

SEQENS

OUR SCIENCE FOR YOUR FUTURE

CSR Report 2022



NON-FINANCIAL
PERFORMANCE
DECLARATION

A word from the president page 3

About this report page 4

Our identity page 5

- p.05 • Group presentation & key figures
- p.06 • Business model

Our CSR approach page 8

- p.08 • Main CSR risks
- p.10 • CSR Policy
- p.11 • CSR Progress
- p.12 • Sustainable Development Goals
- p.18 • External CSR commitments
- p.19 • CSR Governance

01

Operational integrity page 20

- p.22 • Ethics
- p.24 • CSR Excellence
- p.26 • Responsible purchasing

02

Climate change and environment page 30

- p.32 • CO2e emissions and energy
- p.38 • Water
- p.40 • Waste
- p.42 • Discharge to the environment
- p.46 • Biodiversity

03

Employees and communities page 48

- p.50 • Workforce
- p.52 • Safety and health
- p.56 • Attraction and retention
- p.61 • Skills development
- p.63 • Diversity
- p.67 • Communities

04

Safety, quality and sustainable innovation page 68

- p.70 • Process safety
- p.72 • Quality
- p.74 • Sustainable innovation

External audit of the report page 78





As a major integrated player in pharmaceutical solutions and specialty ingredients, with 24 industrial sites, 10 R&D centers worldwide and more than 3,400 employees, we at SEQENS launched in 2008 a concrete and ambitious program for the sustainable development of our activities on all continents where we operate.

SEQENS' activity is upstream of strategic value chains such as health, cosmetics or electronics. We support our customers in the development of their molecules and, although our products are absolutely essential, their manufacture can generate impacts, particularly environmental impacts, which it is our responsibility to minimize.

SEQENS has put in place a structured and pragmatic CSR strategy, with shared objectives and a clear roadmap that commits the entire Group. This CSR approach, embedded in the Group's strategy, consists in ensuring the long-term sustainability of our activities and also of the customers we work with:

- Ensure the safety and integrity of all employees, partners and assets;
- Guarantee good working conditions to attract and retain employees;
- Minimize the environmental and climate impact of processes and products;
- Ensure product safety, compliance and quality;
- Innovate in sustainable technologies to improve productivity,

environmental performance, quality and safety of processes and products; and create added value for society;

- To be a recognized player in terms of CSR excellence within its activities and supply chain;
- To ensure that SEQENS sets an example in terms of business ethics.

In parallel with this CSR strategy, we have made public commitments since SEQENS is a signatory of the «Responsible Care» charter and the «Global Compact» and has also published its objectives in terms of reducing its CO2 emissions as part of the «French Business Climate Pledge».

During the last 15 years of SEQENS' life, we have always been supported by our shareholders, yesterday Ardian or Eurazeo and today SK Capital, who understand the importance of these issues to continue to maintain and develop our high value-added activities.

This report details the actions implemented and the CSR results for the year 2022, as well as the progress made in relation to the objectives. It demonstrates our efforts, which are gradually bearing fruit, as well as the mobilization of our teams around the world in this essential area.

Pierre Luzeau
CEO of Seqens Group

Since September 2017, PCAS, one of the legal entities of the SEQENS Group, is subject to the obligation to publish a «Non-Financial Performance Declaration» (NFPD) in its management report. SEQENS is not subject to this obligation. However, the Group has voluntarily chosen to produce a CSR report in the form of a Non-Financial Declaration Performance in order to align itself with the best European standards and to present the progress of its approach and its contribution to sustainable growth. This non-financial performance declaration has been verified by an independent third-party organization.

Period

The information published in this Non-Financial Performance Declaration (NFPD) covers the period from January 1th to December 31th 2022.

Perimeter

The scope of consolidation of the information presented in this report:

- Excludes sites acquired during 2021 (Alganelle, Biometrix). These sites will be included in the next CSR report.
- Excludes divested sites during 2021 (Novacarb, Novabion, Novabay).
- Is «pro forma». Historical data have been restated to allow for comparability following the sale of SEQENS' specialty inorganic chemicals activities in December 2021. Thus, the historical data of Humens, including Novacarb, Novabion and Novabay have been removed from the historical data of SEQENS. The results and CSR initiatives of Humens launched by SEQENS in 2008 are available on their website¹.
- Data from entities that are more than 50% owned financially are included in this CSR report at 100%.

Environmental Perimeter

The scope of consolidation for the environmental information presented in this report excludes headquarters (Ecully, HQ Wave-length), an administrative center (Massy), sales offices (Frankfurt, Wayne, Robbinsville, Shanghai), and certain R&D sites (Devens, Pune). These sites do not have a significant impact on the Group's environmental data.

The environmental perimeter includes all industrial sites, listed below by country:

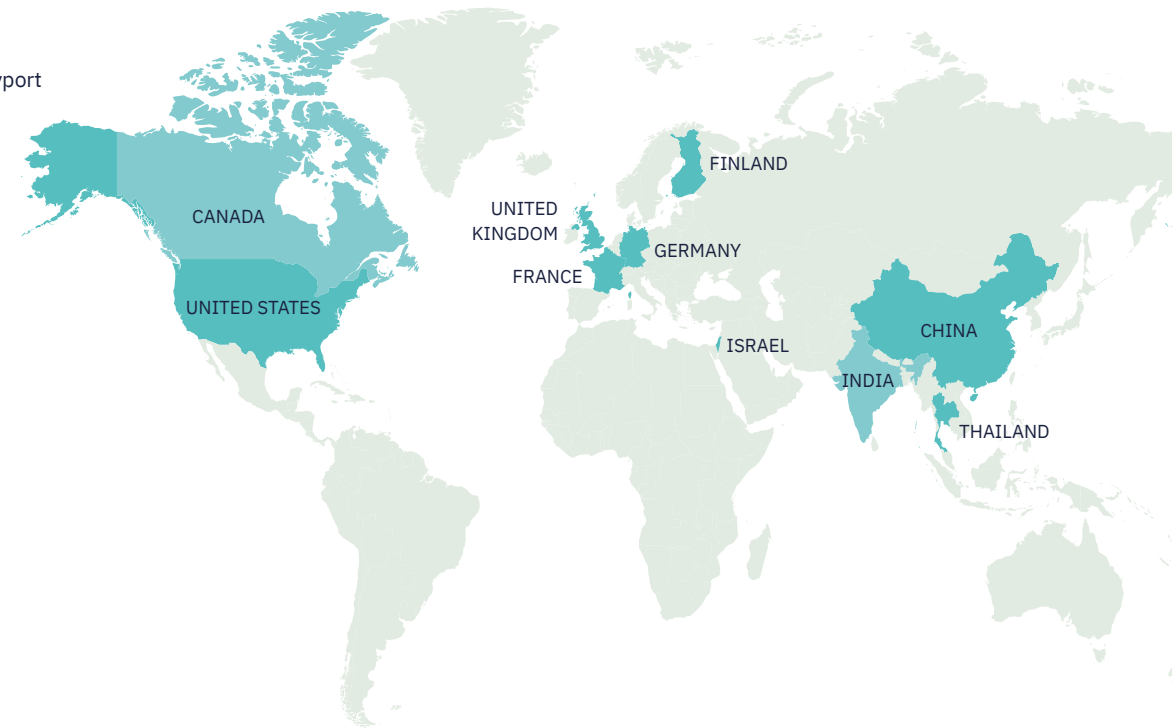
- **France:** Aramon, Bourgoin, Couterne, Grand Serre, Limay, Limoges, Nîmes, Porcheville, Pont-de-Claix, Roussillon Novapex, Roussillon Novacyl, Saint Fons, Villeneuve-la-Garenne
- **England:** Middlesbrough, Billingham
- **Germany:** Lahr
- **Finland:** Turku
- **Canada:** Saint Jean
- **United States:** Newburyport
- **Thailand:** Bangpoo
- **China:** Taixing, Wuxi
- **India:** Hyderabad
- **Israel:** Neot Hovav.

Social Perimeter

The scope of consolidation for the social information presented in this report includes all SEQENS Group establishments, i.e. all manufacturing, storage, logistics and administrative units that are geographically individualized but legally attached to SEQENS. Unlike the environmental perimeter, the social perimeter includes the Ecully headquarters, the Massy administrative center, and all R&D sites (including Devens and Pune), but still excludes the sales offices (Frankfurt, Wayne, Robbinsville, Shanghai).

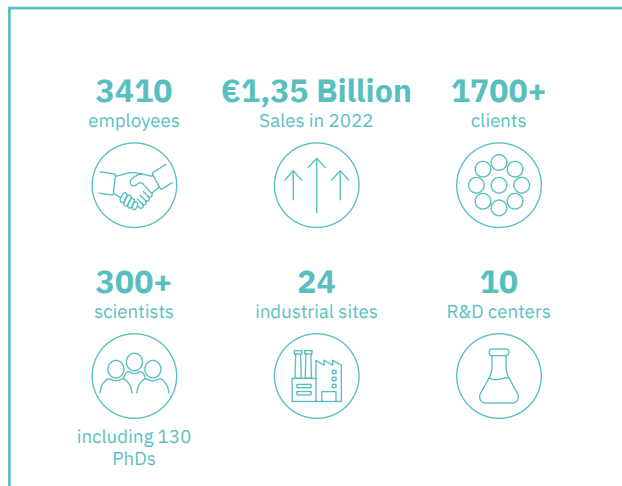
Other perimeters

The scope of consolidation for the ethical, procurement and quality information presented in this report includes all SEQENS Group sites.



GROUP PRESENTATION & KEY FIGURES

SEQENS is a world leader in the development and production of active ingredients, pharmaceutical intermediates and specialty ingredients, with 24 production sites, 10 R&D centers and 3,410 employees in 10 countries. As an integrated player in the value chain, from raw materials to actives, from research and development to industrialization - SEQENS offers a broad product portfolio. Driven by a culture of excellence and a strong entrepreneurial spirit, but also by strong values such as unity, agility and responsiveness, the Group's employees are committed to providing more than 1,700 customers worldwide with the highest level of service and quality while acting ethically in accordance with the CSR strategy.



THE 3 ACTIVITIES OF SEQENS

Pharmaceutical solutions:

SEQENS develops and manufactures active pharmaceutical ingredients (APIs). These active substances contained in medicines are responsible for the curative or preventive properties of the medicine. SEQENS' expertise ranges from the manufacture of generic molecules (off-patent) such as aspirin or paracetamol, to the manufacture of new molecules developed and manufactured specifically at the request of a customer, under exclusive contract. SEQENS' manufacturing capabilities and technologies for active pharmaceutical ingredients allow it to lead projects from the initial development phase through to scale-up and commercial manufacturing, with a vertically integrated supply chain. This integrated supply chain includes the production of raw materials or intermediates, the production of active ingredients, the production of solvents for the pharmaceutical industry, and the production of essential excipients such as lipids and polymers used in the composition of drugs.

The pharmaceutical market is one of the most regulated markets (especially in the European, North American and some Asian markets) and is characterized by high barriers to entry in terms of product quality and regulatory constraints. SEQENS provides project management support as well as analytical and quality control capabilities to accelerate client projects and regulatory filings.

Specialty ingredients:

SEQENS develops and manufactures customized, high value-added specialty chemicals for the most demanding industries (health, fine chemicals, cosmetics and perfumery, additives for technical lubricants, polymers, electronics). The Group operates versatile, flexible and dedicated facilities worldwide, with a unique range of technologies, reactions and distillation capabilities. SEQENS offers custom development and manufacturing services as well as a wide range of high-value catalog ingredients. The Group is recognized for its high level of reliability, flexibility and responsiveness. Finally, the Group has developed a range of safe and sustainable products for the cosmetics industry, notably with non-traditional preservatives without parabens, etc.

R&D:

SEQENS offers comprehensive and fully integrated R&D services to support customer projects from initial development to product commercialization in compliance with the strictest quality, safety and environmental standards. This includes R&D support to the customer during:

- The molecule development phase (molecule analysis, quality control, process safety and impurity verification, drug repositioning).
- Process development with the identification of the best synthesis route for any molecule at any stage. SEQENS has a wide range of technologies to find the best synthesis and purification route.
- The transition to industrialization, from a few kilos to several tons, with the supply of clinical batches thanks to the 7 pilot plants.
- Production and commercialization with, for example, process optimization, supply security and regulatory support.

