



Sustainable Development

REPORT 2022

Editorial from the management



Sébastien Bossard
CEO

2022 has been an unprecedented year globally. Whilst too many people have died as a result of the war in Ukraine, this situation has had a major impact on our environment in Europe, and on the planet as a whole. Consequently, Kersia has also been affected.

The energy crisis has led to an all-time high in the price of our raw materials. However, the Kersia team, from purchasing to sales, through industry, finance and innovation, has done a great job managing the situation.

We have even **adjusted the way we do business**, in close collaboration with our customers. **I would like to thank the teams for their resilience, their perseverance but also the strong relationship of trust that we enjoy with our customers.** The situation is still tense and will remain so for some time, which confirms that we must continue and even step up our strategic transformation to create a food-secure world.

95%
of our employee is satisfied working for Kersia

Despite the challenges, the human commitment shown in 2022, from our shareholders to our employees, has been a key driver in this crazy year.

Our recent employee survey, conducted in December 2022, confirms our state of mind: 95% of our employees are satisfied with working within the Group and would recommend it as a great place to work!

This confirms our collective optimism and our resolve to work hard to adapt our solutions in order to better serve our customers' needs.

In the course of 2022, we have also made **significant progress when it comes to our range of products, always in search of a lesser impact on our planet.**

By acting as "changemakers" to manage the energy crisis and its immediate impact on climate change, we have confirmed our vision and its positive impact. For example, we have **integrated a circular economy model for our packaging and expanded our water treatment solutions.**

But we're not finished yet. Life is about evolution, adaptation and transformation, and that's why I'm eager to work together to build the "**Future Kersia**". The butterfly is not yet fully developed, but the chrysalis has already undergone many changes: let's keep up the good work, we're on the right track thanks to solidarity and collective commitment.

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This year, we are starting work aimed at making our sustainability report compliant with the requirements of the CSRD. The CSRD, also known as the Corporate Sustainability Reporting Directive, is a European directive aimed at improving transparency and the comparable nature of sustainability information provided by companies.

Compliance with the CSRD will be fully achieved in the 2025 Sustainability Report. The next step involves the dual materiality exercise, which will make it possible to specify the sustainability factors in our next report.

Introduction and business model

About US

Kersia's parent company, Hypred, was founded in Dinard, France, in 1985 to support developments in milk quality, from production to processing. Since then, the group's concern for food safety has extended to cover all agri-food industries, and its expertise has been developed to include animal nutrition and water purification, treatment and disinfection.

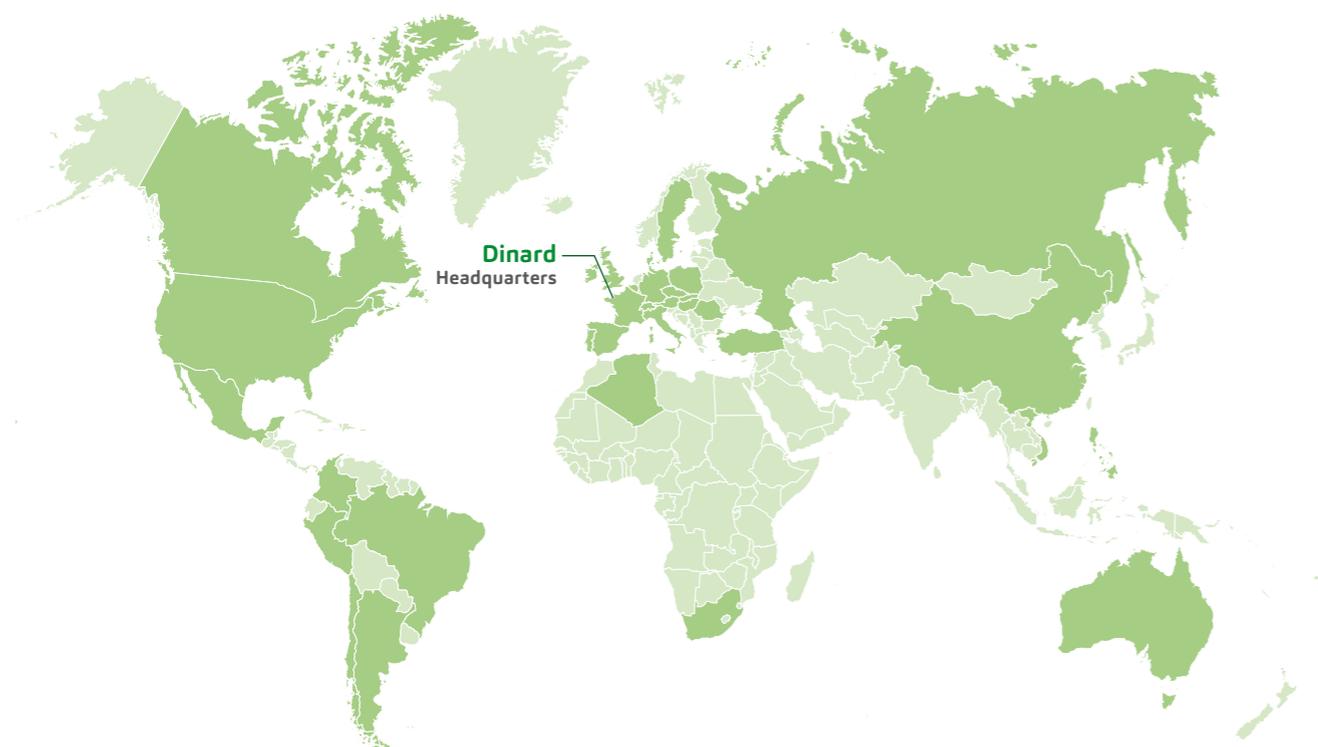
Backed by investment firms, initially Ardian (2016) and subsequently IK Partners (end of 2020), our group's identity was developed with all collaborators around a new name and a new logo.

The name Kersia refers to our Celtic roots (*Ker*, meaning "house" in Breton), then we picked the butterfly as the symbol for our group's transformation towards new horizons. Lastly, we defined the principles that united us through the four most important values to us, i.e., **transparency, competence, sharing and anticipation.**

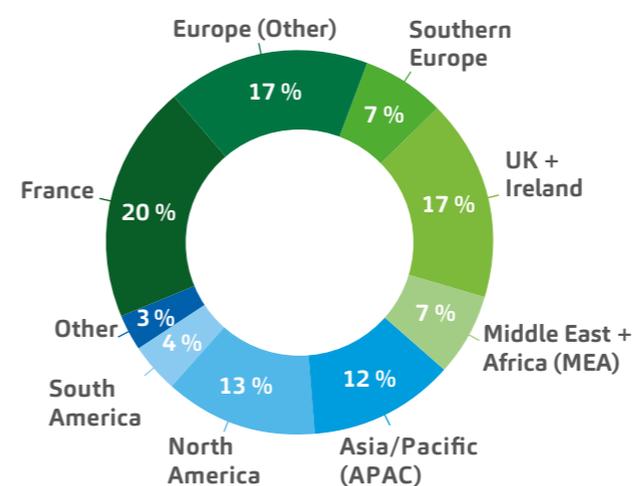
The Group's rapid growth allows us to reinvent ourselves every day, and to regularly challenge the established model. Our shareholders' support drives us to progress and improve constantly and sustainably.



Global distribution



Breakdown of sales by area



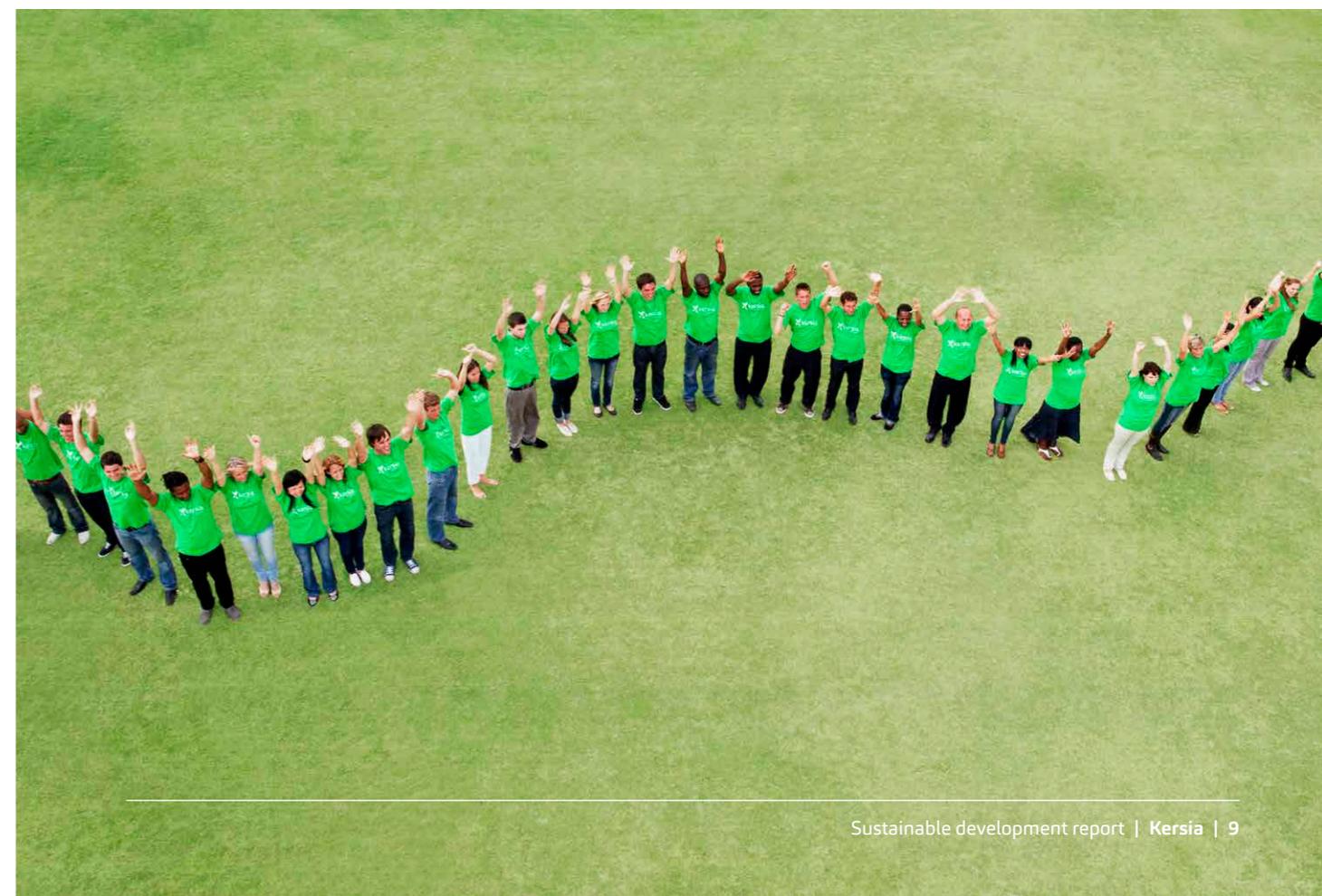
Kersia has capitalised on its strong position in Europe to expand into other regions, notably the American continent, Oceania and Asia.

