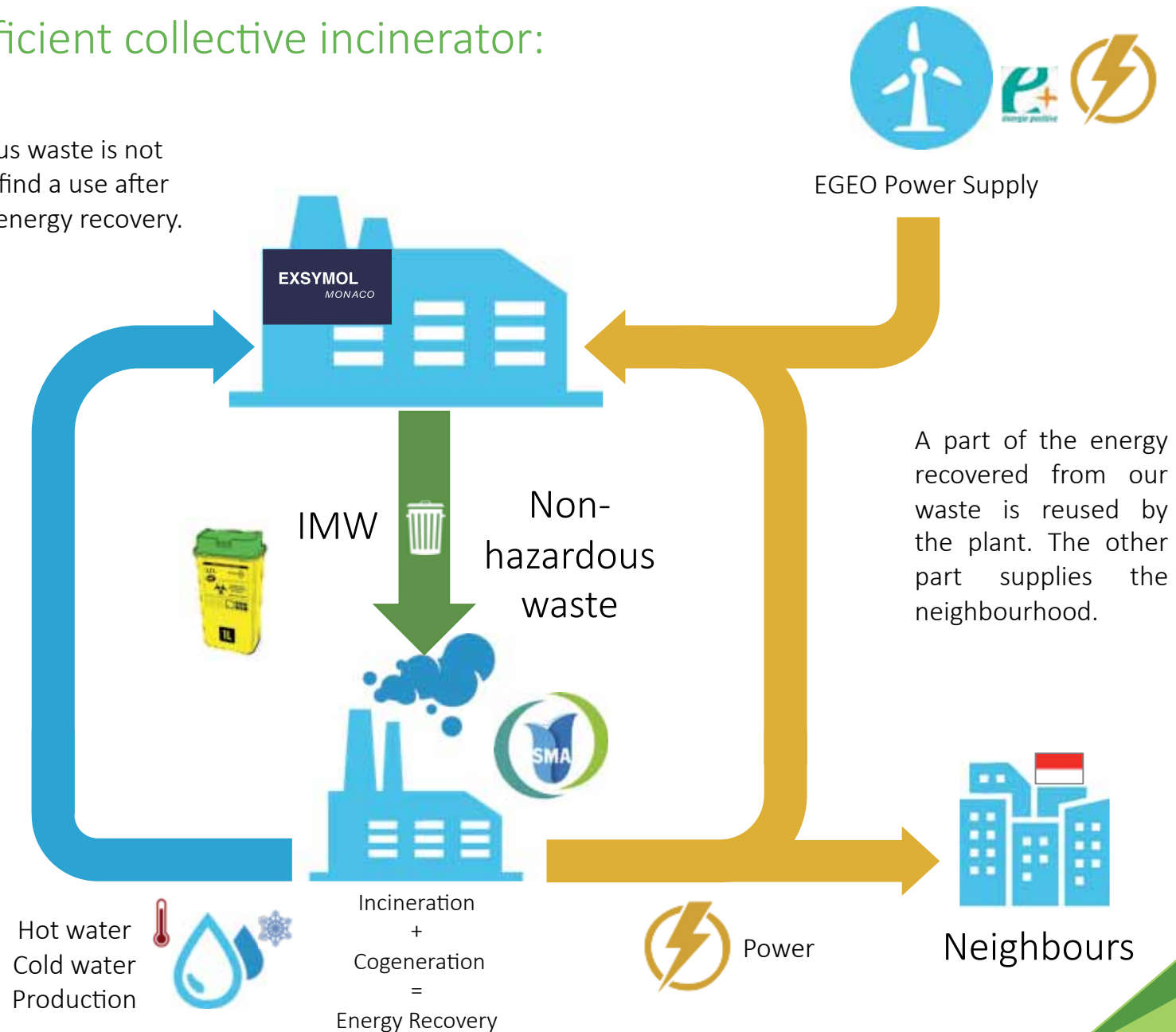
Recycled

Our Commitment to environment

Benefit from an efficient collective incinerator:

Some of our non-hazardous waste is not recyclable. However they find a use after their production through energy recovery.

The energy generated by incineration produces hot and cold water for the air conditioning and heating of the industrial district of Fontvieille where Exsymol's facility is located.



A part of the energy recovered from our waste is reused by the plant. The other part supplies the neighbourhood.