The key to success in value creation is our commitment to providing first-class services.

BUSINESS MODEL

Resources

Financial capital

OPEX invested in R&D: 36 million euros

Relational capital

More than 1,700 clients
Nearly 7,000 suppliers

Industrial capital

24 production sites
10 R&D centers

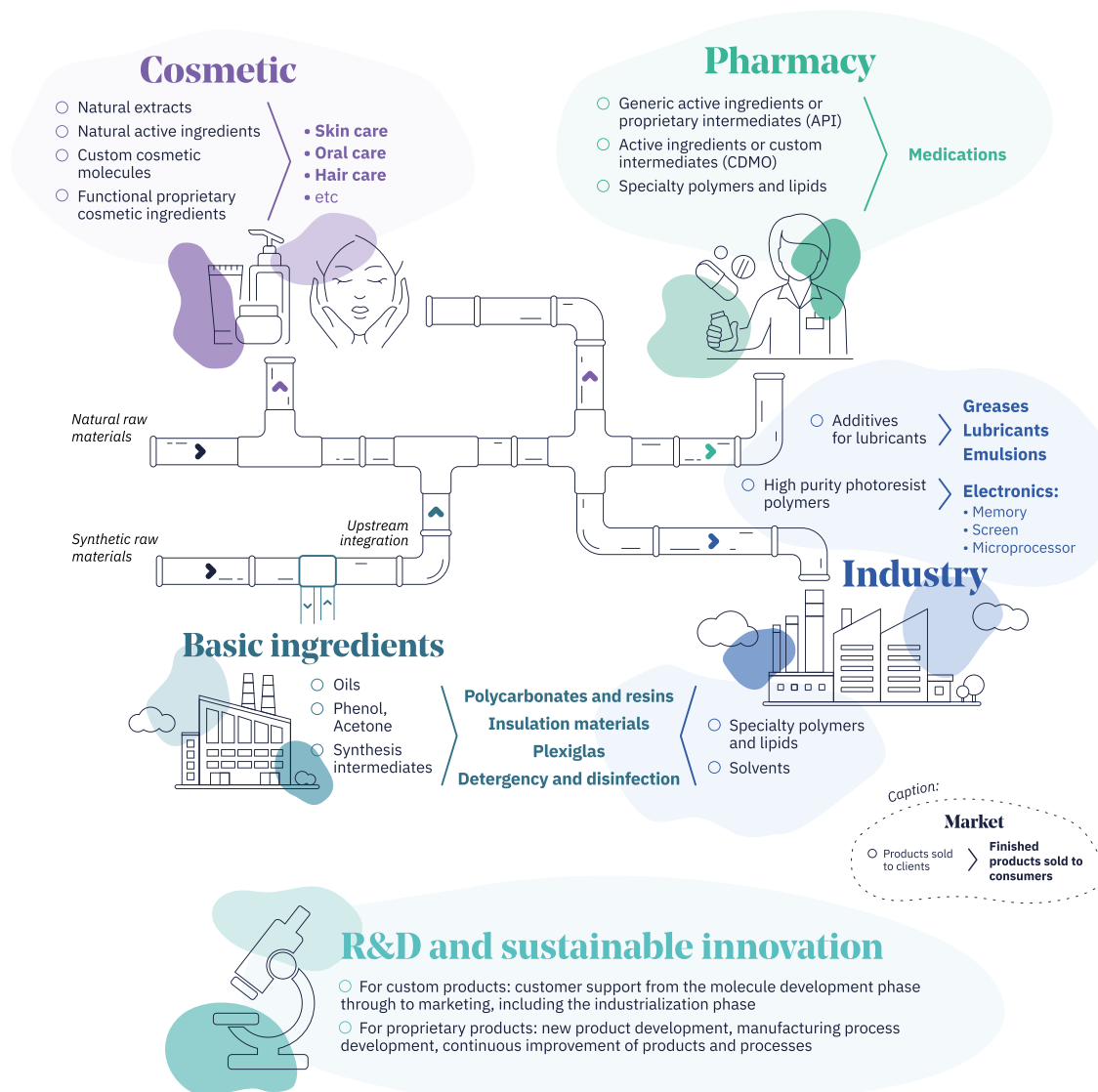
Human capital

3,410 employees
29% women and 71% men

Environmental capital

1,261,410 MWh of energy consumed

18,125,368 m3 of water withdrawn



Values created and sustainable results

Finance

Turnover : €1,355 BILLION

Relational

177 justified customer complaints
48% of purchases covered by a CSR assessment

Industrial

73% of sites with a Platinum or Gold medal (Ecovadis)

Human

Accident frequency rate of 3.1
44 collective agreements signed in 2022
Gender equality index of 85/100
94% of employees trained within the year

Environment

77% of total waste recovered
34% renewable and recovered energy
+11% energy consumption per ton of product manufactured (vs. 2021)
+20% CO2 emissions per ton of product manufactured (vs. 2021)
+5% water consumption per ton of product manufactured (vs. 2021)

VALUE PROPOSITION

Mission

To provide customers with the development and production of active pharmaceutical ingredients, intermediates and specialty ingredients and services throughout the life cycle of a pharmaceutical or specialty ingredient - in compliance with the highest standards of quality, safety, environment and compliance, with a constant focus on corporate social responsibility.

Strategy

- Strengthen the positioning of the SEQENS offer and continue to expand its commercial offer.
- Leveraging its R&D capabilities, its technologies and its integrated industrial network to broaden its offer
- Leverage recent industry investments in pharmaceutical solutions and specialty ingredients
- Pursue production programs for critical pharmaceutical products and specialty ingredients
- Pursue growth through the implementation of innovative projects by drawing on the skills of our teams
- Continue to develop and invest in R&D centers, industrial sites and resilient pharmaceutical and cosmetics markets
- Be on the lookout for external growth opportunities to consolidate and expand the PCAS offering

Ambition

To be the integrated global leader in pharmaceutical solutions and specialty ingredients with the most comprehensive range of technologies.

Values

- Entrepreneurship
- Agility
- Reactivity
- Tenacity
- Customer orientation
- Solidarity

Major external trends

- Growth in the pharmaceutical and cosmetics markets
- Growing expectations for products with a small environmental footprint
- Relocation of critical production

MAIN CSR RISKS

The Group's international presence and the diversity of its activities expose SEQENS to social, societal, governance and environmental risks. These CSR risks, also known as non-financial risks, are identified by the Group in order to be better controlled. This exercise is repeated annually.

In order to select the most significant non-financial risks for the Group, each risk was evaluated according to two parameters:

- The probability of occurrence (which is the probability that the risk will occur and materialize into an impact).
- The potential severity of the damage (if the risk were to occur). All the consequences likely to affect the Group have been analyzed: financial, reputational, social and environmental consequences.

The evaluation of severity and probability allowed us to conclude on the level of importance of each risk, also called criticality, and to rank the risks among themselves.

The due diligence policies and procedures implemented to prevent and mitigate the occurrence of these risks are presented and explained throughout this report, as well as the results of these policies, including key performance indicators² (KPI).

Certain themes, such as animal welfare, the promotion of physical and sports activities, precariousness or food waste, which should be dealt with in the NFPD, do not seem relevant to the nature of the SEQENS Group's activities. They are therefore not developed in this report.



Name of the risk	Description of potential impacts on operations	Criticality of the risk
Major industrial accident leading to lethal and irreversible effects beyond the property limits	<ul style="list-style-type: none"> • Interruption of operations • Site closure • Civil and criminal liability • Reputational impact • Penalties • Notice of site remediation • Financial impact (cost of compliance, compensation...) • Environmental pollution 	High
Failure to protect the safety and/or health of employees	<ul style="list-style-type: none"> • Human risk (injury, death) • Decreased productivity • Executive liability • Civil and criminal liability • Reputational impact • Financial loss • Loss of customers 	Moderate
Disruption of energy supply	<ul style="list-style-type: none"> • Total/partial business interruption • Loss of margin due to increased energy costs 	Moderate
Non-quality of products and/or non-compliance with regulatory changes unfavorable to the Group's activities	<ul style="list-style-type: none"> • Batch recall • Reputational impact • Loss of qualification/suspension of approvals • Site/production line closure (authorities) • Loss of qualification • Instability of final product • Financial loss • Contractual penalties (volume/quality non-compliance) • Penal proceedings • Loss of customers 	Moderate

Name of the risk	Description of potential impacts on operations	Criticality of the risk
Suppliers are challenged for not respecting human rights, labor laws, and/or environmental pollution	<ul style="list-style-type: none"> • Loss of customers • Financial loss • Reputational impact • Civil and criminal liability 	Moderate
Unsustainable use and scarcity of resources	<ul style="list-style-type: none"> • Total/partial business interruption • Loss of margin due to increased water or waste treatment costs • Reputational impact 	Moderate
Be in criminal and/or civil violation of applicable business ethics laws and regulations	<ul style="list-style-type: none"> • Loss of customers • Financial loss • Reputational impact • Legal liability 	Low
Conducting operations that are not aligned with the CSR strategy and market expectations, without taking into account the social and environmental issues related to SEQENS' activities	<ul style="list-style-type: none"> • Loss of customers • Financial loss • Reputational impact 	Low
Lack of control and adaptation to climate change	<ul style="list-style-type: none"> • Business interruption or slowdown • Loss of operational efficiency • Repair costs • Loss of margin • Loss of customers • Financial loss 	Low

Name of the risk	Description of potential impacts on operations	Criticality of the risk
Difficulty in attracting and retaining human capital	<ul style="list-style-type: none"> • Loss of key skills • Disruption of continuity (unavailability of external resources) • Inability to meet customer needs 	Low
Failure to maintain and develop employee skills	<ul style="list-style-type: none"> • Loss of operational efficiency and employee motivation • Loss of skills • Loss of employee employability • Loss of employer competitiveness and efficiency • Loss of management liability • Civil and criminal liability • Financial loss 	Low
Inequality of opportunity and treatment	<ul style="list-style-type: none"> • Loss of operational efficiency and employee motivation • Loss of skills • Reputational impact • Exposure of executives • Civil and criminal liability • Financial loss 	Low
Loss of markets for not having seized the opportunity to improve profitability, environmental performance, quality and safety of processes and products	<ul style="list-style-type: none"> • Financial loss • Loss of customers • Loss of opportunities • Reputation impact • Environmental pollution 	Low
Lack of community involvement	<ul style="list-style-type: none"> • Impact on reputation • Decreased attractiveness, involvement, and motivation of staff. 	Low

CSR POLICY

At the end of 2022, to take into account the changes in its scope and based on the update of CSR risks, sustainable development objectives and stakeholders' expectations, the SEQENS Group updated its CSR policy. This policy is based on 4 pillars and 13 commitments.

SEQENS' CSR strategy is based on:

- A CSR policy defined at the Group level and deployed in each of its operational units;
- Clear governance that engages the entire organization, including shareholders;
- Definition and monitoring of key CSR performance indicators with clear objectives;
- The implementation of action plans and specific projects with a follow-up aiming at the achievement of the objectives;
- An annual report demonstrating our CSR performance.