With an impressive industrial footprint comprising 24 of its own sites, added to some dozen subcontractors, Kersia has the scalability required to support its international growth and increased production capacity. An adapted industrial footprint, local sales offices and global sales forces enable Kersia to support its customers throughout the world.

With this local presence, the group is able to adapt to each country's specificities and respond rapidly to market and regulatory developments.

Workforce by area

France	UK + Ireland	North America
416	408	233
Southern Europe	Middle East + Africa (MEA)	South America
132	79	83
Europe (Other)	Asia/Pacific (APAC)	
300	485	



Our business model

Our resources

Capital

- **496 million** in sales in 2022
- IK Partner: European investment fund with more than **30 years'** experience, a strong partner to improve business performance and continuity
- "Green loan"

Human capital

- **2,200** employee (+ 20% compared to 2021)
- **336** new hires over the year

Intellectual capital

- Number of brands: **1,050**
- **15** patents pending
- Among our employee are veterinary experts, agricultural engineers, microbiologists and animal nutrition experts.
- IT tools (KITE) for centralising product safety data and a single ERP (ORACLE) being rolled out

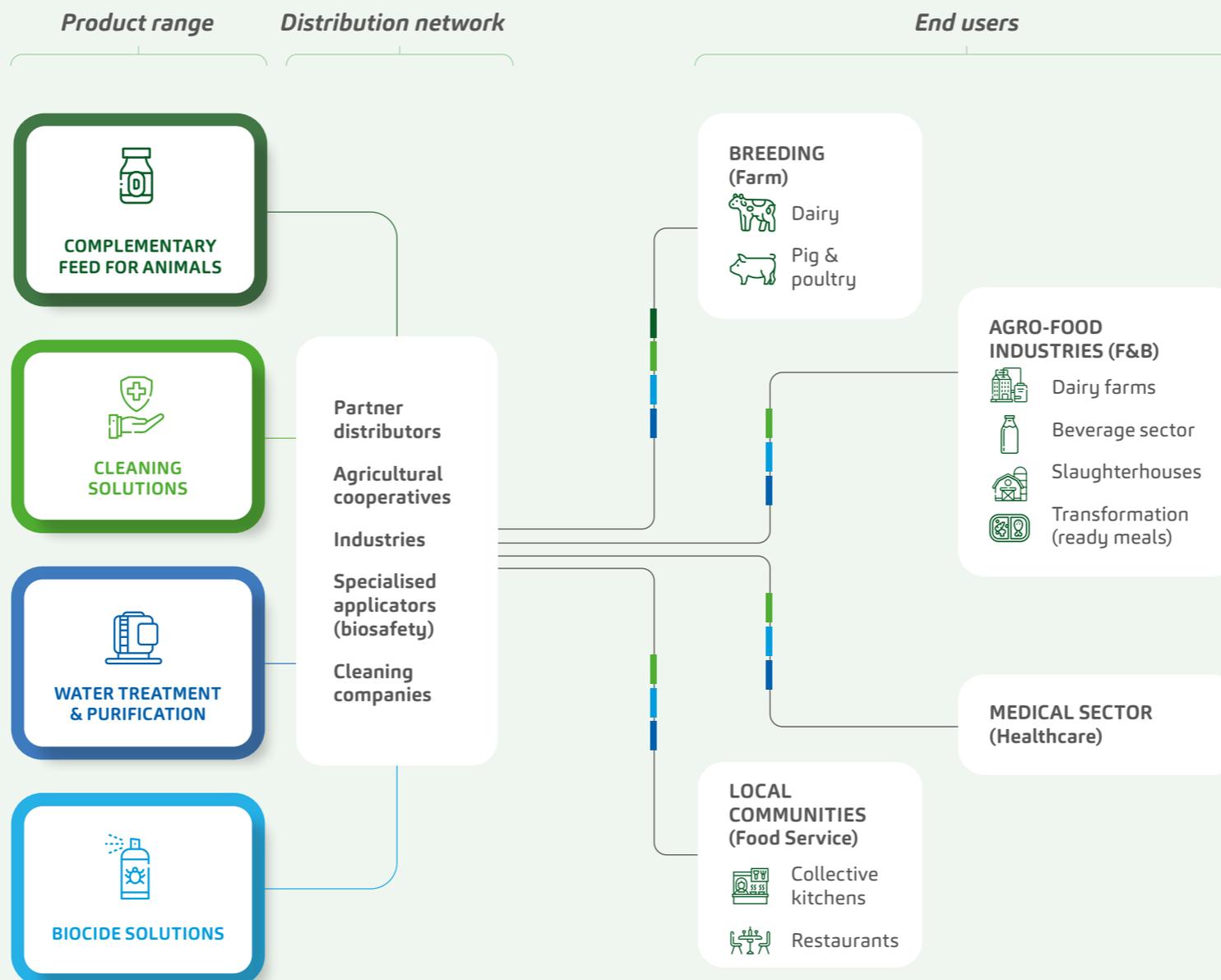
Environmental capital

- Climate plan
- Circular economy approach with the launch of R-Pack (FR)
- **14** ISO 14001 production sites out of 24 sites
- TCO reduction programme (water, energy, productivity and consumption of products and labour)

Industrial capital

- **24** own production sites and some dozen subcontractors
- **5** R&D centres (Canada/USA, Philippines, Dinard (FR), Seneffe (BE), South America)
- **1** Biotechnology research and production centre (Canada)

Our activities



Our value creation

Our customers

- More than **10,000** customers across **120** countries
- Customer satisfaction questionnaire: 95.17% of customers questioned recommend Kersia and 92% of customers are satisfied with the service
- **2,752** products marketed within the group

Our employee

- Number of CSR pilots: **20**
- **730** employee shareholders (who hold 4% of the capital)
- **36%** of women on the executive committee (4 out of 11)
- **33%** women
- Accident frequency rate: **10.29**
- Accident severity rate: **0.13**
- **2** group training programmes: Talent management, Committed & Different

Our suppliers

- Signature of the Kersia supplier charter
- Innovative sustainable raw materials referencing programme

Civil society

- **3** partnerships with universities

CSR Governance

In 2022, our Group continued to grow at a steady pace, and during the year we expanded our international presence in Asia.

Within this new framework, our aim is still to take concrete action (ACT) by implementing initiatives with a measurable long-term impact, based on three key principles *People* (social performance), *Planet* (environmental performance), *Profit* (economic performance).

The Executive Committee is responsible for monitoring the Group's progress in terms of environmental protection and social development (CSR approach). Initially launched in France, the CSR approach was rolled out within the Group in July 2018, when a CSR department was created and a CSR operational committee set up. The 11 members of the Executive Committee are supported by eight other leaders from various departments.

In order to ensure deployment across all the Group's locations, and because the Group's facilities are anchored in a multitude of regions, a network of local representatives has been set up internationally.

Based on the map of the local ecosystem, they are responsible for developing mutually beneficial and sustainable relationships and for providing transparent communication.

ACT for a positive impact takes action towards employee, shareholders, customers, partners and suppliers, neighbouring communities and the environment. The CSR management team is therefore able to report once a year to the Supervisory Board on the Group's progress with respect to its sustainable development objectives and its targets for reducing greenhouse gas emissions.

EXECUTIVE COMMITTEE

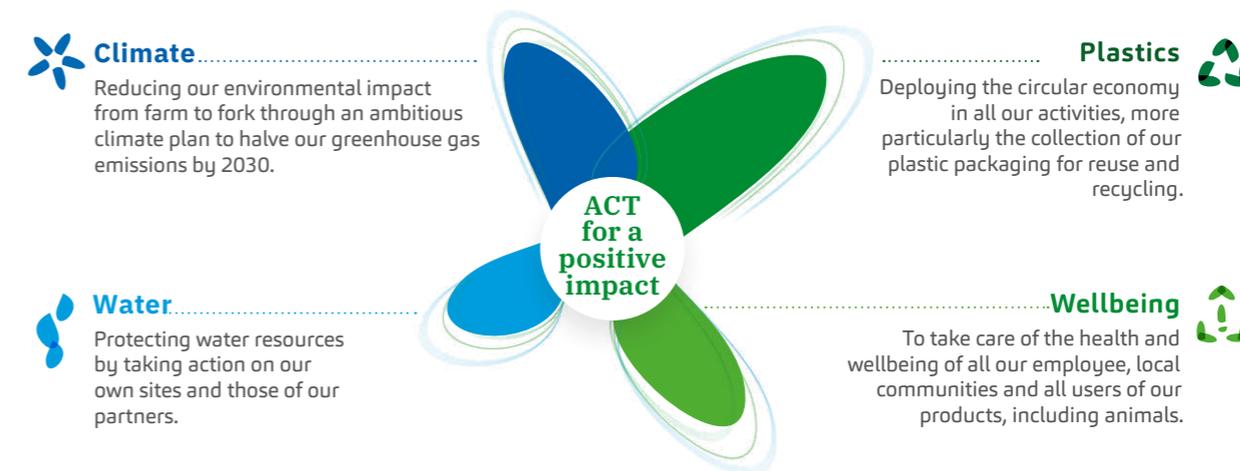
	1. Sébastien Bossard President
	2. Anne-Charlotte Quercia Secretary General
	3. Isabelle Demoment CSR Director, Product management and regulations
	4. Michael Gately VP International Development Operations
	5. Tanguy Le Clerc VP International Operations
	6. Stéphane Le Dallic Chief Financial Officer
	7. Karine Le Grand Innovation Director
	8. Gauthier Baivier Supply Chain and Industrial Performance Director
	9. Patrick Richard IS Director
	10. Guillaume Tanter Director of Human Resources
	11. Katrin Turvey VP Key Accounts and F&B Engineering

CSR OPERATIONAL COMMITTEE

	1. Isabelle Demoment CSR Director
	2. Gary Maillier CSR Project Manager
	3. Hélène Louet Group Manager for Industrial Performance and Safety
	4. Sandrine Even Purchasing Director
	5. Marianne Lagree Group Project Director
	6. Mireille Vandermarliere In charge of customer relations
	7. Béatrice Texier Legal Affairs and Compliance Manager
	8. Blandine Serpaud Head of Corporate Communication
	9. Patrick Perrodeau Director of Purchasing Goods and Services

CSR Strategy

ACT for a positive impact, the name given to our CSR project to be deployed from 2018 is a pragmatic, realistic and achievable programme, strategically supported by the Executive Committee as a lever for the success of the Group's priority projects.



These priorities are linked to our contribution to the SDGs. In September 2015, a historic United Nations summit resulted in the adoption of 17 Sustainable Development Goals by 2030, to end all forms of poverty, combat inequality and tackle climate change. Given our mission, we are contributing to the implementation of nine of these goals.