The Men and Women supporting our growth

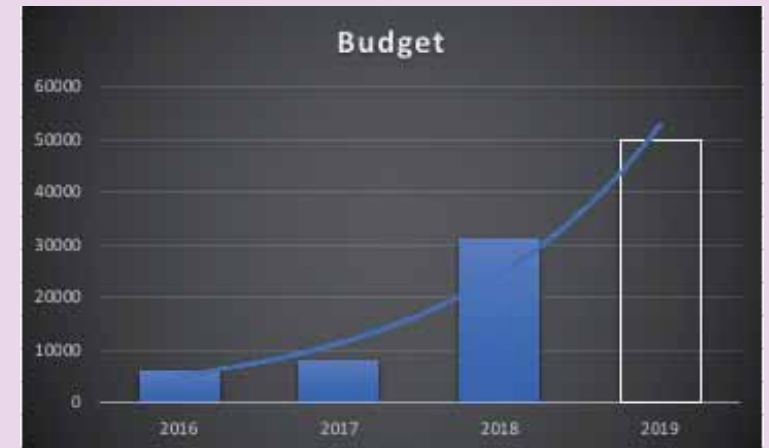
Exsymol's commitment is not that of a few persons. It is a global, long term vision in which everyone has a part to play.

The attention given to our people allows everyone to put to use their specific abilities, ensuring their professional thriving.

Exsymol's responsible development is only made possible by the full investment of our people in our vision and our CSR policy.

Since 2015, the role of employee representatives evolved. The dialogue with them allowed for the rising of numerous projects aiming at continuously improving work conditions.

«we accompany our staff with a useful, tailor-made personal training plan, fitting our needs»



*Huge progression of the training budget since 2016. The planned growth for this budget is **40%** in 2019 versus 2018*

2019 will be a thriving year for managers in Exsymol. A training programme is set to help them lead their teams to our common goals, linked to the responsible growth strategy of our Leadership Team

The Men and Women supporting our growth

Our basics : Health, Safety and Workplace wellbeing

Located in an urban area, Exsymol has to be able to intervene adequately before the intervention of external rescue teams in case of an emergency. In order to do so, we maintain the necessary qualification level of our staff regarding first-aid and firefighting.

Maintenance and control of the safety-related equipment on our facility is made in accordance with French and Monegasque regulations.

We benefit from high-level technical support thanks to our partnership with expert consultancy firms.



31% of our staff are trained first-aid rescue worker

Over 2016-2018, worksite accident were reduced

2 lost time injuries in 2016

1 lost time injuries in 2017

1 lost time injuries in 2018

Occupational injuries are not events that happen without a reason, that is why we strive everyday for an improved workplace safety. A single lost time injury remain a low rate, however it is one accident too many.

In order to manage risks, protect those who make its success, and reach the zero occupational injury goal, Exsymol implements a training and awareness policy.

Safety checks of the different areas of the company are regularly performed in order to identify new risks and improve working conditions.



20% of our staff are trained on-site first response fireman

Our main actions in 2018

Quick Response security protocols

Updated Risk analysis

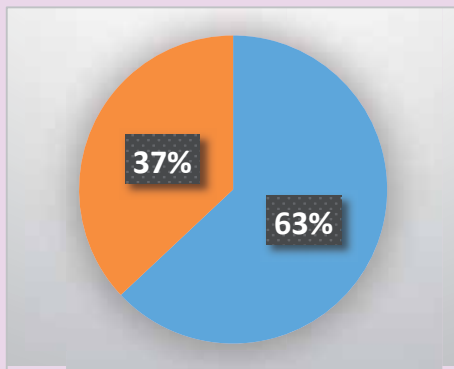
Exposition sheets updated

Update of the Explosion Hazard Risk Assessment

The Men and Women supporting our growth

The commitment of Exsymolians

Daily Commute:



Most of our co-workers choose greener transportations for their daily commute. For 63% of them: Carpooling, Electric vehicles, Public transportation, cycling and walking are part of their daily routine.

Waste sorting :

An Eco-reflex. By creating awareness through communication, those good practices go beyond the workplace



Striving for equality:



Between 2016 and 2018:

56% of new employees are women.

Women face difficulties to access jobs. The gap of activity rate between men and women reaches 7,4% in France. Our recruitment strategy aims at fighting these inequalities, ensuring equal access to jobs, without taking gender in account.

LA BOITE A IDEES:

Flexibility in work hours in order to ensure time to use public transportation

Water leak hunting in every location of the facility

1 extra paid leave if no Lost Time Injury is endured by the employee in the year

Suppressing the use of plastics in our production, as well as in the office

The Men and Women supporting our growth

The commitment of Exsymolians



Solidarity in action :

Since 2016, Exsymol takes part in the No Finish Line, a well known event held in Monaco over the last 20 years.

This event allows financing of infrastructural projects in children healthcare.

In 2018, once more, the participants broke several records : for the first time, over **14000 persons enrolled**, around 13000 took part and over **400000 km** were walked or ran, that is to say 33,7 km on average.

The people running for Exsymol totalled **1376,38 km**, for a **39,33km on average** and thus took part in the success of the event as well as the financing of projects.

The objective of the hosts is to develop the concept worldwide and organise 1 NFL per week. The « NFL Family » grows with a 5th destination : after Monaco, Paris, Oslo and Athens, the 1st NFL Nice took place from the 6th to the 10th of June 2018 on the world famous Promenade des anglais .