Climate change and environment

- Continuing to decarbonize our activities
- Preserve natural resources, especially water
- Reduce our environmental impact, especially waste, effluents and air emissions

Safety, quality and sustainable innovation

- Prevent major accidents and ensure the safety of our processes
- Guarantee the quality and safety of our products
- Promote eco-design and sustainable value creation through innovation

People and communities

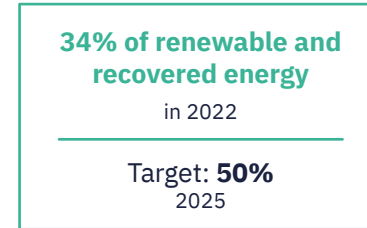
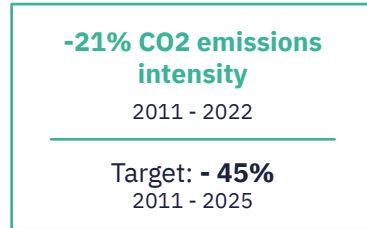
- Ensure the safety and the health of employees
- Implement best practices to attract and retain employees
- Commitment to diversity and professional equity
- Maintain and promote our historical commitments to associations

Operational integrity

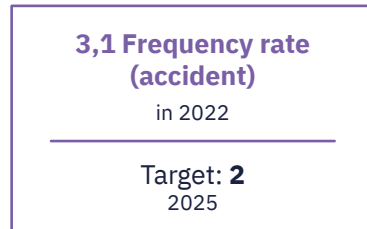
- Conducting business in an ethical manner
- Ensuring CSR excellence within the Group
- Strengthen responsible purchasing of raw materials and services

CSR PROGRESS

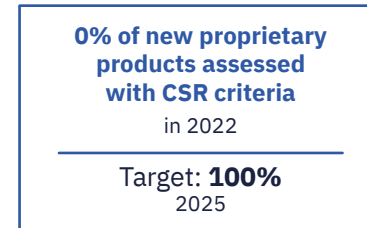
Climate change and environment



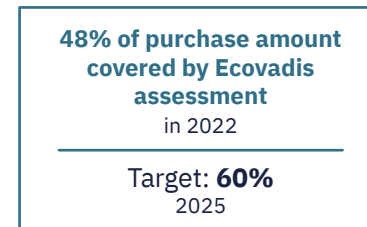
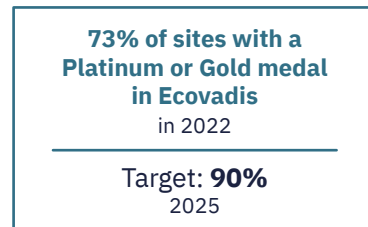
People and communities



Safety, quality and sustainable innovation



Operational integrity







SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals (SDGs) are 17 commitments established by the United Nations in 2015 and are part of the 2030 Agenda which is a universal program for sustainable development. These SDGs cover all the issues of sustainable development such as climate, biodiversity, energy, water but also poverty, gender equality, economic prosperity or peace, agriculture, education ...

The Group's CSR strategy addresses 12 of the 17 United Nations Sustainable Development Goals:

Climate change and environment

<i>SDG Name</i>	<i>SDG Targets</i>	<i>SEQENS' contribution to the SDGs</i>
	<p>6.3 By 2030, improve water quality by reducing pollution, eliminating waste dumping and minimizing emissions of chemicals and hazardous materials, halving the proportion of untreated wastewater, and significantly increasing the safe recycling and reuse of water globally</p>	<p>SEQENS is committed to controlling its aqueous discharges by implementing various programs to reduce the quantities discharged at the source and to set up effective treatments at its sites.</p>
	<p>6.4 By 2030, significantly increase the efficient use of water resources in all sectors and ensure the sustainability of withdrawals and freshwater supplies to address water scarcity and significantly reduce the number of people who suffer from water scarcity</p>	<p>SEQENS is committed to reducing its water consumption by setting up closed loops (in particular for the cooling of process equipment) and by optimizing water consumption through the installation of new, more efficient equipment, automated systems, water-saving materials, etc.</p>


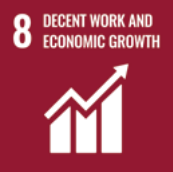

SDG Name	SDG Targets	SEQENS' contribution to the SDGs
	<p>7.2 By 2030, significantly increase the share of renewable energy in the global energy mix</p>	<p>SEQENS is committed to increasing the share of renewable and recovered energy. For renewable energy, this means producing and using renewable energy on site (photovoltaic panels); or purchasing energy from certified renewable sources.</p>
	<p>7.3 By 2030, double the global rate of energy efficiency improvement</p>	<p>SEQENS is committed to reducing its energy consumption by improving the energy efficiency of buildings, processes and utilities (consuming less); and by developing innovative processes and breakthrough solutions to reduce the energy footprint of manufactured products.</p>
	<p>12.2 By 2030, achieve sustainable management and rational use of natural resources</p>	<p>SEQENS is committed to reducing its energy consumption, water consumption and waste generation while optimizing the use of raw materials and improving yields.</p>
	<p>12.5 By 2030, significantly reduce waste generation through prevention, reduction, recycling and reuse</p>	<p>SEQENS is committed to reducing and better recovering its production waste. The Group's approach is based on the "4Rs":</p> <ul style="list-style-type: none"> • Reduce the amount of waste • Reuse waste whenever possible (reuse as raw material in a new manufacturing process). • Recycle waste, in particular used solvents, for reuse in the same production cycles. • Recover waste, especially as a source of energy.
	<p>13.2 Incorporate climate change measures into national policies, strategies and planning</p>	<p>In 2008, SEQENS set up a decarbonization process which was then included in the decarbonization roadmap for the chemical industry in France, published in May 2021. To help the industry in general, the French government supports companies in their decarbonization efforts. Thus, as part of the stimulus plan, a budget of 1.2 billion euros over the period 2020-2022 has been set up to support them. SEQENS benefits from this plan in the framework of some of its projects.</p>
	<p>13.3 Improve education, awareness, and individual and institutional capacity for climate change adaptation, mitigation and impact reduction, and early warning systems</p>	<p>SEQENS' CSR approach includes a communication and awareness-raising component. The CSR report is distributed to all the Group's employees, CSR training courses are set up for certain departments and a CSR seminar is held every year to strengthen the CSR culture within SEQENS and to reward the projects carried out and the teams contributing to the implementation of the Group's CSR strategy.</p>

People and communities


SDG Name	SDG Targets	SEQENS' contribution to the SDGs
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>3.9 By 2030, significantly reduce the number of deaths and illnesses caused by hazardous chemicals, pollution and contamination of air, water and soil</p>	<p>SEQENS ensures the protection of the health of each of its employees and controls their exposure to dangerous chemical substances.</p>
	<p>3.8 Ensure that everyone has universal health coverage, including protection against financial risks and access to quality essential health services and safe, effective, quality and affordable essential medicines and vaccines</p>	<p>SEQENS ensures that each employee benefits from a health and accident insurance scheme.</p>
 <p>4 QUALITY EDUCATION</p>	<p>4.3 By 2030, ensure that all women and men have equal access to affordable quality technical, vocational and tertiary education, including university education</p>	<p>SEQENS ensures that each employee has the means to carry out his or her tasks effectively and to progress in his or her professional life, by developing the potential and employability of each employee, particularly through training.</p>
	<p>4.4 By 2030, significantly increase the number of youth and adults with skills, including technical and vocational skills, needed for employment, decent work, and entrepreneurship</p>	<p>SEQENS is committed to a policy of encouraging young students, trainees and work-study students to enter the workforce and find lasting employment.</p>
 <p>5 GENDER EQUALITY</p>	<p>5.1 End all forms of discrimination against women and girls worldwide</p>	<p>SEQENS is committed to providing all its employees with an equitable and inclusive work environment and to preserving diversity from the moment they are hired and throughout their working lives.</p>
	<p>5.5 Ensure the full and effective participation of women and their equal access to leadership positions at all levels of decision-making in political, economic and public life</p>	<p>SEQENS wishes to increase the proportion of women in the workforce wherever possible. This concerns all levels and functions of the company.</p>
 <p>6 CLEAN WATER AND SANITATION</p>	<p>6.1 By 2030, ensure universal and equitable access to safe and affordable drinking water</p>	<p>SEQENS ensures that all its employees have free access to drinking water on its sites.</p>
	<p>6.2 By 2030, ensure equitable access to adequate sanitation and hygiene services for all and end open defecation, with particular attention to the needs of women and girls and people in vulnerable situations</p>	<p>SEQENS ensures that all its employees have access to sanitary facilities and changing rooms on its sites.</p>

SDG Name	SDG Targets	SEQENS' contribution to the SDGs
	<p>8.5 By 2030, achieve full and productive employment and ensure decent work and equal pay for work of equal value for all women and men, including youth and persons with disabilities.</p>	<p>SEQENS provides jobs in 10 countries on 3 continents and employs 3,410 people in 2022. In addition, the Group preserves diversity from the moment of hiring and throughout the life of the company; and guarantees equal opportunities and salaries, for equal skills and similar tasks.</p>
	<p>8.8 Uphold workers' rights, promote workplace safety, and ensure the protection of all workers, including migrants, especially women, and those in precarious employment.</p>	<p>At SEQENS, no priority can be given to the detriment of people's safety. The Group considers this to be one of the foundations of the sustainable development of its activities. This commitment is clearly defined in the Group's EHS policy and is applied operationally at the sites.</p>
	<p>8.b By 2020, develop and implement a global youth employment strategy and implement the International Labor Organization's Global Jobs Pact.</p>	<p>SEQENS is committed to a policy of encouraging young students, trainees and work-study students to enter the workforce and find lasting employment.</p>
	<p>9.2 Promote sustainable and inclusive industrialization and, by 2030, significantly increase the contribution of industry to employment and gross domestic product, depending on the national context, and double it in the least developed countries.</p>	<p>SEQENS is leading several projects within the framework of the "France Relance" plan and the "Support for investment and modernization of industry" program, which aims to accelerate ecological transformations, increase Europe's economic resilience and technological independence, develop activity and create jobs in a sustainable manner. In 2022, SEQENS employs 1,553 people in France (46% of the total workforce) and 2,039 people in Europe (60% of the total workforce)</p>
	<p>10.2 By 2030, empower and promote the social, economic and political integration of all people, regardless of age, gender, disability, race, ethnicity, origin, religion or economic or other status</p>	<p>SEQENS preserves diversity from the moment of hiring and throughout the life of the company, including people of all ages, genders, origins, family situations, sexual preferences, opinions and aptitudes within its workforce.</p>

Safety, quality and sustainable innovation

SDG Name	SDG Targets	SEQENS' contribution to the SDGs
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>3.3 By 2030, end the AIDS epidemic, tuberculosis, malaria, and neglected tropical diseases, and combat hepatitis, water-borne diseases, and other communicable diseases</p>	<p>SEQENS develops and produces active ingredients and intermediates used in the formulation of drugs to cure or prevent certain diseases, in particular antivirals.</p>
	<p>3.4 By 2030, reduce by one-third, through prevention and treatment, the rate of premature mortality from non-communicable diseases and promote mental health and well-being</p>	<p>SEQENS develops and produces active ingredients and intermediates used in the formulation of drugs to cure or prevent certain diseases, in particular anti-cancer drugs.</p>
	<p>3.b Support research and development of vaccines and medicines for communicable and non-communicable diseases that primarily affect people in developing countries, and provide access to affordable essential medicines and vaccines in accordance with the Doha Declaration on the TRIPS Agreement and Public Health. The Declaration reaffirms the right of developing countries to take full advantage of the provisions of the Agreement on Trade-Related Aspects of Intellectual Property Rights and the flexibilities necessary to protect public health and, in particular, to ensure universal access to medicines</p>	<p>SEQENS develops and produces active ingredients and intermediates used in the formulation of drugs to cure or prevent certain diseases.</p>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>8.4 Progressively improve the efficiency of global resource use in both consumption and production through 2030, and ensure that economic growth no longer leads to environmental degradation, as envisaged in the 10-year framework of programs on sustainable consumption and production, with developed countries taking the lead.</p>	<p>SEQENS systematically prevents industrial risks and in particular the environmental impacts of its activities, whether in terms of atmospheric, aqueous or underground discharges.</p>
	 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>9.4 By 2030, modernize infrastructure and adapt industries to make them sustainable, through more efficient use of resources and increased use of clean and environmentally friendly technologies and industrial processes, with each country acting within its means.</p>

Operational integrity

SDG Name	SDG Targets	SEQENS' contribution to the SDGs
	<p>8.8 Uphold workers' rights, promote workplace safety, and ensure the protection of all workers, including migrants, especially women, and those in precarious employment.</p>	<p>SEQENS respects human rights and the labor code on its sites and within its value chain. These principles are clearly stated in the Group's code of ethics and in the supplier's code of ethics.</p>
	<p>15.6 To promote the fair and equitable sharing of the benefits arising from the utilization of genetic resources and to promote appropriate access to them, as decided at the international level</p>	<p>SEQENS strives to ensure the protection of biodiversity and the fair and sustainable use of natural resources in its supply chain. The Group complies with international agreements such as the Nagoya Protocol or the Convention on Biological Diversity.</p>
	<p>16.2 To end the abuse, exploitation and trafficking of children and all forms of violence and torture against them</p>	<p>SEQENS ensures that no employee, nor any of its partners, uses in any way whatsoever, directly or indirectly, forced labour or child labour. This principle is clearly stated in the code of ethics.</p>
	<p>16.5 Significantly reduce corruption and bribery in all its forms</p>	<p>SEQENS has a program for the prevention and detection of corruption in all its subsidiaries worldwide.</p>

EXTERNAL CSR COMMITMENTS

SEQENS' active membership of the United Nations Global Compact, Responsible Care and French Business Climate Pledge initiatives underlines its commitment to progress on an international scale.