For this sustainability report, our four priorities have been split into three major challenges:

Our employee's wellbeing

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Water, climate, plastic: our priorities for the environment

p. 24

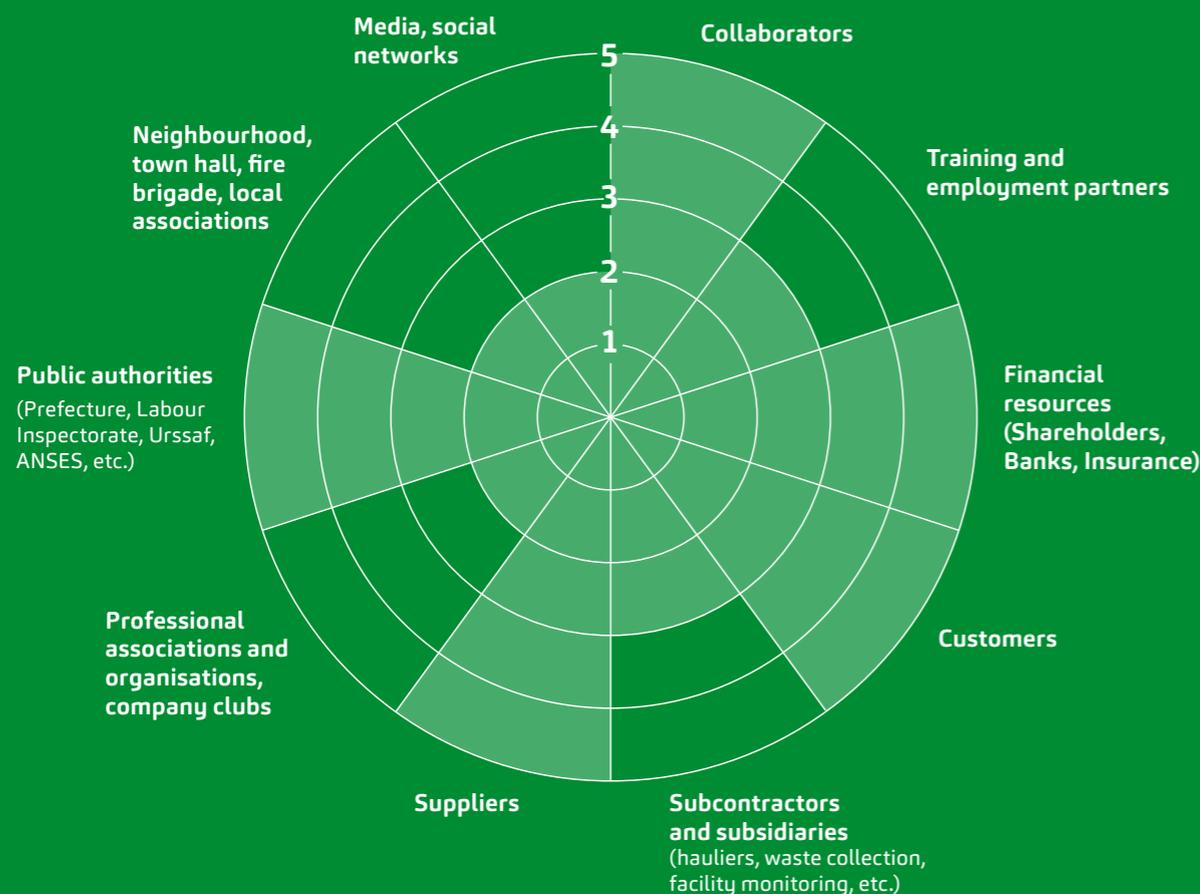
Our stakeholders' wellbeing

p. 36

Our stakeholders

Internal and external stakeholders impact or are impacted by the activities of the Group, which is committed to developing respectful and mutually beneficial relationships. The analysis of their level of influence, the existing dialogue and the collection of their expectations through regular surveys enables us to better assess their importance and their needs.

Level of stakeholder influence



 Stakeholders	 Level	 Point of view and expectations	 Dialogue methods
Collaborators	5	Good working conditions (health, safety, training opportunities, etc.) Good communication, company that listens, facilitating exchanges with management	Annual individual interviews Annual questionnaire on wellbeing in the workplace Email communication Internal social network
Training and employment partners	3	Deployment of skills Long-term viability of the business Diversity within the Group	Specifications Interviews, training
Financial resources (Shareholders, Banks, Insurance)	5	Sustainable profit Return on investments Solvency of the company Compliance with insurance contracts	COMEX, finance department, annual questionnaire, audits, various exchanges
Customers	5	Product compliance Group's expertise After sales service	Sales (telephone, emails, visits, audits) Satisfaction questionnaire every 2 years
Subcontractors and subsidiaries (hauliers, waste collection, monitoring of facilities, etc.)	3	Viability of the Group Sharing of good practices	Exchanges with: Sales department Quality Health Safety and Environment department CSR contact network
Suppliers	5	Compliance with payment deadlines Easy communication	Buyers, accounting (telephone and email)
Professional associations and organisations, company clubs	2	Respect for health and the environment Improvement of CSR approach Responsible innovation	Exchanges with competitors, other companies with different activities, sharing of experiences
Public authorities	5	Compliance with multiple sector-specific regulations	Legal department Financial department
Local communities	2	Business security Participation in local life Regional impact	Visits to sites, meetings, events
Media, social networks	2	Group image	Editorial committee

The Kersia Group's employee are a key factor in our success, and it is our duty to take care of them. Marked by inflationary economic challenges and the climate crisis, 2022 has shown that skills development, quality of life in the workplace, diversity and safety are key elements.

This year too, the integration of new employees, the training of young talents and support for change were among our priorities. At the same time, the quality of life in the workplace has been a key focus to ensure our teams' satisfaction and motivation. Diversity, inclusion and equality are at the heart of our concerns, and are intrinsic to our performance. Lastly, we have pursued our commitment to safety in the workplace as well as food safety.

DEVELOPING SKILLS AND DIVERSITY

70

employee trained in the C&D programme

4

webinars organised on social entrepreneurship topics

83%

completion of e-learning programmes (cybersecurity)

33%

women within the Group

4

women out of 11 members on the Management Committee

13

individuals trained in the major principles of diversity, of whom 11 of the Group's HR managers, the CEO and the CSR director

SOCIAL DIALOGUE TO IMPROVE QUALITY OF LIFE IN THE WORKPLACE

95%

of employee satisfied to work for Kersia

55%

of participation in the consultation on wellbeing in the workplace

90%

of employee recommends Kersia

13

agreements (France)

ENSURING SAFETY IN THE WORKPLACE

54

industrial accidents

Severity rate

0.13

Frequency rate

10.29

10

ISO 45001-certified sites

Our employee's wellbeing



Developing skills and diversity

The market is evolving, with new technologies and new expectations on the part of our stakeholders, including our innovative support. Adapting the Group's solutions to these new expectations therefore requires the development and diversity of talent, in terms of both skills and profiles. Becoming an expert takes time, and the Group intends to take full responsibility by giving every employee the means to grow.

Welcoming and integrating new recruits

In a context of major, closely spaced acquisitions over the last six years, each employee regularly receives an updated "welcome booklet" covering the essential elements of the Group's organisation and operation. Each new hire benefits from a personalised induction programme designed to introduce them to the company, its structure, roles, markets and products.

At the same time, the manager is responsible for the job training. At the end of the induction period, the manager and the human resources department conduct an assessment with the new employee to ensure that they have acquired the basic skills required for the job.

This programme represents the cornerstone of integration into the company, enabling each employee to develop a sense of belonging to the Group.

Maintaining diversity within the Group

Diversity of men and women, a source of wealth for the Group, is a constant priority. Respect for professional equality and the fight against discrimination are at the very heart of our practices, from recruitment onwards and throughout all phases of an employee's development within the Group (access to training, career development, departure).

For many years, several sites like Dinard (France) have been developing partnerships with establishments specialising in work-related assistance, subcontracting some of our operations such as the packaging of non-hazardous products and the maintenance of our green spaces. Beyond the quality of the service provided, this enables us to guarantee local employment for individuals with disabilities.

In 2022, all the Group's human resources managers met during a special seminar on the subject. Based on a presentation of unconscious bias by an expert from the ASHOKA NGO network, the CEO and CSR Director gathered thoughts and proposals to develop a diversity policy for the Group. This policy will be rolled out during 2023 and will be accompanied by local awareness-raising sessions in all countries.

Managing talent

Annual interviews are compulsory for all employees and their line managers, beyond local regulatory requirements. They are conducted using the same methodology, whatever the country or position. Aimed at clarifying each individual's missions and objectives, they are a key time in the year for discussing employee expectations, providing the necessary recognition for efforts made, assessing training received over the previous 2 years, planning training for the coming year and suggesting opportunities to give meaning to work.

In addition to this general procedure applicable to everyone, Kersia launched a Talent Management programme in 2022. This consists of analysing the Group's skills requirements, by involving internal stakeholders and taking into account the age pyramid, planned departures and recruitments, and requirements for strategic positions and key employees. It also enables us to check that skills have been duly acquired at the end of the various training programmes, in order to promote career development and internal mobility. In this way, we support our managers in the development of their skills, in order to best help them in their current position, thanks to a dedicated programme in collaboration with the EDHEC:

- A learning journey to become the leaders of tomorrow
- Practical, interactive and collective workshops
- Specific workshops to develop commitment, entrepreneurship and collaboration at Kersia.

FOCUS LOCAL PROJECT



Promoting youth development (Ireland)

"As part of the Committed & Different programme, we launched a local initiative to back education within the local community. The aim of this programme is to provide local students with the opportunity to complete their internship with Kersia.

We partner with the local university to offer internships to post-graduate students, in particular in the science sector. Students work with us for a period of 6 to 12 months, depending on their degree's requirements. We offer them a well-balanced programme where they gain work experience with our R&D and technical departments, in our chemistry and microbiology labs.

We also work with local secondary schools to offer young people age 15 to 16 professional experience during the transition year. The transition year is a gap year during which children explore the subjects available to them before making their choice for the state exams.

This initiative is part of our 'PEOPLE' strategy and gives us the opportunity to welcome back students as employees once they have completed their post-graduate studies."

– Deirdre, HR manager

Change management

Beyond individual needs, and in order to support every man and woman in the Group's transformation, specific training programmes have been designed and implemented from 2018. Management training, change management and even individual coaching are offered to all employee who so request. Change management support has been introduced for a majority of managers, to ensure that they have the capacity to help each employee face the challenges ahead. Training in the "process communication" method has enabled us to gain a better understanding of motivations, decision-making and communication methods

and the various behaviours that these lead to in a company. This training has enabled us to develop more constructive and effective relationships within our teams. To support a strategy based on teamwork, a number of cross-functional management and project management training courses have been provided on a group or individual basis.