This edition helped finance :

- The making of a Snoezelen room in the autism unit in the Lenval Foundation
- Projects linked with Nice's social services

More information : <http://childrenandfuture.com/no-finish-line/>



On 2016-2018 :

63% of Exsymol staff took part in the event. This made for a useful action for children, as well as a precious team building experience.

The concept is simple : for each kilometre walked or run, 1€ is given to charity.

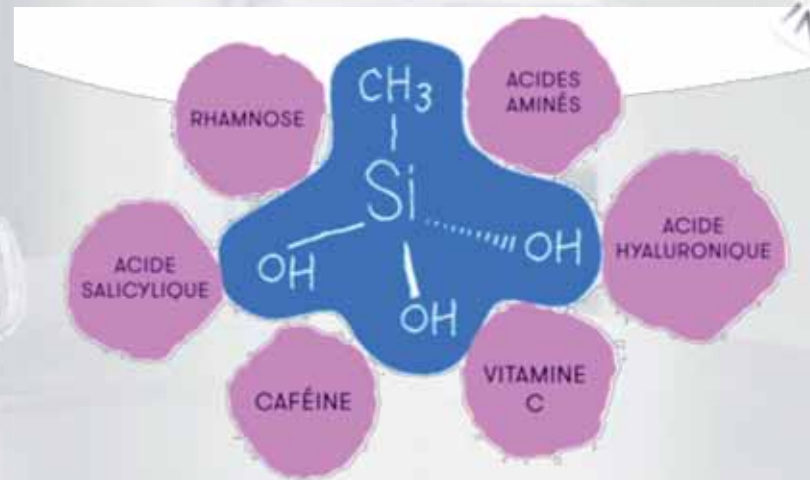
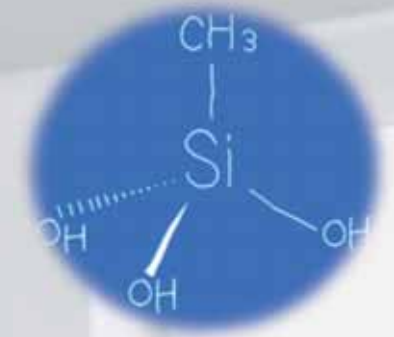
Over those three year, the Exsymol team walked the equivalent of a **Nice-Helsinki trip and back**

Silanols, the heart of our craft

45 years of skin expertise and the Silanol technology

EXSYMOL created over 25 combination of its organic silicon core.

A unique Efficiency, proved in laboratory and via clinical trials.



Silanols, actives for today

The silanols we develop have a natural origin reaching up to 99,65 % according to ISO 16128



Silanol production areas meet the GMP-Ci requirements and are energy-efficient, as they use free cooling and their confinement optimised by a CTM system



In order to go even further, we put our knowledge in application to improve the naturalness of our products.

Increasing the naturalness rate of these products notably involves choosing innovative preservation systems, such as bio-sourced glycols.

Silanols, actives for today

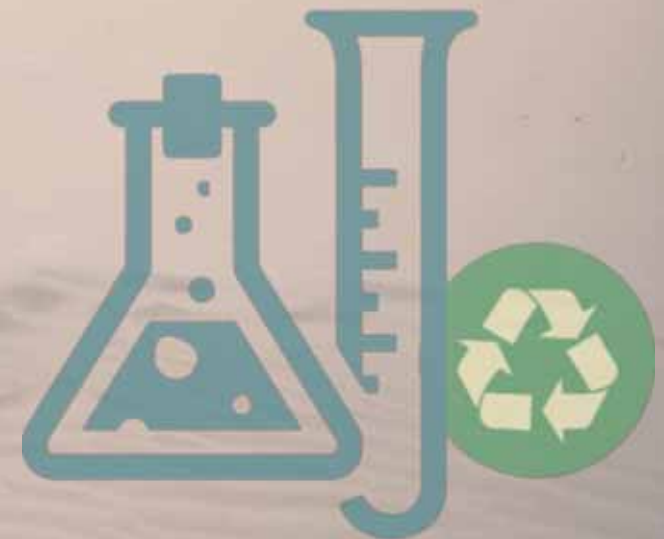
The biodegradability of silanols, an essential question

What is the difference between silicones and silanols?

Silicones are silicon polymers, mainly used as texture agents or emulsifiers in the cosmetic industry. They are, however, pollutants and have low biodegradability.

Silanols are, on the other hand, Silicon monomers, which ensures a physical and biological activity. They are guaranteed Silicone-free and are easily degraded in the environment

(Lehman et al. ,Environ. Sci. Technol. 1998, 32, 1260-1264).





We would like to thank all the staff who took part in the redaction of this sustainable development report, real enablers of the ethical progress necessary to Exsymol's growth.

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This informative report is available on our website www.exsymol.com or by simple request to your usual contact at Exsymol

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