United Nations
Global Compact

Global Compact

Since 2008, SEQENS is a signatory of the United Nations Global Compact. The Global Compact brings together various organizations and companies around ten universally recognized principles in key areas: human rights, international labor standards, the environment and anti-corruption.

It is also a voluntary commitment to take action to achieve the Sustainable Development Goals (SDGs) by 2030.



Responsible Care®

Responsible care charter

The Group is an active member of the Union of Chemical Industries and, as such, has complied with the Responsible Care® Charter since 2008. The Responsible Care® initiative is a joint global commitment by the chemical industry to the safe management of chemicals throughout their life cycle and to the promotion of their role in improving the quality of life and their contribution to sustainable development.



French Business Climate Pledge

Since 2017, as part of the French Business Climate Pledge, SEQENS has made commitments and implemented actions to reduce its impact on the climate and successfully transition to a low-carbon economy.

Initiated by the "Mouvement des Entreprises de France" (MEDEF), the French Business Climate Pledge is a voluntary commitment by companies based in France to take concrete action to achieve a successful transition to a low-carbon economy, innovation and the development of low-carbon solutions, technologies, products and services.

CSR GOVERNANCE

The SEQENS Group has a structured CSR governance to control and implement its CSR approach within the company, with dedicated responsibilities and bodies.

ESG Committee (Environment, Social, Governance)

SEQENS has a two-tier governance structure, with a Supervisory Board (external) and a Board of Directors (internal).

The Supervisory Board is a non-executive board, consisting of 9 shareholder representatives and 1 independent member, responsible for supervising and controlling the activity of the Board of Directors and the CEO in order to ensure the long-term viability of SEQENS.

To manage certain issues, the Supervisory Board has set up three specific committees, including the ESG Committee. This ESG Committee, created in 2016, evolved in 2022 with the change in shareholding. It is now composed of 3 SEQENS shareholder members (2 members of SK Capital, 1 member of BPI France) and 4 members of the SEQENS Group (the Chairman, the Vice-Chairman, the Secretary General, the CSR Manager). It is chaired by a member of the SEQENS Supervisory Board who is also the President of SK Capital, the majority shareholder of SEQENS since December 2021.

The general mission of the ESG Committee is to assist the Supervisory Board in monitoring issues relating to the Group's social responsibility so that SEQENS can best anticipate the associated opportunities, challenges and risks. It provides expertise and recommendations on SEQENS' CSR strategy and actions.

The ESG Committee meets twice a year to discuss the Group's CSR performance and roadmap.

CSR Department

The deployment and implementation of the CSR strategy within each activity and each site are monitored and coordinated by the CSR department. Its main missions in terms of CSR are :

- Manage the CSR policy, KPIs, associated action plans and supervise CSR reporting.
- Support and challenge sites in the management of their action plan and the achievement of CSR objectives.
- Promote the Group's CSR results and share best practices.
- Report regularly to management on results and progress.

The CSR department, consisting of one person, reports to the General Secretariat of the SEQENS Group and is mainly supported by the Group EHS Director, the Group Human Resources Director, the Group Innovation Director, the Group Quality and Regulatory Affairs Director, the Group Purchasing Director, and the Group Compliance Director. Each department ensures that the policy, action plans and reporting of CSR indicators related to their department are carried out.

Network of CSR referents

The operational deployment of the CSR strategy is then:

- Supervised by each director of the functions concerned
- Handled at each production site directly by plant managers or delegated to on-site contributors, called CSR referents, such as Operational Excellence managers or site EHS managers.

The CSR department relies on a network of some 20 CSR referents, at least one at each site.

1

Operational integrity



CSR COMMITMENTS

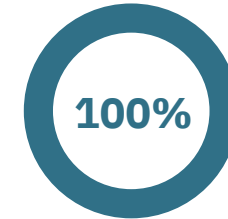
CSR OBJECTIVES

SEQENS operates in several countries around the world and is committed to conducting its business with integrity. Integrating ethical values into its daily activities is essential to remain faithful to its commitments to stakeholders, to protect its image and reputation, and to protect its employees.

This business integrity involves, among other things, respect for international human rights law in all countries where the company operates, the fight against corruption, and exemplary CSR performance. SEQENS is convinced that the expression of its ethical principles and convictions, both within its entities and with its partners, allows it to inspire confidence in its clients.

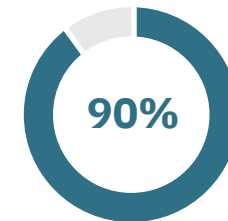


Conducting business in an ethical manner



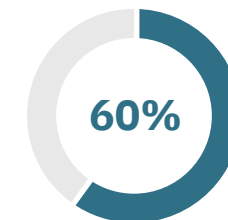
Train 100% of exposed employees and new arrivals in the code of ethics by 2025

Ensuring CSR excellence within the Group



Reach 90% of operational sites with a Platinum or Gold medal on Ecovadis by 2025

Strengthen responsible purchasing of raw materials and services



Cover 60% of purchase amount by a CSR performance assessment by 2025 (via Ecovadis or a CSR questionnaire)

ETHICS

Commitment

Conducting business in an ethical manner

Risk

Be in criminal and/or civil violation of applicable business ethics laws and regulations

Policy

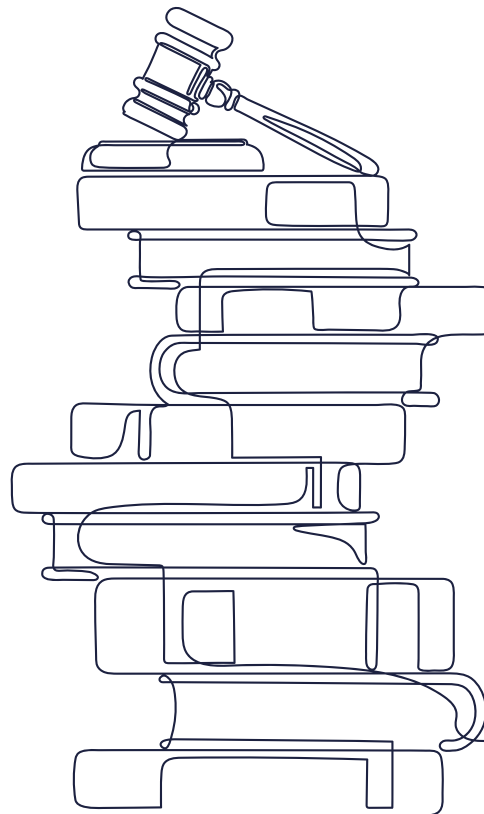
SEQENS is committed to being a recognized partner in ethical and compliance practices and to conducting its business in compliance with laws and regulations, with integrity wherever it operates in the world.

In order to set out the guiding principles and requirements for responsible and ethical behavior on a daily basis, the Group's Code of Ethics was updated in January 2021 to integrate into a single document:

- The code of conduct (fight against corruption and influence peddling, conflicts of interest, representation of interests, relations with public authorities).
- The SEQENS ethical charter (fight against money laundering and the financing of terrorism, international business practices, health and safety, labor policy prohibiting child and forced labor, respect for the environment, respect for free competition, protection of personal data, respect for and protection of Group assets).

Objective

SEQENS believes that no major compliance dispute can or should interfere with the management of its business. To this end, the Group ensures that all its employees are aware of the code of ethics and has set itself the objective of training 100% of exposed employees and new arrivals in the SEQENS code of ethics.



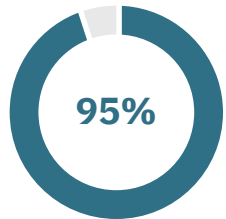
Actions implemented

- At each Executive Committee meeting, once a month, the Compliance Department presents a « **Compliance Flash** », an update on current events and major actions in progress.
- **The Compliance Committee**, composed of the Compliance Department and the Executive Board, meets quarterly to oversee compliance activities. The results and the implementation of the action plan are systematically presented and discussed.
- **The Audit Committee**, comprising the Group Finance Department, the Group Accounting Department, the Audit and Internal Control and Risk Management Department, the shareholders and the statutory auditors, meets twice a year. This Committee deals with the closing of accounts and audit and internal control matters. In this context, the Compliance Department is invited to present the results in terms of compliance and to present the action plan for validation.
- The Group's code of ethics is read **by all employees** as soon as they join SEQENS.
- **The signing of the United Nations Global Compact** has reinforced SEQENS' ethical commitments. The Global Compact brings together various organizations and companies around ten universally recognized principles in four key areas: human rights, international labor standards, the environment, and the fight against corruption.
- SEQENS has chosen to ban all commercial practices in the 7 regions subject to global international sanctions (Iran, Cuba, North Korea, Syria, Crimea-Sebastopol, Donetsk, Lugansk).

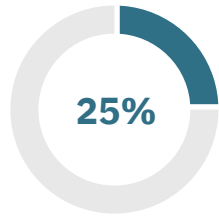
 **Indicators**

	2020	2021	2022
Number of incidents reported via the ethics alert procedure	0	2	4
Number of incidents of unethical conduct	0	0	0

 **KPIs**



Percentage of exposed employees trained on the code of ethics (cumulative 2022)



Percentage of newcomers trained on the code of ethics (cumulative 2022)



Target 2025



FOCUS: THE SAPIN II LAW ON THE FIGHT AGAINST CORRUPTION

In 2016, France adopted a law on transparency, the fight against corruption and the modernization of economic life, known as the Sapin II law. In this context, SEQENS has strengthened its ethical framework and implemented a corruption prevention and detection program in all its subsidiaries worldwide.

1. Identification of risks

A corruption risk map is used to identify and prioritize the Group's exposure risks. The need to update the map is assessed each year by the Compliance Department. At the end of 2022, the map was being revised following the integration of Wavelength.

2. Code of Ethics

The code of ethics, which includes the code of conduct, is available in hard copy at all sites and translated into the Group's eight languages. Each new employee must read it. It is also available on the SEQENS website.

The code defines risk situations, good reflexes, and examples of what to do and what not to do.

3. Sanctions

The code of ethics has been an integral part of the various internal regulations (or equivalents) of the sites since 2021 and specifies to all employees the penalties for violating the code.

4. Ethical alerts

Each employee can report any behaviour contrary to the Code of Ethics to the Compliance Department in complete confidentiality via a dedicated e-mail address:

codeofconduct@seqens.com

The Compliance Department relies on an internal Group procedure to handle alerts received.

5. Evaluation of third parties

A tool is currently being deployed to automatically assess all of the Group's third parties, in support of the third-party assessment carried out by the Compliance Department, based on the results of the analysis of corruption risks and the type of third party.

6. Accounting controls

The process of deploying Sapin II accounting controls at all sites continued in 2022. For example, the processes for reviewing accounting entries and authorizing bank payments have been strengthened.

7. Ethics training

SEQENS has an anti-corruption training program for the most exposed employees (subsidiaries and headquarters). And since September 2022, all new employees are invited to be trained in the code of ethics.

8. Monitoring and evaluation of the implementation of the measures

The Compliance Department reports on its activities to management on a monthly basis, to the Compliance Committee every three months and to the Audit Committee twice a year.



CSR EXCELLENCE

Commitment

Ensuring CSR excellence within the Group

Risk

Conduct of operations not aligned with the CSR strategy, without taking into account the social and environmental issues related to SEQENS' activities.

Policy

A company's CSR performance is increasingly being monitored and is becoming more and more of a demand from our customers and other stakeholders. Ecovadis is one of the largest international CSR performance rating platforms and some of our clients have established minimum EcoVadis rating values as a prerequisite for inclusion in their supplier panel.

As a result, SEQENS regularly has its CSR performance proactively assessed by specialized platforms such as Ecovadis.

Objective

SEQENS' objective is to reach 90% of operational sites with a Platinum or Gold medal on Ecovadis by 2025.