E-learning training platform

The E-learning platform (*My Compliance*) today is dedicated to cybersecurity training and personal data protection (RGPD). The e-learning platform is designed to be developed for in-house training on other topics and external training for our partners.

Committed & Different Programme

Kersia's ambition is to be able to adapt to a changing world and have a positive impact on it. We aim to inspire every employee, encouraging them to think outside the box, developing their skills and open-mindedness so that everyone dares to act differently. In 2019, Kersia therefore made a commitment to an ambitious programme with the international NGO Ashoka.

The programme aims to encourage individual initiatives and to develop skills such as entrepreneurship, adaptability, creativity and emotional intelligence, so that in turn everyone can take part in change. Open to all those who request it, the programme is based on voluntary participation and should eventually bring on board 10-15% of the Group's workforce.

In 2022, 30 new employees joined the two initial promotions, taking to 70 the total number of "Committed & Different" ambassadors.



OBJECTIVES	2022 RESULTS
Tending towards	
100% of employees who take an annual performance interview, including a professional interview that looks at the training provided over the past 2 years and identifies the training needs for the following year	95% of employees took individual interviews in 2022 within the Group
Increasing our employee's expertise through various training courses	<p>70 employees trained in the <i>Committed & Different programme (soft skills)</i></p> <p>22 employees trained in the Talent Management programme</p> <p>4 webinars organised on social entrepreneurship topics</p> <p>83% completion rate for e-learning programmes (cybersecurity)</p>
40% minimum female representation, consistent with the sector (FR) <small>Source: www.entreprises.gouv.fr/fr/l-industrie-chimique-france</small>	33% women within the Group
Representation of women identical at all hierarchy levels (including management and executive positions)	<p>36% of women on the executive committee (4/11)</p> <p>24% women managers</p>
Deploying a diversity policy with awareness-raising and inclusion sessions within the Group in 2023	13 individuals trained in the key principles of diversity, including 11 HR managers (i.e., 100%), the CEO and the CSR Director



Social dialogue for the quality of life in the workplace

Workload, team spirit, a sense of belonging - every motivating factor is important if we are to move confidently into the future. Feeling good at work, individually and with our colleagues, is our collective assurance that we can work better together and reach our goals. This is how we can serenely pursue our growth, contributing to the Group's appeal and reputation, as well as retaining talent.

Measuring the state of mind of our employee every year

The geopolitical and inflationary climate has forced our teams to be extraordinarily flexible and adaptable. It is critical for us to regularly assess our employee's wellbeing and perceptions. This is why we make it a point of honour to listen to them and react quickly when providing them with solutions.

Therefore we questioned them in early December. The majority of Kersia's employee, across all professions, took part in the survey - more than 1,000 employees. Their contributions add weight to this new study and testify to their commitment to the Group.

Quality of life in the workplace pilot programme

The main objective of this approach, whose pilot project was completed in France in early 2022, is to provide recommendations for practices in terms of quality of life in the workplace (QWL) in all entities. The aim is to improve working conditions and wellbeing in the workplace around 3 key areas:

- Working conditions
- The content and meaning of work
- Opportunities to express themselves and have an impact on their work.

A total of 12 *Focus Groups* were rolled out, involving 65 employees and 9 members of the "Wellbeing Committee". The groups allowed a diagnosis to be made of existing practices and the factors having an impact on the quality of life in the workplace. While welcome, integration and working conditions, as well as the quality of relations between employees and with managers, emerged as strong points, progress

was called for in terms of making communication between departments easier, prioritising issues more effectively and passing on knowledge.

These contributions led to suggestions for action in the following four areas:

- Improving work organisation
- Opening up and improving communication
- Support and change management
- Fostering a culture of prevention

These areas of work will be the common thread running through this approach for the coming years, and are fully in line with the Group's DNA. To this end, the members of the Executive Committee will be involved in prioritising the recommendations for action made by the "Wellbeing Committee". They will also be driving forces in this area, both in France and internationally.

The six lessons

90% of employee are confident about their future within the Group, but a third of them would like to see better communication of Group news at all levels. COMMITMENT 2023: Introduction of a twice-yearly newsletter	1	Inflation and the current economic crisis have highlighted the need for recognition, particularly financially. COMMITMENT 2023: Revisiting salary policies	2
The Group's growth continues to create the need for change management COMMITMENT 2023 : Reinforced training policy on change management	3	In the wake of the health crisis, the role of the manager has been confirmed as key to the wellbeing of employees, with a need to promote friendly relations between and within teams. COMMITMENT 2023: Introduction of new types of meetings adapted to the new size of the Group and its new geographical locations	4
Need to prioritise projects to control the workload COMMITMENT 2023 : Confirmation of the priorities defined by the Executive Committee through systematic communication of each department's management plans	5	95% of employees are satisfied to work for the Group and a strong majority confirms a sense of personal fulfilment and accomplishment	6

Ensuring safety in the workplace

In order to prevent the risk of accidents, particularly those that could be harmful to health, Kersia must be the safest place to work. To maintain the trust of all stakeholders, and to guarantee the Group's ability to ensure business continuity in a safe and efficient manner whatever the context, an uncompromising safety policy is deployed across all facilities.

Health and safety

Ensuring a safe and responsible working environment for all employee remains one of the Group's priorities. In order to make sure that this commitment is respected throughout the world, ISO 45001/OSHAS 18001 (health and safety in the workplace) certification is being rolled out to each site as it is integrated into the Group. To improve our practices year after year, we rigorously assess and report our health and safety performance on a monthly basis, using a range of indicators to help us achieve our goal of a zero accident policy and maintain ISO certification. An analysis of the causes of each event is carried out in order to reinforce risk training and preventive actions for each workstation. Regular sharing of performance

results, best practice by facility and feedback from experience all contribute to the continuous improvement of our facilities. Once integrated, each facility is subject to regular audits. The resulting recommendations contribute to the various action plans.

Guaranteeing safety right up to our customers' doorstep

Through a comprehensive training programme for employees and customers, Kersia contributes to risk management throughout the life cycle of its products. By selecting raw materials for the manufacture of products whose impact is perfectly controlled throughout the manufacturing, use and disposal process, Kersia is constantly striving to develop its ranges in order

to achieve "Zero" risk in use. When a certain number of controversial substances are brought to our attention, alternative solutions are systematically developed. The employees who make the products, the teams who offer them and all the people who use them are regularly trained in the handling of all the products. Because we aim to prevent negative impacts, we regularly share our expertise by offering a comprehensive programme to raise awareness of regulations and the safe handling and storage of products. Our in-house KITE tool, which has been developed over more than 30 years in line with the Group's changing needs and regulatory developments, ensures perfect control of information linked to the health and safety of users throughout the product's service life.

FOCUS LOCAL PROJECT



Promoting wellbeing in the workplace (Ireland)

"The aim of our wellbeing initiative was to create a programme to back our 'PEOPLE' principle, by creating a culture of wellbeing. We have developed a mission statement and wellbeing principles that provide tools for our employee, designed to encourage them to take responsibility for their health and wellbeing.

Our three wellbeing principles are the following:

- **Social**, let's meet
- **Physical**, let's be active
- **Emotional**, let's be aware

Throughout 2023, we will align the programme with the various national health days, providing our employee with information on a range of health and wellbeing topics. We will foster the overall strategy aimed at integrating physical activities into the programme, which will promote good physical health and personal bonding within our team."

– Deirdre, HR manager

Whilst France has now entered the implementation phase, all countries will be adapting the programme to local needs in 2023.

Implementation of agreements

In France and Germany, Kersia has created two employee representative bodies as part of its legal obligations. But the Group does not stop there and goes further by setting up monitoring committees with employee representatives, even in the absence of a mandatory legal framework. This enables constructive social dialogue, which has led to 13 important agreements in France, always based on transparency.

OBJECTIVES	2022 RESULTS
Maintaining or improving a 90% rate of employee that recommends Kersia	90% of employee recommends Kersia
Maintaining or improving a 95% rate of employee who are satisfied working for Kersia	95% of employee are satisfied working for KERSIA
Maintaining or improving a 50% rate of employees who answer the annual social survey	55% of participation rate in the consultation on wellbeing in the workplace
Promoting as much as possible the signature of agreements with employees	13 agreements (FR) as in 2021

OBJECTIVES	2022 RESULTS
Decreasing the number of accidents in order to reach Accidents with work disruption (TF1): 7 & Accidents with or without work disruption (TF2): 12	Frequency rate 1: 10.29 Frequency rate 2: 15.43
Listing all incidents in a common tool (treatment, near misses, damage to property, accidents) for preventive action	Number of industrial accidents: 54 Severity rate: 0.13
Certifying new sites in accordance with ISO 45001 every year	10 ISO 45001 certified sites of which one in 2022

Water, climate, plastics: our priorities for the environment

The CSR strategy “*ACT for a positive impact*”, which has been guided by the Group’s governance since 2018, has historically consisted in managing our strategic resources responsibly and limiting our waste in order to control our environmental impact. In 2022, we stepped up our efforts by developing an ambitious climate action plan to fight climate change. This plan will continue to shape our environmental policy to the point of forcing us to rethink our business model to limit our footprint.

Together with these measures, we have begun to think about ways of assessing our impact on biodiversity in order to better respect it. This transition is a complex challenge, but we are convinced that we have the potential and the skills to bring such a transformation to a successful conclusion.

CONTROL OF RESOURCES

203,232 m³

Water consumption

8,870,980 kWh

of electricity consumed

4%

of recycled water per litre of water used in the manufacture of products and the cleaning of our facilities

38%

of electricity from renewable sources

51,680 m³

of discharged water

6,512,000 kWh

of gas consumed (i.e., 6% less compared to 2021)

CLIMATE CHANGE

Emissions scopes 1+2:

14,000 tCO₂e

Emissions scope 3:

246,000 tCO₂

CONTROL OF POLLUTION AND WASTE

60%

of hazardous waste collected and recycled

83%

of non-hazardous waste collected and recycled

14

ISO 14001-certified sites

Control of resources

Kersia operates in the chemical industry sector, but its product formulation activities result in relatively low energy consumption compared with other players in this sector. However, water requirements are significant in a context of increasing depletion of this resource. The investments made are therefore aimed at supporting the Group's decarbonisation strategy and meeting the targets set, while at the same time innovating to anticipate the difficulties in accessing water across the globe.

Water, a precious resource for the Group

Water is essential to human life and health. Providing drinking water to 8 and even 9 billion people by 2050 and reducing chemical and bacteriological water pollution across the planet are two of the major challenges of the 21st century.

Our water consumption is intrinsically linked to our industrial production as water is one of the main raw materials. A drastic reduction in access to this resource would directly impact our production, and would potentially stop some of our production units, impacting food safety.

The Group's most significant environmental impact is therefore linked to its water footprint.

Maintaining all of our units as close as possible to users is essential to limit the transport of thousands of litres of water.