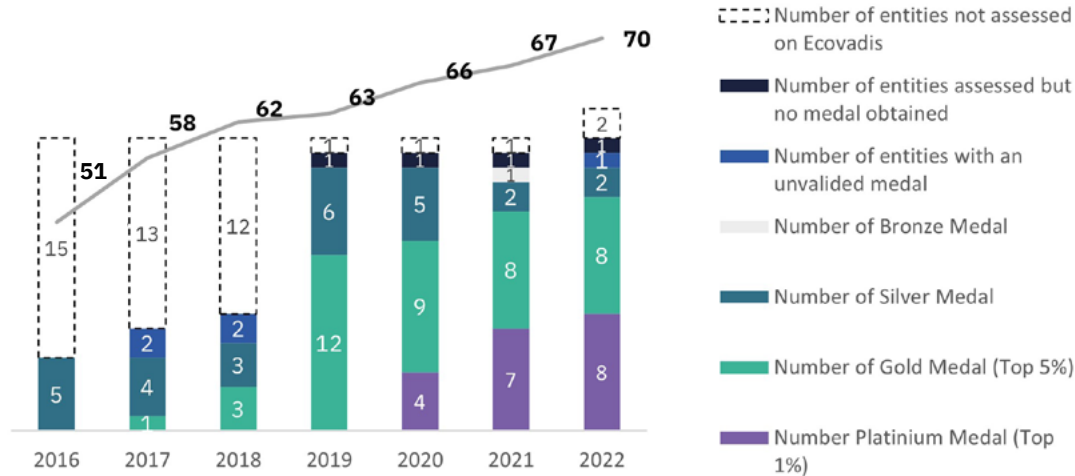
Actions implemented

Since 2016, **SEQENS has had the CSR performance of its sites proactively assessed annually by Ecovadis.** The platform assesses how the sites have integrated CSR principles into their activities and their impact, particularly on 4 themes:

- Social and human rights
- Ethics
- The environment
- Responsible purchasing

Indicators 2022

Ecovadis certification status of Seqens entities



The SEQENS Group **has the CSR performance of 20 of its sites evaluated on Ecovadis every year.** We can see the obvious progression of medals obtained over the years. In 2022, 8 sites obtained a Platinum medal and 8 sites obtained a Gold medal, i.e. 73% of the sites.

The results are more than satisfactory and confirm that good CSR practices are integrated within the sites with **an average score of 70/100 in 2022**, an increase in score of 4% compared to 2021.

KPI

	2016	2017	2018	2019	2020	2021	2022	Objective 2025
Percentage of sites with a Platinum or Gold medal	0%	5%	15%	60%	65%	75%	73%	95%

In 2022, **73% of operational sites have a Platinum or Gold medal.** This percentage is slightly lower than in 2021, due to the integration of Wavelength Pharmaceuticals, which was not assessed by Ecovadis. These sites will be included in the 2023 assessments.



RESPONSIBLE PURCHASING

Commitment

Strengthen responsible purchasing of raw materials and services

Risk

Suppliers are accused of not respecting human rights, labor laws, and/or environmental pollution.

Policy

As a major player in the industry, SEQENS Group is committed to being an ethical, trustworthy and compliant business partner throughout its supply chain.

SEQENS attaches great importance to the fact that all its partners (customers, suppliers, subcontractors and intermediaries) share a common set of rules, practices and principles in terms of business ethics, labor and respect for the environment.

In this respect, and in accordance with its responsible purchasing policy, the SEQENS Group is committed to implementing responsible purchasing practices and asks its suppliers to be more transparent about their CSR approach.

Objective

The Group's objective is to cover 60% of the amount of purchases by a CSR performance evaluation by 2025 (via Ecovadis or a CSR questionnaire).



Actions implemented

- Each SEQENS supplier is asked to comply with the ethical principles set out in the Supplier Code of Ethics and to ensure that these principles are respected by their own suppliers and subcontractors. This Supplier Code of Ethics prohibits, in particular, child labor and forced labor.
- Since 2021, the SEQENS Group has been using the Ecovadis Supplier platform to track the CSR performance of its suppliers, via their Ecovadis score and medal.
- In 2022, a responsible purchasing training course was developed internally by the CSR department in order to train the Group's buyers in responsible purchasing, and in particular in the new procedures for managing suppliers' ethical codes and Ecovadis supplier scores, and in the new CSR strategy.
- Integration of CSR criteria in certain calls for tenders.
- More generally, SEQENS constantly monitors the sustainability of its suppliers around the world and, thanks to this assessment and the strategies it has implemented, the Group has been very little affected by the successive global crises in the supply chain (health crises and the war in Ukraine).

6% of SEQENS suppliers have a valid code of ethics in 2022 (signed SEQENS supplier code of ethics or supplier-specific code of ethics)

34 buyers trained in sustainable procurement in 2022

KPI

	2022	Objective 2025
Percentage of purchase amount covered by a CSR performance assessment (via Ecovadis)	48%	60%





FOCUS : NATURAL COSMETICS ACTIVITY AND RESPONSIBLE PURCHASING

The SEQENS Group proposes a global offer on cosmetics, including a part of natural ingredients.

As part of this offer, the ID Bio entity, based in Limoges, has implemented a more advanced responsible purchasing approach. Thus, whenever a project permits, the teams give priority to local procurement in France and to raw materials certified as «organically grown».

In addition, in order to maintain sustainable partnerships, ID Bio's teams go to the field. They ensure the origin of the raw material, its quality, the transformation processes and the working conditions of the employees. In 2022, 4 visits were made by our employees to suppliers of organic verbena France, organic thyme PACA³, organic myrtle Corsica, organic honey Limousin & organic fig PACA. The teams in the cosmetics division have also refocused their terroir range, called «Terroir en Beauté», to concentrate on raw materials of French origin.

ID Bio has implemented many other actions in the framework of its responsible approach:

- ID Bio has set up 2 new sourcing in 2022:

- *A certified verbena «from organic farming», of French origin. ID Bio buys directly from the cooperative, thus limiting the number of intermediaries. Moreover, the farmers, aware of their role in the preservation of biodiversity, have implemented several actions: the branches are composted to fertilize the farm, the water contained in the verbena and extracted during the drying process is collected and reused, different species are cultivated in the plots which creates a diversity of habitats that favors biodiversity and therefore the presence of pollinating insects. Moreover, the quality of the raw material is ensured by a purity of the verbena during the harvest (hoeing and visual control of unwanted plants on the plot) and by a low temperature drying of the leaves*

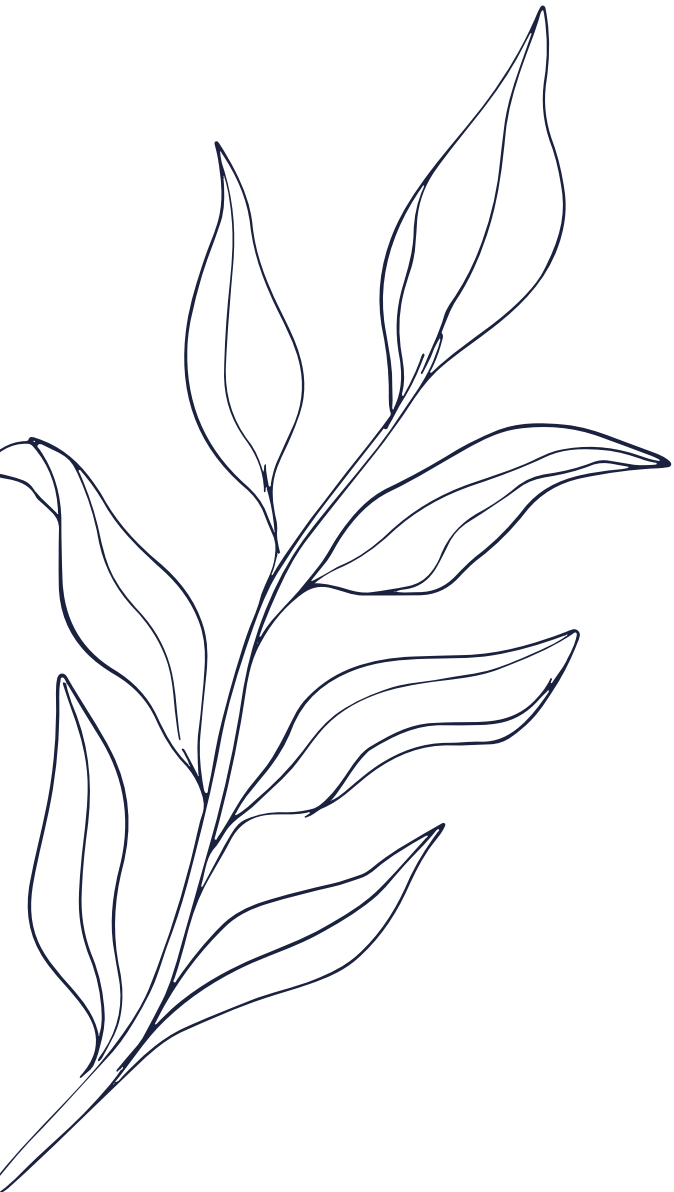
which captures the active ingredients. These vervain leaves are used to make a simple extract at ID Bio.

- *Thyme certified «organically grown», and cultivated in PACA (French region). Here too, ID Bio obtains its supplies directly from the producer and the raw material is used in the manufacture of a simple extract from the Terroir range.*

- ID Bio has developed 3 new organic and French bud extracts (peach, fig and cherry extracts).
- ID Bio sources 3 raw materials with the IGP label⁴ (buckwheat from Brittany, clementine from Corsica, red rice from the Camargue) and one raw material with the PDO label⁵ (fig from Solliès), reinforcing the local aspect of the products offered.
- Butylene glycol, an extraction solvent of synthetic origin, has been replaced by a vegetable origin. Biobased butylene glycol is made from *Saccharum officinarum* (sugarcane molasses).
- ID Bio uses certain palm oil derivatives in the manufacture of its products. Although ID Bio's consumption of palm oil derivatives remains very minimal compared to the global market, ID Bio has a role to play in promoting sustainable palm oil production in its supply chain.

100%

of palm oil derivatives purchased by ID Bio are RSPO Mass Balance certified in 2022



³ Provence-Alpes-Côte d'Azur, a region in the southeast of France

⁴ The protected geographical indication is a sign of identification of the European Union that designates products whose quality or reputation is linked to the place of production, processing or elaboration.

⁵ The Protected Designation of Origin (PDO) designates a product whose production stages are carried out according to a recognized know-how in the same geographical area, which gives the product its characteristics. It is a European sign that protects the name of the product throughout the European Union.



FOCUS: NATURAL COSMETIC ACTIVITY AND BIODIVERSITY

Ensuring the sharing of benefits arising from the use of genetic resources

Some of the natural raw materials purchased by ID Bio are subject to regulations on access and benefit sharing (ABS) resulting from the Nagoya Protocol. SEQENS' Regulatory Affairs teams are constantly monitoring the evolution of national laws on ABS with the transversal involvement of all departments concerned (R&D, Regulatory Affairs, Purchasing).

To do this, ID Bio has put in place several actions:

- Traceability in the information systems of the geographical origins of all natural raw materials purchased.
- Identification of R&D projects concerned by the Nagoya Protocol. This verification element is integrated into the R&D project sheets, as soon as the plants concerned by the project are characterized, and communicated to the Regulatory Affairs department.
- Internal decision on whether to proceed with the project following contact with the relevant national authorities and the proposed benefit sharing conditions.
- Training of the Regulatory Affairs team in charge of cosmetics on the Nagoya protocol and raising awareness of the subject among R&D teams.
- Membership of FEBEA⁶, the professional union of the cosmetics sector in France, and participation in the working group on Nagoya in order to follow the news on the subject and share best practices between companies.

0 active extract
submitted to Nagoya
in 2022





2

Climate change and environment



As a responsible industrial player, SEQENS cannot dissociate the financial performance of the company from the environmental performance of its activities. In order to limit the direct and indirect impacts of its activities and products on the environment, SEQENS has made various commitments:

- Preventing pollution
- Improving the energy efficiency of facilities and combating climate change
- Develop production processes with a small environmental footprint
- Reduce the environmental impact of production
- Ensuring sound water management
- Reduce and manage waste efficiently to promote the circular economy



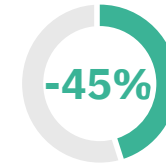
CSR COMMITMENTS

Continuing to decarbonize our activities

Preserve natural resources, especially water

Reduce our environmental impact, particularly waste, effluents and air emissions

CSR OBJECTIVES



Reduce our carbon intensity by 45% between 2011 and 2025 on scopes 1&2



Reduce our energy intensity by 10% between 2021 and 2025



Achieve a 50% share of renewable and recovered energy by 2025



Reduce our water intensity by 20% between 2021 and 2025

To be defined in 2023 (waste)

CO2e EMISSIONS AND ENERGY

Commitment

Continuing to decarbonize our activities

Risks

Disruption and cost of energy supply

Lack of control and adaptation to climate change

Policy

Convinced that a sustainable activity in the pharmaceutical or cosmetics sectors must necessarily propose an ambitious decarbonization trajectory, the SEQENS Group has been fully mobilized since 2008 **to accelerate its low-carbon transition and reduce its greenhouse gas emissions**. This historic commitment, described in SEQENS' CSR policy, involves measuring its CO2e emissions⁷, defining ambitious reduction targets and implementing concrete actions at all its industrial sites. This is all the more important in view of the constraints linked to the increasing scarcity of fossil fuels, the rising cost of energy and, of course, the challenge of climate change.

SEQENS' low-carbon approach is based on three areas of work:

- **Improve the energy efficiency** of buildings, processes and utilities (consume less).
- **Decarbonize the energy used** (consume differently) by promoting the use of less carbon-intensive energy at our production sites (switching from coal to gas or electricity, energy recovery, on-site renewable energy production) or by purchasing certified renewable energy⁸.

⁷ CO2e = CO2 equivalent

⁸ An energy is said to be renewable when it comes from sources that nature constantly renews, as opposed to a non-renewable energy whose stocks are depleted. Among renewable energy sources, we distinguish those of solar, wind, hydraulic, geothermal or vegetable origin (wood, biofuels, biogas, etc.).

⁹ The Greenhouse gases (GHG) protocol is an international protocol that provides a framework for measuring, accounting and managing greenhouse gas emissions from private and public sector activities developed by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI).

○ **Develop innovative processes and breakthrough solutions** to reduce the carbon footprint of manufactured products.

Objectives

SEQENS has set itself the objective of **reducing its CO2e emissions per ton of product manufactured by 45%** between 2011 and 2025 on scopes 1&2. This objective is completed by two sub-objectives:

- Reduce energy consumption per ton of product manufactured by 10% between 2021 and 2025
- Achieve a 50% share of renewable and recovered energy by 2025

In order to meet the targets set by the Paris Agreement at COP21, SEQENS will revise and complete its CO2e emissions reduction target in 2023. The new reduction target(s) will be validated by the Science Based Target initiative (SBTi). SBTi validates CO2e emission reduction targets aligned with the global effort to limit global warming to 1.5°C.



Actions implemented

- **Improvement of the tool for the annual calculation of CO2e emissions** from production and R&D sites on scopes 1 and 2 according to the GHG Protocol⁹.
- **Measuring the carbon footprint** of our most impactful products or following a customer request.
- **Carrying out energy audits** in order to identify action levers to reduce energy consumption.
- **Implementing energy efficiency plans** for the most energy-intensive production units.
- **Implementation of energy or environmental management systems** at certain sites.

3 sites certified ISO 50 001, the Energy Management System standard

10 sites certified ISO 14001, the Environmental Management System standard

- Within the framework of product/process innovation projects, a study of the optimal reduction of the carbon and environmental footprint is carried out, in accordance with the CSR objectives of the SEQENS Group.
- Development of high-performance technologies with low environmental and carbon impact.
- Increasing the production of critical products at our most energy-efficient sites to **reduce the carbon footprint of finished products**, thereby reducing our customers' Scope 3 emissions.
- **Improving the energy mix** of the sites through:

- The production and use of **renewable energy** on site (photovoltaic panels). This is the case for the Bangpoo site, which has had photovoltaic panels on the roof since 2019.
- The use of **recovered energy**¹⁰. The Lahr site recovers heat from their waste solvent incinerator to heat a large part of the buildings, reducing their gas consumption.

Energy can be recovered from the industrial processes on our sites, but it can also come from our energy suppliers or from the platforms on which the sites are located. This is the case at the Roussillon platform, where the companies present use the energy of steam to heat reactions. By losing its energy, and therefore its heat, the steam becomes liquid again, also known as condensate. This hot condensate is recovered by the platform and reused to preheat other fluids or is transformed back into steam, leading to considerable savings in energy and water resources. Also on the Roussillon platform, SEQENS has made a major contribution to the implementation of a heat recovery system for the urban incinerator, thus supplying the platform with more than 50% of recovered steam.

Another example is the Bourgoin site, where more than 80% of the steam comes from heat recovered by the city's household waste incinerator. Another example is the Taixing site, where the heat released by the local incinerator supplies nearly 20% of the steam consumed on the site.

- The purchase of energy from certified renewable sources. Thus, since 2021, the Turku site has been sourcing 100% of its heat, steam and electricity from certified renewable sources.



Achievements 2022

- The Taixing site has completed the replacement of all its mixers, including the motors, **with more energy-efficient ones**.
- The Wuxi site **has optimized the filtration and decolorization process**, reducing their steam consumption.
- **The Ariane project**, completed in 2022, is a very good example of the integration of environmental and carbon impacts in the design of strategic projects for SEQENS. This project allowed the construction of a new manufacturing unit for isopropyl alcohol (IPA2), a fundamental solvent in chemistry and pharmaceutical synthesis, on the Roussillon Novapex site. This project is a reference in terms of energy efficiency, clean production process without any environmental discharge (water, VOC, effluents). The knowledge, the optimization of the existing process since 2010 and the recovery of the steam's fatal energy have allowed to reduce by about 70% the steam consumption. In addition, this new unit allows us to relocate an essential production in France, to reduce our dependence on third countries and to limit disruptions such as those experienced during the Covid 19 health crisis. This project is part of the government's «France Relance» plan and the «Support for investment and modernization of industry» program, which aims to accelerate ecological transformation, increase Europe's economic resilience and technological independence, develop activity and create jobs in a sustainable way.
- After two years of R&D and engineering phases, the construction of the new paracetamol production unit, called Phoenix, was launched at the end of 2022 on the Roussillon Novacyl site. The aim of this project is **to relocate the production of paracetamol**, an essential pharmaceutical active ingredient, to **France (Isère)**. This active ingredient has not been produced in France since 2008, as production has gradually been relocated due to pressure on production costs and increased regulatory requirements. The challenge of this new unit is to produce an essential product in a sustainable manner with the smallest possible environmental footprint while being cost competitive, particularly in relation to Asian and American competitors. This new unit will set a new benchmark for energy efficiency with a 64% reduction in energy consumption compared to the best international references and standards. In addition, the production process used results in a clean chemistry with a drastic reduction in waste generated. This unit, also supported by the «France Relance» plan, will be commissioned at the end of 2024 for first sales in 2026. The Group estimates that **production from this new unit will cover almost half of Europe's needs**.

- The Roussillon platform finalized the **Starval project**, with the support of SEQENS, as a member of the platform. This project has allowed the installation of a new boiler, **valorizing the energy content of SEQENS' distillation residues** to produce energy for the platform. This project allows the platform's coal-fired boiler to be permanently shut down and to continue decarbonizing the energy produced.

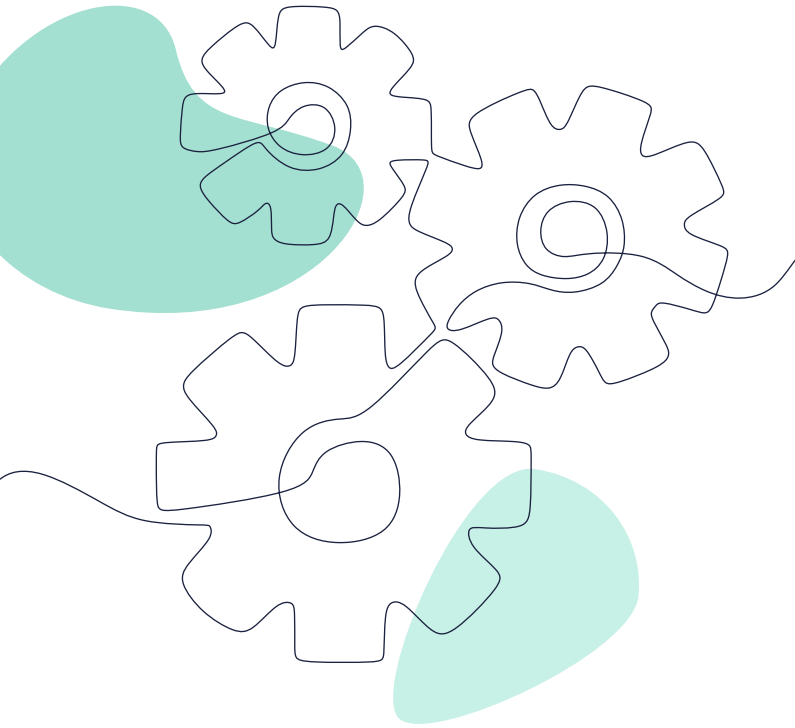
- The Couterne site continued its energy program in 2022:
 - Installation of an osmosis unit for the boiler. It allows to purify the incoming water, to limit the formation of limestone and to preserve the energy performance of the boiler.
 - Improved leak detection on the compressed air network, using an ultra-sound camera, in order to limit the electrical consumption of air compressors.
 - Carrying out an external energy audit and insulating certain equipment to limit heat loss. This is the case of certain pipes and ovens.

- Following the impact of the war in Ukraine on Europe's energy supply, SEQENS quickly launched **energy-saving measures** at all its sites, R&D centers and offices, in order to actively participate in the effort to reduce energy consumption in the winter of 2022-2023. In particular, SEQENS has adapted the operation of its workshops to the availability of energy, accelerated its energy efficiency projects and reduced the heating temperature of its offices to 19°C and its workshops to 16°C.

- The Limoges site has installed thermometers in all offices and workspaces to monitor the temperature. A challenge was launched **to reduce electricity consumption** due to heating. The site has also replaced 70 neon lights with LEDs, reducing electricity consumption by 68%.

- **Two site energy audits** have been commissioned, one for the Middlesbrough site to be carried out at the end of 2022, and one for the Porcheville site to be carried out in early 2023.

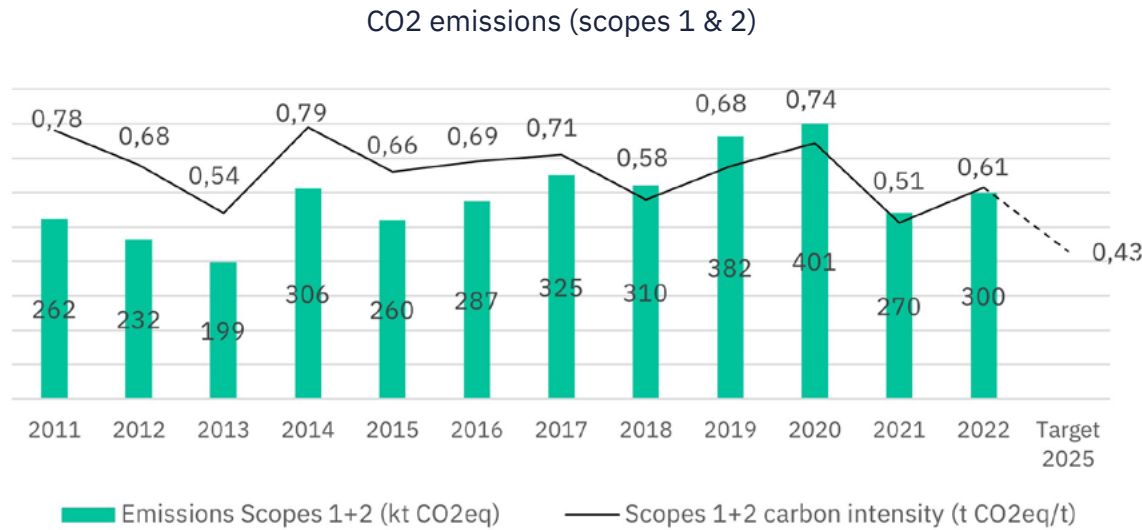
○ The Billingham and Beer Sheva sites have established **new Certified Renewable Origin Purchase Agreements** to cover 100% of their electricity consumption. Billingham's new electricity contract took effect in July 2022 and Beer Sheva's contract will take effect in 2025.