Since 2003, we have developed an investment and research programme aimed at recycling some of the water used on our production sites, in order to avoid discharging it into the city's water treatment plant. In 2018 we invested in the development of a treatment plant at the Dinard site (FR), so that we can reinject the water directly into our manufacturing process. The water's properties are very closely monitored, with tests carried out twice a week to ensure optimum quality. Recycled water is reinjected not only during washing operations, but also as a raw material in our products, thus achieving circularity.

Investments made over the past 4 years in water recycling have enabled us to achieve a reduction in water consumption of approximately 19%, despite an increase in production. By 2024, each of the Group's facilities must carry out a similar review and implement solutions to show a significant reduction in water consumption.

Given the nature of its business, Kersia is also committed to preserving water through two additional initiatives:

- **To make water from local resources** potable in order to guarantee food safety. Kersia is the world leader in the production of water disinfection tablets with its AQUATABS® range, and is taking action today to ensure that everyone has the water they need tomorrow. In 2022, this allowed us to disinfect a total of 40 billion litres of water.
- **Providing cleaning and disinfection solutions** that limit taking water in the agriculture and agro-food sectors. For example, we offer single-phase, no-rinse (and residue-free) products, which allow water savings of 20-25%. Full audits are carried out in partnership with our customers (TCO: *Total cost optimisation*), including the assessment of the impact of cleaning and disinfection solutions on their own water footprint.

FOCUS LOCAL PROJECT



Recycling washing water (Spain)

"Originally, in order to reduce the cost of water management in our production process, research had been carried out into reusing our washing water in our production. These efforts were also an opportunity to reduce our impact, and this environmental perspective led to greater involvement and commitment on the part of our operators. The situation of extreme drought and water shortages in 2022 has also increased their importance, generating new proposals for reducing water costs.

This led us to take over the project and, in collaboration with the industrial management and the Dinard laboratory, to establish a procedure aimed at guaranteeing product safety. Sampling tests and laboratory analyses were carried out using various proportions of this water in the original formulas, in order to assess the stability and quality of the finished product. After a year of tests, the first guide with validated formulas for reusing washing water was launched. Work is currently underway to add new formulas.

Throughout this project, we have reduced the cost of managing this washing water by 40%, by reusing it in our processes as production water. This also implies a reduction in network water consumption in the plant.

This project has been developed on several sites throughout the Group, including Spain and Italy."

– Jesus, Industrial Manager



Rationalising energy sources

Within the Group, each entity carries out energy audits, either by regulatory decision of the local authorities or as part of the Climate Plan strategy. Each audit is the subject of a summary, an action plan and investments over several years to reduce energy consumption on a like-for-like basis.

In 2022, the action plan to phase out the use of fuel oil continued, and one of the 3 main sites using this resource was closed.

Increasing the share of renewable energy

Concrete actions have been put in place to collect, monitor and reduce energy consumption on a like-for-like basis (electricity, gas, fuel oil). Since 2019, a particular focus has been on accurately measuring the level of renewable energy use at each of the Group's industrial facilities. The aim is to encourage our buyers and industrial managers to increase the Group's share of renewable energy, to achieve for instance, 75% by 2025 and 100% by 2030 of electricity from renewable sources.

Requests for such investments are clearly encouraged, as they are identified in the tools as being linked to the climate plan.

FOCUS LOCAL PROJECT



Solar energy production (Poland)

"In order to support the objectives of our climate plan of independence from fossil fuel sources, several solar projects were launched in 2022. The aim is simple: to produce photovoltaic energy directly on site to encourage local consumption. Coupled with energy efficiency efforts, this self-consumption of renewable energy should cover a growing share of our needs each year, gradually reducing our dependence on electricity purchased from the grid.

Among the sites that installed solar panels in 2022, Poland, for example, chose a facility with a production capacity of 50 kW. This site's electricity production covers 25% of its consumption, and has allowed it to reduce its bill by 21%, which has been all the more appealing given the rise in energy prices.

As Poland is a country that predominantly uses coal in its energy mix, this investment has also avoided the use of 20 tonnes of coal and prevented the release of 24 tonnes of CO₂ since its implementation in May 2022."

– Radek, Purchasing Manager



OBJECTIVES

2022 RESULTS

75%
of electricity from renewable sources in 2025,
100% in 2030

38%
of electricity from renewable sources

Ensuring
that every country implements a water resource
optimisation system

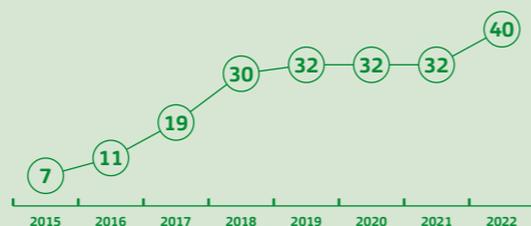
Quantity of network water used per tonne (t) of product
manufactured: **0.59 m³/t of product**
Quantity of recycled water reused per tonne (t)
of product manufactured: **0.03 m³/t of product**
% of recycled water per litre of water used in the cleaning
of facilities and the manufacture of products: **4%**

Aiming for
100%
Reuse of wastewater
treated on our sites

64%
of treated water is reused
Scope: Dinard site (FR)

Increasing
the quantity of water made potable
with a Kersia solution in the world

40
billion litres of water disinfected with AQUATABS in 2022
in cooperation with the NGOs, the governments and the
local communities.



Climate change

Worsening climate change is impacting the operating conditions in our plants and those of our suppliers, resulting in risks to the availability of raw materials and finished products.

At the same time, some of our customers are experiencing business continuity problems as a result of the same phenomenon. In order to ensure their continuity, we have to be able to provide them with solutions with the least impact.

Because climate change also promotes contamination of the food chain, increasing the risk of health crises from farm to fork, our work remains critical.

In order to limit risks, better anticipate them and ensure business continuity, the Kersia Group has diversified its geographical presence through acquisitions of industrial sites. Its global and local purchasing network enables it to guarantee multiple supply sources and control production processes.

This approach contributes to achieving the objectives of the Paris Agreement, and was concluded in July 2022 with the signing of the Group's commitment to the *Science Based Targets* (SBTi) initiative. SBTi is a global organisation that promotes the establishment of science-based targets as an efficient way of enhancing companies' competitive advantage in the transition to a low-carbon economy. Kersia has therefore set itself ambitious emission reduction targets based on the latest scientific climate data.

OBJECTIVES COMPATIBLE WITH THE 1.5°C TRAJECTORY

-42 %
Scope 1 et 2
(absolute value)

-42 %
Scope 3
tCO₂e/M€ turnover

From ACT-S to our SBT commitment

In 2021 Kersia launched ACT-S aimed at reducing greenhouse gases. ACT – *Assessing low Carbon Transition* – is a voluntary joint initiative by the ADEME and the CDP (*Carbon Disclosure Project*), forming part of the *Global Climate Action Agenda* (GCAA). The ACT step-by-step approach is based on the standard continuous improvement methodology (*Plan, Do, Check, Act*) adapted for the definition and implementation of a low-carbon strategy through strategic decarbonisation drivers.

	2021	2022	2025	2030
Emissions scope 1 & 2	14,000 tCO ₂ e		11,060 tCO ₂ e	8 120 tCO ₂ e
Emissions scope 3	650.7 tCO ₂ e/M€*		514,1 tCO ₂ e/M€*	377,4 tCO ₂ e/M€*
Electricity from renewable sources		38%	75%	100%
Number of sites still using fuel oil		7	3	0
Number of sites producing solar energy		4/27	50%	100%
Income from green solutions		30.7%	35%	50%
Sales in the form of a functionality or service		Negligible proportion	10% +	25% +

*million euros of turnover.
Scope: entities integrated before the end of 2022, excluding JVs.



Six strategic guidelines to help curb global warming

 <p>TRANSFORMING OUR BUSINESS MODEL</p> <p>We cannot reduce our impact on climate unless we transform the way we work in the market. This involves changes to our manufacturing processes, but also to the expertise we offer our customers to develop new services in addition to our product portfolio.</p>	 <p>FOSSIL FUEL REDUCTION & ENERGY EFFICIENCY</p> <p>Although this represents only 6% of our total GHG emissions, we have a responsibility to contribute to reducing the consumption of fossil fuels and to use energy more efficiently.</p> <p>External audits of the energy efficiency of our sites are carried out in conjunction with risk mapping to define priorities in our energy mix and ensure the development of renewable energy sources. We also update our policy on travel and choice of means of transport on an annual basis in line with new technologies and offers available.</p>	 <p>TRANSFORMING OUR PRODUCT RANGE</p> <p>A key element in our reduction of greenhouse gas emissions is the transformation of our product ranges in order to introduce more low-impact solutions. The steps to achieve this are, on the one hand, a complete analysis of the impact of existing products using life cycle analysis methodology, and on the other hand, providing new solutions through innovation.</p>
 <p>RATIONALISATION OF LOGISTICS</p> <p>As our greenhouse gas (GHG) emissions are largely due to the raw materials we purchase, our supply chain is a strategic lever to help us reduce our environmental footprint. Collecting emission factors for raw materials and working with suppliers who are also involved in equivalent programmes are considered priorities. At the same time, a better assessment of the distances covered by our raw materials and finished products will enable us to optimise our transport model.</p>	 <p>PROMOTION OF OUR LOW-CARBON TRANSITION</p> <p>In order to be as effective as possible, our climate strategy cannot be the business of just a few. We need to motivate all our stakeholders to raise awareness, train them and develop actions to mitigate our impact on climate and biodiversity.</p>	 <p>CLIMATE PERFORMANCE INDICATORS TO GOVERN</p> <p>In order to ensure that we are taking concrete and positive action, climate performance indicators are systematically used to direct the Group's strategic actions. We check the climate commitments of our acquisition targets as part of our due diligence process. More generally, each new CAPEX is validated against a "climate rating" methodology in order to create incentives for projects with a positive impact.</p>

“
Kersia contributes to limiting global warming to well below 2°C compared with pre-industrial temperatures and is committed to pursuing its efforts to limit warming to 1.5°C.
 ”

Climate plan

After 18 months of collaborative work by the Executive Committee and various working groups, the Group's vision and six strategic priorities were translated into concrete actions in December 2022 as part of a "2023-2030 climate action plan".

Biodiversity plan

Quite logically, the first reflections on the Group's vision and strategy for protecting and promoting biodiversity began at the same time as the climate

action plan. Our first action was taken in June 2022, when Kersia organised a webinar on biodiversity to raise awareness of the issue among all its employees. The speaker, Dr Back Kim Nguyen, social entrepreneur and founder of BeeOdiversity, spoke about his commitment to protecting bees and biodiversity.

Since bees are threatened by 3 factors (pollution, the decline in their source of food and disease), the Group's employees have taken a keen interest in the subject.