Indicators and KPIs 2022

Scope 1 corresponds to direct CO2e emissions from sources owned or controlled by SEQENS. These emissions result from the combustion of energy sources such as gas, fuel oil and biomass; from the leakage of refrigerants (mainly in cooling units and air conditioners); and from CO2e emissions from other on-site processes such as chemical reactions or on-site waste incineration.

Scope 2 corresponds to indirect emissions related to the consumption of electricity, steam or heat.



CO2 emissions on scopes 1+2 in intensity 2011-2022:

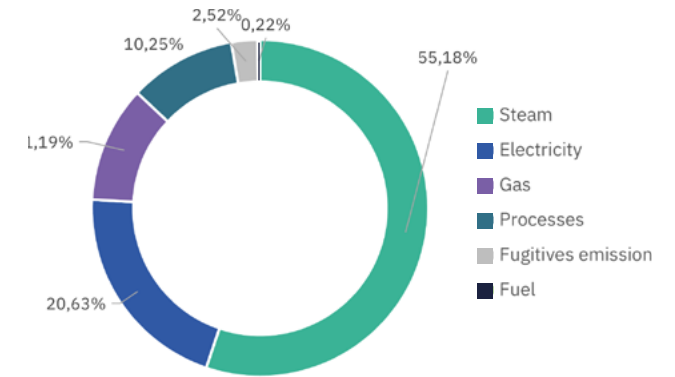
-21%

Target 2011-2025 :

-45%

Between 2011 and 2022, SEQENS has reduced its carbon intensity by 21%. However, between 2021 and 2022, despite the efforts made on the sites, the Group has increased its CO2 emissions on scopes 1 and 2 («market based») by 11% in absolute terms and its carbon intensity by 20%. The year 2022 is quite particular since the Roussillon Novapex site, contributing to 49% of the Group's energy consumption (first contributor) and 26% of the Group's CO2 emissions (second contributor), has experienced a drop in phenol production. Through a cascade effect, the production of low pressure steam from these workshops has decreased. The site has therefore reduced its energy consumption and CO2 emissions in absolute terms but has increased its energy and carbon intensity, thereby impacting the Group's results.

Breakdown of CO2 emissions on scopes 1 & 2

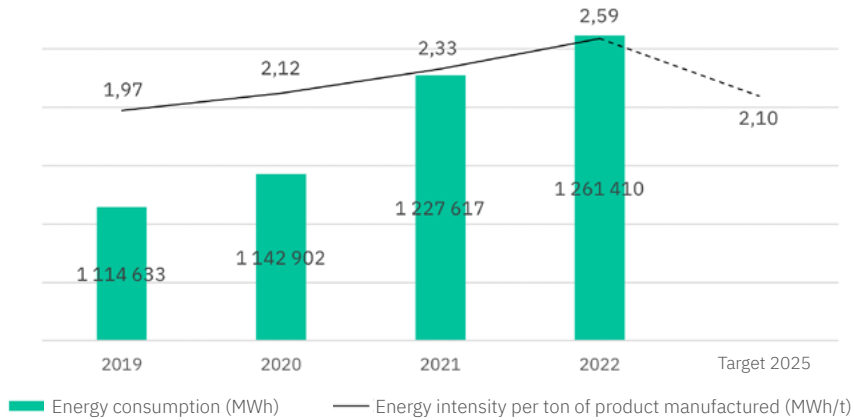


The Group's CO2e emissions are mainly linked to steam (55%) and electricity (21%). This is why **the Group is focusing its efforts on reducing steam consumption and recovering it**. In addition, some of our sites have taken steps to decarbonize the electricity they consume. This analysis is also confirmed from an energy point of view:

Energy consumption (MWH)

Steam	887 119
Electricity	200 610
Gas	163 552
Heat	5 701
Biomass	2 907
Fuel	1 521
TOTAL	1 261 410

Energy consumption



Energy consumption 2021-2022

↑ +2,8%

Energy consumption per ton of manufactured product 2021-2022

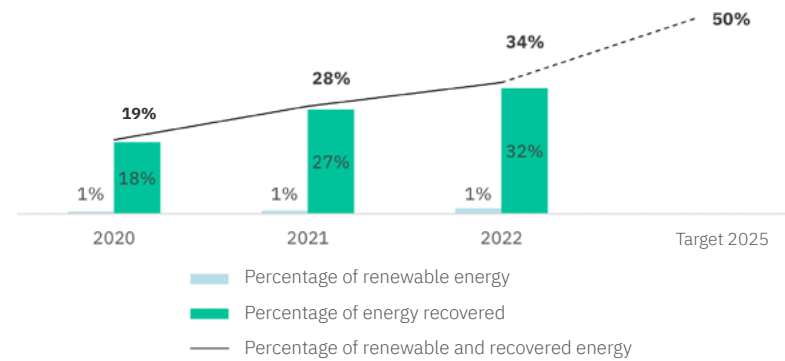
↑ +11%

Target 2021-2025 :

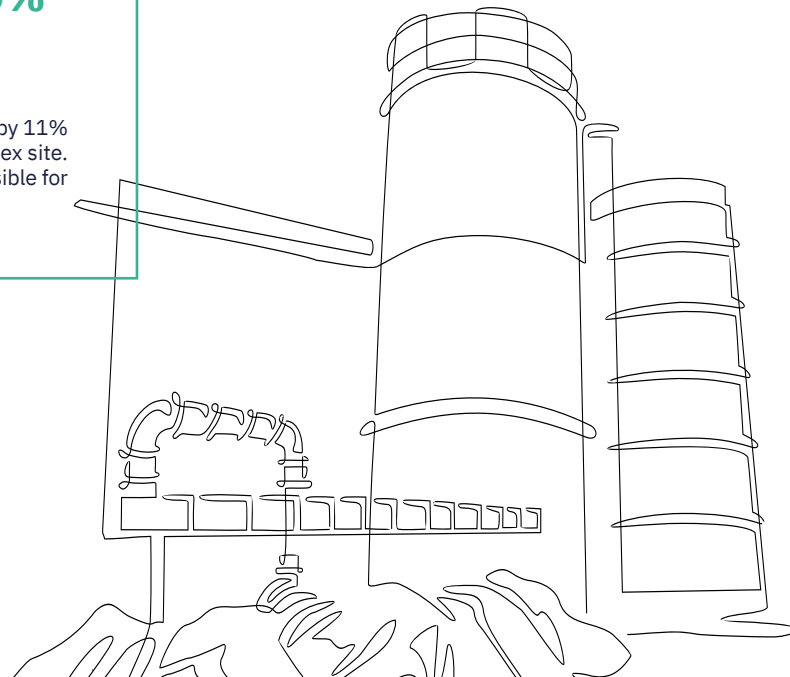
↓ -10%

Despite the efforts made on the sites, the Group has increased its energy intensity by 11% between 2021 and 2022, due to the particular year spent on the Roussillon Novapex site. In addition, the integration of Wavelength's energy consumption in 2022 is responsible for an increase of 3 points in the Group's energy consumption.

Renewable and recovered energy



In 2022, the share of renewable and recovered energy in the Group's total energy consumption is 34%, an increase of 22% compared to 2021. This is mainly due to the completion of the Starval project on the Roussillon platform, which will enable the energy content of SEQENS distillation residues to be recovered for the platform.



CO2e EMISSIONS ON SCOPE 3

Scope 3 corresponds to SEQENS' upstream and downstream CO2e emissions. This includes CO2e emissions from raw materials, purchased goods and services, business travel, upstream and downstream transportation, waste disposal, employee travel, etc.

Some sites have been calculating their scope 3 in addition to scopes 1 and 2 since 2017 and are drawing up a BEGES (greenhouse gas emissions balance sheet) regulated in France. In September 2022, SEQENS launched a program to quantify CO2e emissions related to scope 3 at Group level, based on data for the

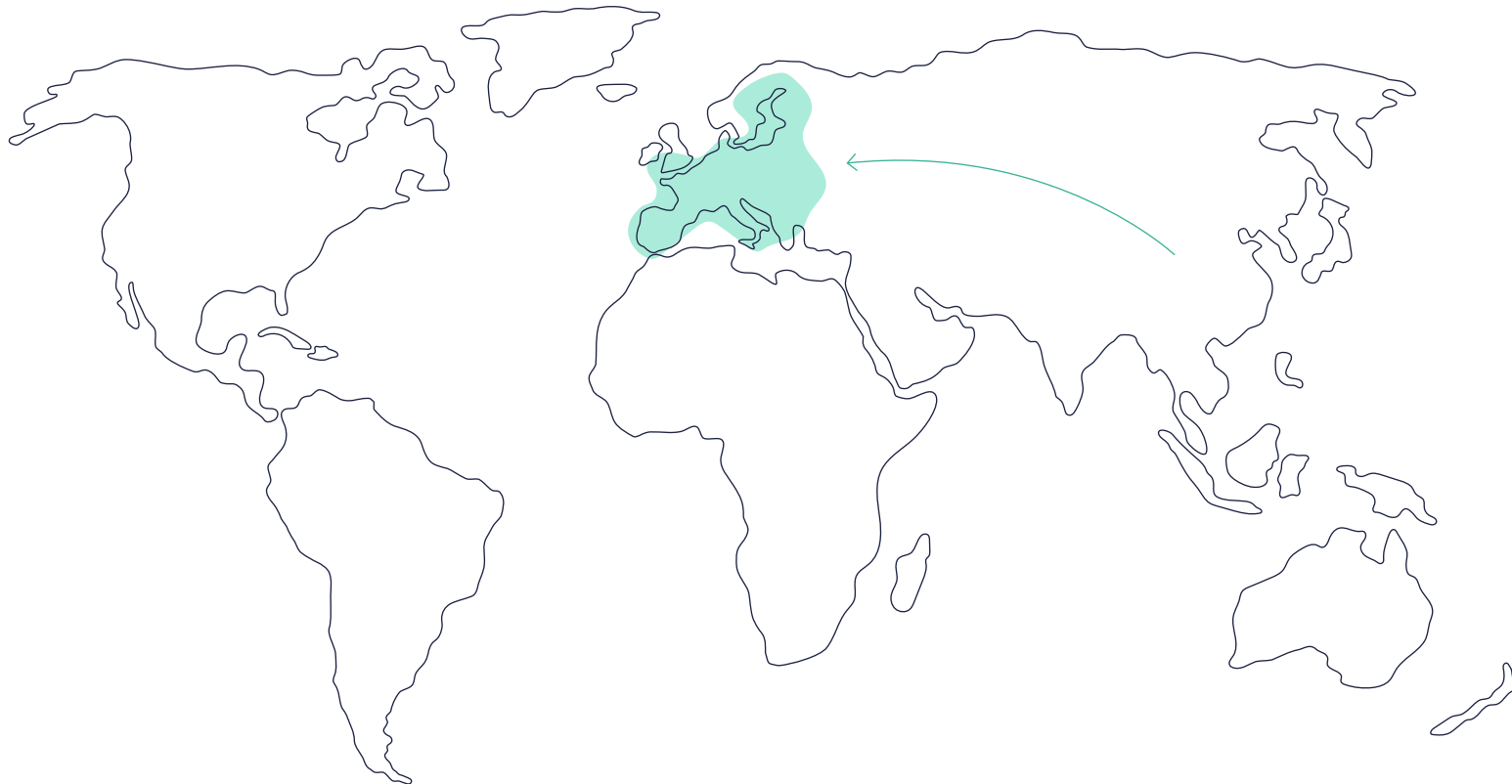
year 2021. SEQENS has commissioned a greenhouse gas emissions assessment (BEGES) for scopes 1+2+3 at 15 of its sites. This scope 3 calculation program will continue in 2023, in order to propose a scope 3 reduction target in line with the SBTi¹¹.

As can be observed in the chemical sector, Scope 3 CO2e emissions are generally higher than those of Scopes 1 and 2. The majority of Scope 3 CO2e emissions can be attributed to purchased goods and services.

Aware of the impact of its production on the carbon footprint of products marketed by its customers, **SEQENS has launched vast investment programs in Europe** to maintain or relocate

essential production by developing innovative processes with a low environmental footprint and access to decarbonized energy. This is notably the case for the new isopropanol or paracetamol workshop projects, which offer an alternative to competitors' carbon-intensive production.

In addition, the SEQENS Group continues to calculate the carbon footprint of its products on scopes 1, 2 and 3 according to the GHG Protocol.