Kersia has therefore decided, in turn to sign a partnership with the Belgian company to deploy a biomonitoring solution on 2 of our sites. The aim for 2023 will be to assess local plant biodiversity and evaluate the impact of our industrial activities on the environment by analysing the pollen collected by bees, which act as natural drones and bio-indicators.

FOCUS LOCAL PROJECT

Natural mowing of green spaces (Austria)

"On the Neumarkt site, costs associated with mowing the green spaces represent more than €3,000 annually. In early 2022, the on-site employee heard about the option of hiring sheep from a local farmer from spring to autumn. The team therefore decided to try this alternative method, which is less costly and above all more environmentally friendly.

The project therefore started with two sheep rented from the farmer, and the purchase of two additional sheep. Over the course of the year, other sheep joined the first ones for

a total of 5 sheep and 2 lambs at the end of the year. At the employees' request, a stall was built for the winter and hay was purchased from a local farmer.

A total of €800 was invested to bring the project to fruition: the purchase of the sheep, the construction of some facilities, and hay for the winter. These costs were more than offset by the savings made on subcontracting the mowing of the green spaces."

– Herwig, Operations Manager

OBJECTIVES

42%
 reduction in our emissions scope 1+2 from now to 2030*.
 *In absolute value

42%
 reduction in our emissions scope 3 from now to 2030*.
 *In intensity TCO₂e/million euros turnover

2022 RESULTS

14,000 t
 emissions scope 1+2 (reference year: 2021)

650.7 tCO₂e/M€
 emissions scope 3 (reference year: 2021)

Managing pollution and waste

The Group's activity requires the use of plastic packaging, mainly HDPE, to supply our products in accordance with current regulations, in order to guarantee the safety of the environment and operators throughout the product life cycle, from manufacture to end-of-life. This is our main source of waste. As consumers' and authorities' expectations are now particularly high when it comes to plastics recycling, plastics-related circular economy projects are one of the 4 cornerstones of the Group's CSR strategy.

Our 3R policy

Following the example of the European and French authorities, numerous initiatives aim to put an end to single-use plastic packaging, and set targets for the reduction, reuse and recycling of plastic packaging. Aware of this challenge for many years, Kersia has adapted its business model to move towards a circular model.

Reducing and reusing packaging (2R)

Since 2003, the Group has been contributing to mobilising the industry around the reduction of packaging and has positioned itself as a forerunner in the recovery and reuse of plastic containers after repair or total conversion. These initiatives are in place with our direct customers and, in the case of food processing and agricultural activities, right up to the end user. They allow us to save on the purchase of new packaging, reduce the amount of packaging that has to be destroyed, and increase the proportion of reused waste. While some countries, such as France, are now achieving packaging collection and recycling rates in excess of 50% through models implemented by the Group in collaboration with local partners, the objective is clear: collection and recycling must be rolled out more widely to all countries by 2024.

Recycling plastics

Today, we are going even further with recycling, by reusing our packaging once collected to produce new packaging. While short-loop recycling is common, the innovation consists in having allowed this type of packaging to be approved for packaging and transporting hazardous products, which are more demanding in terms of safety.

This new range of packaging, containing 25% recycled HDPE, is the result of research conducted in partnership with Emb.i.pack, a company specialising in the collection and recovery of packaging. Experts from the Kersia and Emb.i.pack teams worked together to remove technical constraints (slightly different colours for the drums) and regulatory constraints to the extent possible.

Ensuring the treatment of other waste

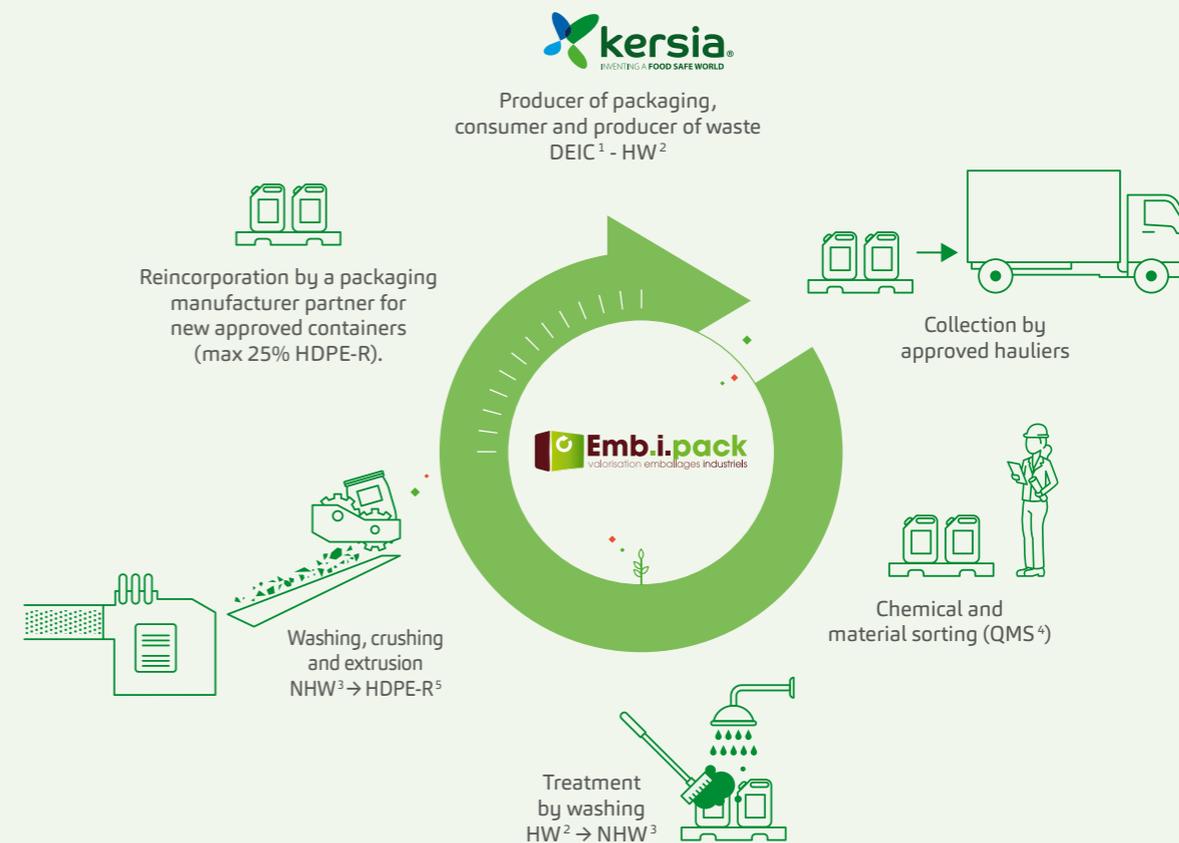
Non-plastic waste represents much lower quantities within the Group. Beyond its regulatory obligations, the Kersia Group aims to ensure that the collection and recycling of waste is part of a dynamic in favour of the circular economy by ensuring that its waste is turned into a potential new resource.

In this regard, and through annual audits using the Tennaxia platform, Kersia ensures that each of its entities has implemented a system enabling the traceability of its waste (hazardous and non-hazardous), and is authorised to prohibit or contractually oblige certain treatment methods, such as prohibiting landfill or requiring recycling.

Industrial pollution risks

Being specialists in the mixing of chemicals, we have no chemical synthesis activity, which limits the inherent physical risks. However, several of the Group's sites are classified as Seveso high threshold or equivalent due to the storage of certain chemicals listed as posing a physical or environmental risk. The risk management measures imposed by this type of regulation and by ISO 14001/ISO 45001 certification are strong guarantees of risk control. These guarantees will be extended to all the Group's facilities, with a view to achieving triple certification by 2027.

From drum to drum



Carbon impact for this model

Recycled drum in the form of a material

Unused virgin material | Drum that is not incinerated

Manufacture of a drum from 100% virgin material:

- emissions during production → 1.94 kg CO₂ eq.
- non-recycled material therefore incinerated → 1.76 kg CO₂ eq.
- i.e., 3.70 kg CO₂ eq.

	Manufacture of the drum – Emissions		Emissions prevented due to "non-incineration"	Total prevented emissions
	Actual	Prevented		
Drum 25% HDPE-R/ 75% virgin	1.56 kg CO ₂ eq.	0.38 kg CO ₂ eq.	0.44 kg CO ₂ eq.	0.72 kg CO ₂ eq.

(1) DEIC: Industrial and commercial packaging waste. (2) HW: Hazardous waste. (3) NHW: Non-hazardous waste. (4) QMS: Quality management system. (5) HDPE-R: Recycled high-density polyethylene (6) Based on the results of a study of the life cycle of a 22-litre drum.

Moving towards a functionality economy

We have a long history of providing solutions to improve food safety throughout the world. Our expertise is now established and recognised, and we aim to go even further with the ambition of developing a model focused

on the economy of functionality. In addition to the tried-and-tested technical expertise of our solutions and our teams, we aim to add a commitment to reducing negative impacts (such as waste) to promote positive impacts on the environment and health (both human and animal). Today, we encourage all projects linked

to the development of solutions that enable sensible use, with the right doses of products applied at the right time, thanks in particular to the use of digital tools. These projects are the subject of clearly identified working groups as part of the climate action plan.

OBJECTIVES

2022 RESULTS

Reducing

the amount of waste generated per tonne of product manufactured

Water discharged/t of product
0.18 m³/t produced

Hazardous waste/t of product
4.8 kg HW/t produced

Non-hazardous waste/t of product
3.5 kg NHW/t produced

Certifying

new sites in accordance with ISO 14001 every year

1

new site certified in 2022, for a total of 14

Reducing

the amount of plastic packaging thanks to reuse and recycling

36% of IBC, **24%** of drums and **31%** of cans are collected empty after having marketed and used by end users, for recycling

8% drums and **61%** of IBC purchased through reuse*

*Packaging marketed and used at least once, subsequently collected and cleaned for reuse

Increasing

the number of countries that have implemented a collection and recycling scheme for plastic packaging to reach 8 countries by 2027

6

countries have implemented a collection and recycling scheme for plastic packaging

Construction of a Centre of Excellence on the Kersia site in Seneffe

Projects for new Kersia facilities are designed taking into account new requirements in terms of sustainable construction



As a key element in the Group's CSR strategy, our corporate governance aims to ensure high-quality, sustainable relationships with all our stakeholders. We are aware that our business has an impact on the society in which we operate, which is why we promote exchanges with our suppliers, partners and customers that are local and responsible for the long term. We are also convinced that innovation is key to underpinning our ambitious climate plan and the necessary conversion of our Group's activities.

Our aim is to guarantee a high level of quality and sustainability for our products and services, regardless of where they are produced. At the same time, we have long been involved in a number of professional associations in order to contribute to the Group's local life and to share our expertise in terms of food safety. Governance is an ongoing commitment, and we are convinced that our actions are fundamental to supporting our sustainable development objectives.

SUSTAINABLE RELATIONSHIPS WITH OUR STAKEHOLDERS

53

manufacturer/raw material combinations that secure bi-sourcing

75%

of local raw materials

15

professional associations in which Kersia is invested

92%

of customer satisfaction

INNOVATION AS A STRATEGIC DRIVER FOR OUR TRANSFORMATION

30.7%

of the Group's turnover is eligible for a "Green score"

57.6%

of innovation projects with CSR Score > 4 (on a scale of 0 to 7)

ACKNOWLEDGMENT OF OUR COMMITMENTS

1

new ISO 9001-certified site

Ecovadis score

66/100

Wellbeing of our stakeholders

Ethics and corruption

Acting with integrity, fighting corruption, influence peddling, conflicts of interest and unfair competition practices are a prerequisite for being a trusted partner in food safety from farm to fork.

Guiding employees to behave ethically

Thanks to the implementation of a risk mapping process and the regular scheduling of internal and external audits, each of the Group's departments has given itself the means to control the risks of corruption and to implement action plans designed to strengthen warning systems by 2024. The risk analysis carried out in 2019 to meet the requirements of the Sapin II regulations is a major milestone that has given rise to the Group's Code of Ethics. The Group's commitment to respecting human rights throughout its value chain was confirmed and strengthened by the drafting and communication of this code in 2019, available to all employees in 20 languages. If necessary, it will guide all employees in their day-to-day actions and in their individual and collective

decision-making. It defines what the Group aims to promote in terms of behaviour not only among its employees but also among its customers, partners and other stakeholders: respect for people and the environment, and integrity in all circumstances. Having set out the basic principles and ground rules to be respected, we wanted to go further by looking in greater depth at the issues that, on a day-to-day basis, require greater attention, according to the risk map. Consequently, at the end of 2020, as part of our anti-corruption policy, and because the dividing line between courtesy and corruption can sometimes be difficult to identify depending on the culture of each country, we created a gifts and entertainment policy that strictly prohibits gifts and entertainment if they represent more than a symbolic value or are likely to influence a business relationship or decision-making process.

This declaration procedure was recirculated to all employee at the end of 2022. This will help to ensure the Group's compliance with the various regulations.

Preventing errors

An alert system has been set up to warn of any breaches of the Code of Ethics. It is anonymous and translated into 13 languages to make it accessible to all. It is backed by an ethics committee made up of 3 members: the CEO, the HR Director and the Legal and Compliance Manager. The system guarantees the confidentiality of the identity and facts reported. In order to ensure that alerts are handled securely, the reporting process is encrypted and password-protected, and all alerts are treated confidentially. An alert can be submitted very easily using a link communicated to all employees.

Sustainable relationships with our stakeholders

Internal and external stakeholders impact or are impacted by the Group's activities, and the Group aims to develop relationships that are respectful and beneficial to all. The analysis of their level of influence, the existing dialogue, and the collection of their expectations through regular surveys allow to better evaluate their importance and their needs, in order to avoid the breakdown of relationships upstream and downstream.

Suppliers

It is our ambition to know precisely the material/supplier/country combination in order to create partnerships with at least two suppliers and to offer as many local sources as possible for our production tools.

This in-depth work and investigation into the origin of supplies, their technical specifications (SDSs, technical data sheets, compositions, etc.) and their place of manufacture, based on information from manufacturers or traders, forms a solid foundation for controlling the risks of supply disruptions as well as improving our carbon footprint.

A charter for all our suppliers and subcontractors, translated into all languages, allows the Group's expectations to be widely disseminated, particularly with regard to respect for human rights. The rules for referencing and de-referencing are transparent and include criteria consistent with our CSR strategy (origin of raw materials, collection and recycling of packaging, etc.). Working to help our suppliers make progress by suggesting support measures where necessary, we use risk mapping to implement action plans in line with priorities.

Customers and partners

Our commitment to our customers and partners is based first and foremost on business continuity, which is critical to maintaining existing partnerships and developing new ones. In order to meet this goal, all our teams are committed to securing supplies of critical materials, improving service levels, in particular by setting up dedicated *customer services* and developing inter-site synergies and communication.

Shareholders

The Kersia Group's investors put CSR at the core of their strategy by taking part in various sustainable finance initiatives. Since 2016, they have been supporting Kersia in a process of continuous improvement of its CSR performance through an annual on-site audit carried out by auditing experts. Kersia demonstrates a highly satisfactory level of performance in the areas of human capital, environmental management and relations with its external stakeholders, and takes advantage of each audit to develop its action plan.

Employment

Kersia is committed to providing stable employment throughout the world. Mainly linked to the needs for temporary activities in France, Ireland and Canada, temporary assignments are entrusted to long-standing employment partners, capable of integrating the Group's changing needs, and of respecting and ensuring respect for our commitments in terms of training and compliance with the code of ethics.

Local projects

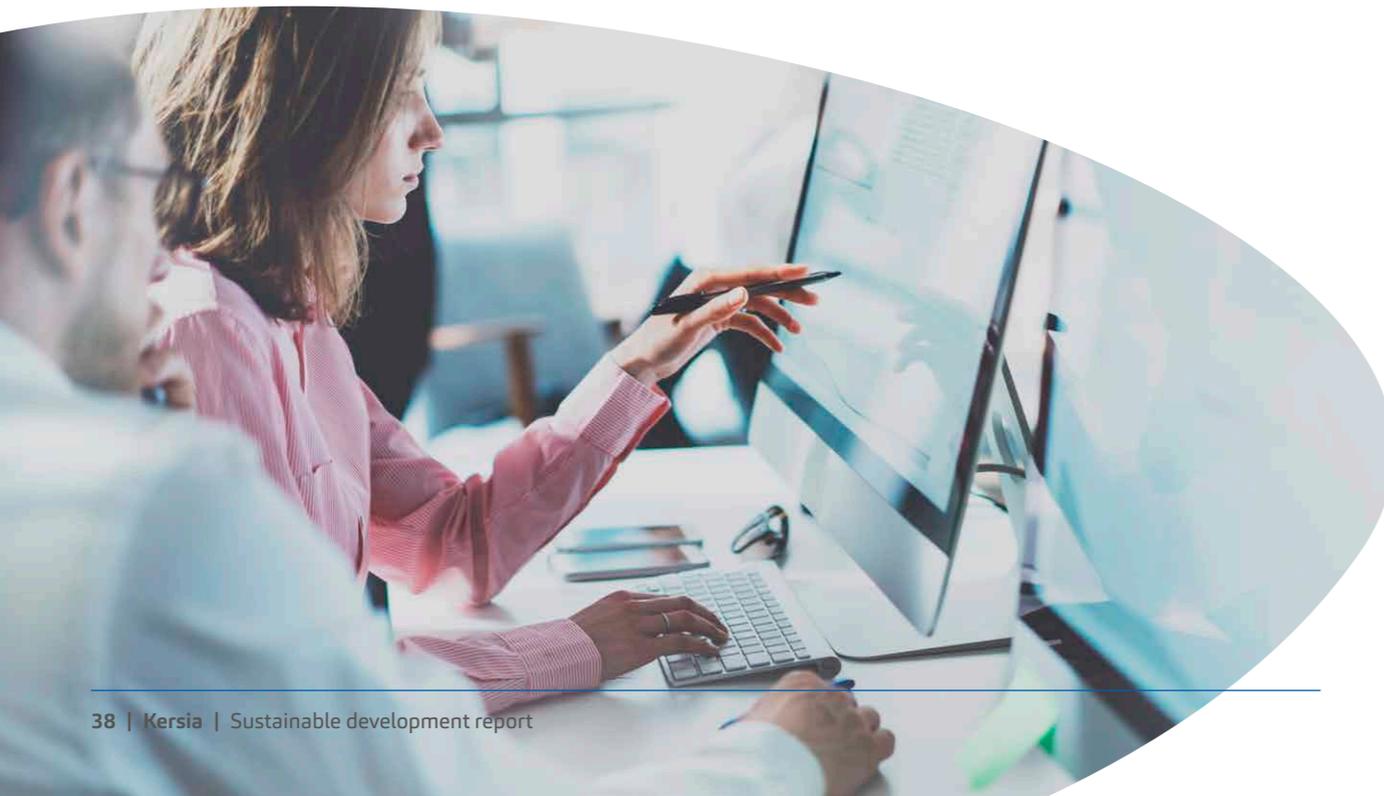
Our CSR representatives are regularly asked to take part in a variety of local initiatives, including conferences on CSR issues, entrepreneurs' clubs and support for local associations (charitable, sporting, cultural, etc.). Each country is free to choose how it participates in local life, as long as it does so in the vicinity of its industrial facilities and in line with the Group's strategy.

The project to set up a simple, intuitive digital platform designed to give employees the power to act by sharing their commitments was launched in 2022.

Every year (whenever possible), Kersia opens its doors to employees' families, local residents of industrial sites and local authorities.

Professional associations

As an active member of trade associations in its sector of activity, particularly in Europe, Brazil and Canada, the Kersia Group benefits from privileged contacts with the entire profession, public authorities and consumer associations. The Group's experts share their skills within technical committees in order to better monitor regulatory developments in the sector and keep up to date with changes in the expectations of all stakeholders.



The NGO Ashoka

Ranked the 5th most influential NGO in the world by NGO Advisor, Ashoka supports the world's largest network of 3,500 social entrepreneurs (Ashoka Fellows) in more than 92 countries. The identity of these men and women is based on their entrepreneurial qualities, but also on their ability to take on board social, environmental and economic challenges. By creating a dynamic of questioning, dialogue and action conducive to permanent adaptation, Ashoka encourages the emergence of major innovations, while supporting the development of social enterprises.

Through this NGO, Kersia has chosen to take an interest in and financially support projects linked to food safety, in line with its mission to ensure food safety.

FOCUS LOCAL PROJECT

Support for the RADIKAL project (Haiti)



We are delighted to introduce Norah Jeanne Joseph – elected to the Ashoka Fellowship in 2023.

Norah – Founder of RADIKAL – tackles food safety in Haiti through street food micro-franchises run by women.

By professionalising women street food vendors and linking them to local producers through an integrated supply chain, they become a key entry point for improving access to nutritious food for low-income citizens.

Innovation as a strategic driver for our transformation

Through a responsible innovation approach (environmental and/or social and/or economic benefits), Kersia develops a special relationship with its customers and the users of its products. In practical terms, this means providing products, packaging or user methods (automatic dosing, contactless use, etc.) that help to protect the health and safety of users and the environment. The innovation process tends to include these considerations at every stage, from the pre-project phase through to marketing research and the launch of products and solutions. The three main drivers for innovation are sustainable chemistry, biotechnology and the use of digital technology to prioritise preventive solutions and minimise the use of solutions that are most harmful to the environment and to the health of humans and animals.

Anticipating needs

Product-focused innovation has led to solutions – such as single-phase cleaning and/or disinfection – that reduce the quantities of product, water and energy required during use. To go even further, Kersia has developed products that improve the quality of the water generated after use of the products in terms of: lower chemical oxygen demand (COD), lower nitrogen (N) and phosphorus (P) content, biodegradable materials – in order to guarantee respect for the environment whatever the methods used.

Whilst the Group has always been able to anticipate regulatory developments and has organised itself to provide effective monitoring and recommendations, it must also take into account changes in the expectations on the part of the end-users of its products, which often go beyond regulations. By offering product ranges that are “free from controversial substances” and helping its customers to understand consumer expectations, it is helping to drive progress throughout the food chain.

Investing in biotechnologies

The solutions currently provided by Kersia are the result of an ongoing quest to respect the principle of sustainability. Climate change, the progress needed to protect users and consumers, and the vital need to combine economic

performance with food safety guarantees have convinced the group to bring about a shift in paradigm. We are thus developing innovative, alternative and complementary solutions, such as biotechnologies, for our partners and customers. For some years now, the raw materials portfolio has been the subject of an in-depth audit, leading to decisions to make strategic acquisitions in the field of biotechnologies.

With its fermentation facilities and extensive experience in biotechnology, the Group is now able to select responsible biobased surfactants from its suppliers using “white biotechnology”. These molecules offer the same guaranteed efficacy as those derived from traditional chemical processes, while improving protection for users and consumers. They also eliminate the need for fossil carbon sources, thanks to the use of carbon already present in the atmosphere through the use of bio-waste.

What's more, as certain microorganisms, such as bacteria, have natural regulatory systems to combat the development of pathogens, innovation projects are underway to help reduce the use of antibiotics in livestock farming. The strategic acquisition of Bioarmor (France), an expert in the development of complementary feed solutions for animals, contributes to the Group's development in support for the performance of livestock farming and respect for animal welfare.

Better managing resources with digital technology

Kersia aims to rely on new digital technologies – artificial intelligence, big data, mobile applications, connected objects, etc., to develop new services for its customers, stepping up support and innovation. – to develop new services for its customers, accelerating support and innovation. Whatever the area, the aim is to develop digital solutions that will be useful:

- to support the follow-up work carried out by technical teams on farms, in agri-food plants and in the catering sector, in order to provide the most efficient solutions whilst assessing their overall impact;
- to create, populate and share databases of results enabling the Group to offer its customers a prevention approach based on predictive risk analysis;
- to advise users on the correct use of products in order to reduce the quantities used and also to be able to implement other good hygiene practices;
- better manage the life cycle of product packaging by geolocating it for more efficient collection and recycling.

OBJECTIVES	2022 RESULTS
<p>Moving towards</p> <p>0%</p> <p>of quality non-compliances and delays/disruptions in the delivery of our raw materials with an impact on our customers in order to guarantee the continuity of their business</p>	<p>53</p> <p>new manufacturer/raw material combinations available in 2022 to secure the bi-sourcing supply chain</p>
<p>70% minimum</p> <p>of raw materials are purchased locally*</p> <p>*Local = business zone (Europe, America, Africa, Asia, Oceania)</p>	<p>75%</p> <p>of materials are local. For example, in 2022, our plant in Vietnam was buying from Europe when it was integrated, we are now sourcing from Asia.</p>
<p>Increasing</p> <p>our presence in professional associations in our sectors of activity</p>	<p>Kersia is committed to</p> <p>15</p> <p>professional associations</p>
<p>90% minimum</p> <p>satisfaction rate among customers of the group (questionnaire every two years)</p>	<p>92%</p> <p>customer satisfaction (questionnaire 2021-2022)</p>

Developing strong brands

With more than 1,000 registered trademarks globally, our Group constantly monitors the market to protect its assets and respect property rights.

Sustainability matrix

In order to guide the transformation of the portfolio of proposed solutions, a sustainability matrix has been

introduced as a central decision-making tool, from the origin of innovation projects, through the evaluation of acquisition portfolios, to the assessment of existing solutions.

This tool is based on an initial set of sustainability criteria commonly used, particularly in the regulatory context of the Green Deal (*Substance of Very High Concern*, carcinogenic, mutagenic, reprotoxic, persistent, bioaccumulative, etc.), to confirm the eligibility of each formulation for a “green” rating.

Participating in the training of young people

Kersia has developed several partnerships with schools and universities, as well as a policy of welcoming young people into the Group, in order to raise awareness among young people and recruit the talent that will enable the Group to meet current and future challenges.

Working with universities



Northern Ireland

At Kersia, we have implemented a sound strategic partnership with the *Institute for Global Security* of the *Queen's University* in Belfast. We combine Kersia's expertise in formulating biosecurity products with the animal welfare expertise of Professor Niamh O'Connell and Dr Maeve Palmer from QUB. Our research plays a key role in developing next-generation biotechnology solutions for tomorrow's farms, with due respect for human, animal and environmental health.



Canada

The Musculo research chair is funded in partnership with the Canadian government, the province of Quebec, Coop Advantis and Olymel. It is dedicated to advancing knowledge in the field of the quality and safety of fresh and processed meat products. It was launched in 2020 and will run for 5 years. Theses and field trials will be used to analyse the problems and test solutions for eradicating and controlling identified pathogenic strains.

Kersia is involved in carrying out priority 3 of the Chair (called “Rempart”), which consists in developing a new approach and new tools to better manage microflora.



France

A CIFRE thesis is being carried out and funded by Kersia at the University of Rennes 1 under the supervision of the ANRT to study the cleaning of filtration membranes used in the agro-food industries. A collaboration contract signed between the ISCR and Kersia allows the laboratory to be funded. The aim is to develop methodologies for studying the efficiency and safety of cleaning products, so as to enable the development of new solutions that are increasingly efficient and safe.

FOCUS LOCAL PROJECT



Development of chlorine-free products (United Kingdom)

“In recent years, a great deal of effort has been made Group-wide to strike a sustainable balance between innovation objectives and CSR strategy.

The aim of the 'Chlorine Free Dairy Detergent' project in 2022 was to develop and implement a new range of products in the UK that would provide the market with a sustainable, phosphate-free, EDTA-free and chlorine-free option, while guaranteeing an efficient cleaning result. In

the dairy industry, milk production is the first step in the food safety chain. The new range of products can be used in all milking parlours and bulk milk tanks. In developing the range, Kersia UK has taken a more environmentally friendly approach, selecting raw materials for the formulation, such as biodegradable wetting agents, and limiting the release of controversial chemicals into the environment.”

– Sara, Technical Operations Manager

OBJECTIVES

2022 RESULTS

Achieving

a percentage of the group's turnover eligible for a Green score
40% in 2027
50% in 2030

30.7%

of the Group's turnover is eligible for a Green score

Selecting and promoting

innovation projects with a CSR score > 4 (on a scale from 0 to 7)*

*Internal scoring methodology in the innovation tool

57.6%

of innovation projects with CSR score > 4



Acknowledgement of our commitments

Committing to a CSR approach sends out a strong signal: that of an organisation that takes responsibility for the impact of its decisions and is committed to the sustainable development of its business activities. In line with the Group's historic strategy of using certification standards (ISO 9001, 14001, 45001) to ensure the continuous improvement of products and services offered to customers, it seemed logical to seek equivalent recognition for the programme *ACT for a positive impact*.

Certification of industrial sites

For many years, the majority of the Group's industrial sites have been certified in one or more areas: quality (ISO 9001), safety of people and facilities (OSHAS 18001/ISO 45001) and the environment (ISO 14001). These robust international standards provide a reference framework for continuous improvement and establish a structured method for implementing it. Annual internal and external audits of the management systems attest to the Group's control over these issues and its commitment to continuous improvement within the Group. In order to facilitate implementation and the sharing of experience between sites, common indicators ensure complete transparency.

- On the production sites: on the production rate, the type of customer complaints and the monthly non-compliance rate. The aim is to improve monitoring of the number of complaints per quantity produced, the quantities that do not comply and their fate (recycling, destruction).
- On the absenteeism rate.

- On the ability to deliver on time and in the required quantity.

In order to pursue this approach, the Group's objective is to set up a QHSE best practice reference system and to secure triple certification for all industrial entities: for all sites integrated by 31 December 2022: certification before 2024. For all sites integrated after this date: 2027.

In 2022, the focus has been on introducing new tools and departments dedicated to customers (*Integrated Business Planning, Customer Service*) in order to facilitate exchanges and provide relevant answers promptly.

Commitment to CSR

In order to keep up with our industry's new demands, we have participated in the creation of a CSR sector label within the FHER (Fédération Hygiène et Entretien Responsable, FR). The aim of the "*Proprement engagés*" label is to provide all companies in our sector, whatever their size or state of development, with a common

tool designed for them, enabling them to begin their CSR approach and promote it. The CSR framework transcribes the ISO 26 000 guidelines in light of the specific challenges of the detergents, cleaning products and industrial hygiene sector, based on 5 areas of commitment and 22 criteria. Afnor Certification assisted the FHER in the development and structuring of its sector labelling scheme for its member companies, and integrated the label into the "Commitment to CSR" common platform, bringing together all the sector labels.

Labelled at level 3 out of 4 (15 criteria met out of 22), Kersia is aiming for excellence with the ambition of moving up to level 4 in 2023 (more than 19 criteria met out of 22).



Ecovadis

Kersia has been contributing to the Ecovadis platform since 2010 through several of its entities. The data collected is evaluated and compared with other companies on environmental, social, ethical and responsible purchasing topics. The results published on the Ecovadis platform promote transparency and trust between Kersia, its customers and suppliers. Regular reassessments are carried out to check the programme's progress.

In 2022, the French entity HYPRED SAS confirmed its gold rating.



Responsible Care

Our commitment to protecting the environment is a major concern for our Group. Aware of our impact, we have voluntarily signed the charter *Responsible Care* in 2008 as part of its global commitments of its sector. The aim of this voluntary initiative, taken in more than 60 countries, is to develop a corporate culture that fosters continuous improvement and the pursuit of excellence in terms of the environment, health and safety.



Product certification

Society's expectations are evolving in line with scientific progress. Today, the elimination of controversial substances and the absence of residues of hazardous chemical substances represent an expectation in terms of controlling food safety, in the same way as controlling food microbiology. As a response, Kersia has chosen to develop certified products that are recognised as respectful of health and the environment.

OBJECTIVES

Certifying

New ISO 9001-certified sites every year

Maintaining

our Ecovadis Gold rating as a minimum

Streamlining

exchanges with customers

2022 RESULTS

22

sites, including a new one certified in 2022

66/100

Ecovadis score 2022 (FR)

Implementation

of the IBP tool, which will provide access to global indicators from 2023, such as the service rate, which is currently only available for FR today.



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The editorial committee.

Our customers, shareholders, suppliers and partners, who support us with their respective expertise in this approach.

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And all the people we meet throughout the year who contribute alongside us every day in order to improve our Group's social and environmental impact!



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