¹¹ To meet the goals set by COP 21 in 2015 and limit global warming to below 2°C above pre-industrial temperatures, the SBTi was created. The SBTi (Science Based Target Initiative) is a partnership between CDP, the United Nations Global Compact, the World Resources Institute (WRI) and the World Wildlife Fund (WWF). It provides a common, science-based methodology for companies to set long-term emissions reduction targets that are aligned with the level of decarbonization required to meet the Paris Agreement goal.

WATER

Commitment

Preserve natural resources, especially water

Risks

Unsustainable use of resources

Depletion and/or decline in water quality

Policy

Water is an important component of SEQENS' industrial activity. Utilities (steam, cooling water, process water, etc.) are by far the main use of water for the Group. It is thus mainly used as a vector for cooling or heating manufacturing processes.

Water is also used to clean equipment and networks between two production campaigns, in order to comply with quality standards related to product manufacturing.

However, not all resources are unlimited, and their industrial use must be controlled and limited as much as possible, particularly in areas of water stress. In order to contribute positively to the preservation of water resources, SEQENS is committed, in accordance with its EHS policy, to reducing its water consumption.

Objective

By 2025, SEQENS aims to **reduce its water consumption per ton of product by 20%** compared to 2021.

Actions implemented

○ Each year, the Group conducts a risk analysis of the watersheds in which its industrial sites operate in order to identify the company's activities most exposed to water stress (when demand for water exceeds available resources). SEQENS uses the Aqueduct Water Risk Atlas tool of the World Resources Institute (WRI). In 2022, 4 sites (Taixing and Wuxi in China, Hyderabad in India, and Beer Sheva in Israel) out of 23 are at high risk, while the others have a low-medium or low risk. Water withdrawal from sites exposed to high risk represents 1,094,005 m³, or 6% of the Group's water withdrawal.

○ In France, water stress is managed by means of additional prefectural decrees known as «drought decrees» which impose measures for the gradual reduction of activity, the recycling of certain cleaning waters and the modification of certain operating methods.

○ In 2022, the EHS department identified areas for improvement in water consumption, mainly at 13 sites. This led to the implementation of an action plan to reduce water consumption at these sites. This point is included in the annual EHS action plans.

Management actively supports this water reduction program through proactive investments and monitoring of project results.

- Water reduction projects focus on two areas:
 - The installation of closed loops, especially for the cooling of process equipment.
 - Optimization of water consumption through the installation of new, more efficient equipment, automated systems, water-saving materials, etc.



Achievements 2022

The Roussillon Novapex site has installed three air-cooling towers for the Ariane project. The water used to cool the reactions enters, heated, in these towers to come out cooled. The cooled water is then reinjected into the system. Thus the new isopropyl alcohol production unit (IPA2) is in a closed loop, reducing water withdrawal by 1.69 million m³ per year. These new towers have also been integrated into the water cooling circuit of the existing workshops, again improving water management.

The Aramon site has installed two air-cooling towers that will be commissioned in 2023 as part of the Pharaon project. The aim of this project is to enable the production of highly active ingredients in large quantities, in particular for the production of anti-cancer drugs and antivirals which were in short supply during the Covid-19 crisis.

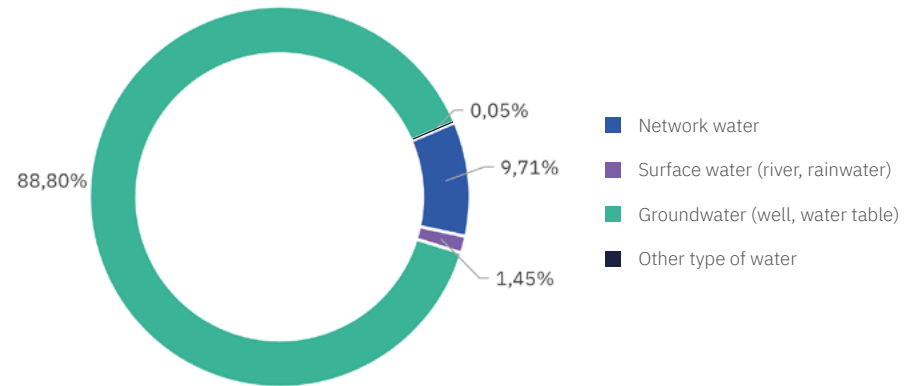
The Aramon site has also optimized its water consumption by overhauling the control valves and replacing the associated regulators. The flow rate and large valve opening jerks are better controlled, with faster response times on closing.

The Couterne site has installed a water softener and an osmosis unit on the boiler. This osmosis unit reduces the need to purge water loaded with mineral salts, and therefore reduces the need to refill the boiler with water.

The Pont-de-Claix site has revised the cooling threshold of a product, from 20°C initially to 40°C, then to 55°C. This modification reduces the consumption of cooling water for this process.

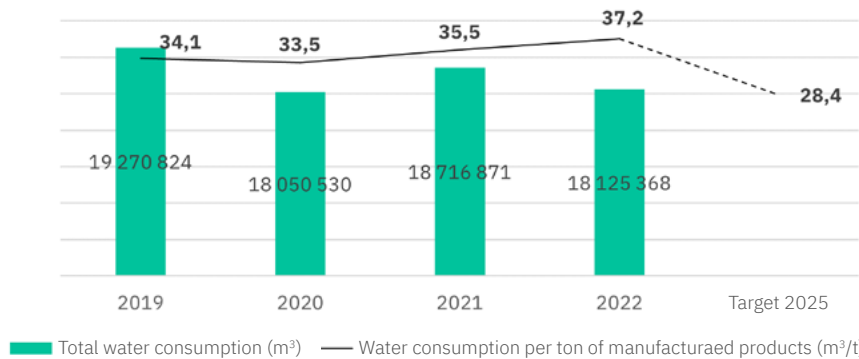
Indicators 2022

Type of water consumed



KPI

Water consumption



Water consumption 2021-2022

↓ -3%

Water consumption per ton of manufactured product 2021-2022

↑ +5%

Target 2021-2025 :

↓ -20%

The Group has reduced its water consumption in absolute terms by 3% between 2021 and 2022, but water consumption per ton of product has increased by 5%. The year 2022 is rather special since the Roussillon Novapex site, which contributes 56% of the Group's water consumption, has experienced a drop in phenol production. Although the site has reduced its water consumption by 7% through the implementation of the Ariane project, its water consumption per ton of product manufactured has increased, thereby impacting the Group's results.

WASTE

Commitment

Reduce our environmental impact, especially waste, effluents and air emissions

Risk





Environmental pollution

Policy

SEQENS' production activities generate routine waste inherent to the manufacturing and packaging processes. Most of these wastes are hazardous wastes, in particular solvent-based liquid wastes.

In order to fight against the waste of natural resources and to limit the impact of production activities on the environment, SEQENS is committed in its EHS policy to preserve natural resources and to reduce at all levels the environmental footprint of products and processes.

The Group's approach is based on the 4Rs:

-  Reduce the amount of waste.
-  Reuse waste whenever possible (reuse as raw material in a new manufacturing process).
-  Recycle waste, especially used solvents, for reuse in the same production cycles.
-  Recover waste, especially as a source of energy.

Objective

As part of its CSR strategy, SEQENS aims **to increase the percentage of waste recovered** (recycling and incineration with energy recovery) and **to reduce the quantity of hazardous waste per ton of products manufactured**, particularly the quantity of solvents consumed.



In 2023, SEQENS will identify more precisely the areas of improvement in order to set a quantified objective of waste recovery or reduction.



Actions implemented

-  Identification by the Innovation Department of co-products or by-products that can be reused as raw materials in a new manufacturing process, reducing waste generation and participating in the circular economy.
-  Strengthening of waste management monitoring to identify other areas for progress.
-  Reuse and/or recycling of certain used solvents for re-use in the same production cycles. In the case of recycling, used solvents are distilled internally or externally before being reused. As part of its activities, the Middlesbrough and Billingham (England) sites use their distillation capacities and expertise to recycle solvents on behalf of our customers. Thus, SEQENS, through its commercial activities, participates in the circular economy.

71 031 tons of used or redistilled solvents reintroduced into industrial processes in 2022
This has avoided generating the same amount of waste

-  Internal recovery of the calorific content of final waste as fuel to replace gas at the incinerator of the Couterne and Lahr sites; or to feed a steam boiler at the Roussillon platform.
-  Reinforcement of the selective sorting of non-hazardous waste in order to ensure sorting at the source and a better recovery of waste.

Achievements 2022

For regulatory and safety reasons, the Couterne site has changed the solvent in one production process, which also involves changing one of the raw materials (resin). In 2021 and 2022, the teams have optimized the manufacturing process and characterized the new waste generated. This waste can now be recovered for energy purposes at the site (75%), with the remaining 25% being treated at the site's physico-chemical plant.

The Roussillon platform has finalized the Starval project, which will enable the energy content of SEQENS distillation residues to be recovered and provide steam from recovered energy to replace coal.

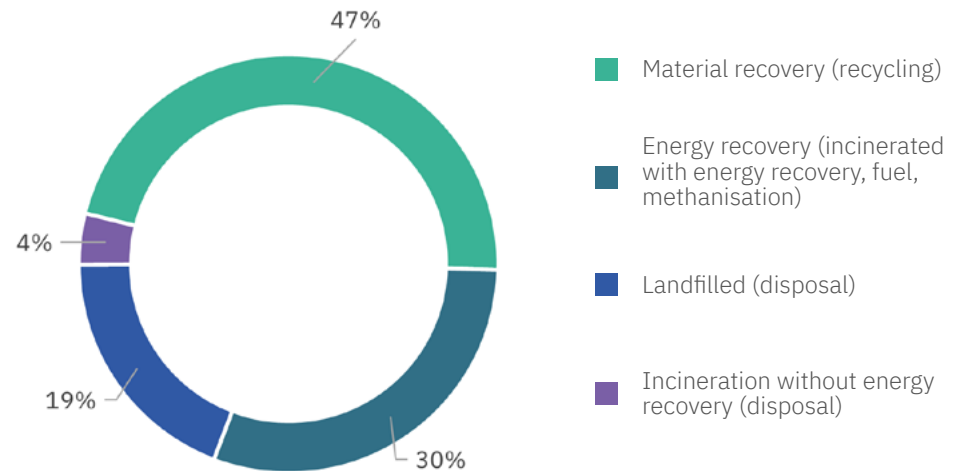
- The Limoges site has focused on its packaging waste:
 - Reduction of cardboard waste by purchasing rolls of pallet film without cardboard tubes.
 - Change of cushioning material protecting the products from external shocks by packaging chips mainly made of biodegradable, recycled and recyclable vegetable starch.
 - Recovery, repair and reuse of wooden pallets.
 - Repurchase and reconditioning of IBCs, 1000 liter cubic containers, for reuse.

Indicators 2022

	2022
Quantity of non-hazardous waste (tons)	10 424
Quantity of hazardous waste (tons)	55 852
Total amount of waste (tons)	66 276
Quantity of waste (ton) per ton of product manufactured	0,14

KPI

Waste end-of-life in 2022



DISCHARGE TO THE ENVIRONMENT

Commitment

Reduce our environmental impact, especially waste, effluents and air emissions

Risk

Environmental pollution

Policy

The manufacturing, storage and transportation of raw materials, products and wastes involve various risks of potential impacts related to the release of toxic chemicals on the environment and human health.

The Group systematically prevents industrial risks and in particular the environmental impacts of its activities, whether in terms of atmospheric, aqueous or underground discharges.

Thus, all activities carried out by employees (permanent or temporary) are covered by an analysis of environmental aspects, including routine and maintenance activities. The preventive measures described in the internal procedures must be respected in order to avoid any pollution (soil, surface water, groundwater, air, etc.).

In addition, **each site has a general environmental analysis** that must be updated regularly and whenever a significant change occurs. Any implementation of new equipment or manufacturing processes, or any change in industrial processes, is also subject to risk assessment and action plans to reduce potential impacts.

Response plans in the event of accidental events are in place and are the subject of training for the people concerned. The proper implementation of these measures is verified during preventive visits by insurers and periodic EHS audits.

Objective

Prevent pollution in compliance with regulations



AIR POLLUTION

Air quality can be affected by polluting gases of industrial origin. Some air pollutants are formed as a result of physical-chemical reactions involving sulfur dioxide (SO_x), nitrogen oxides (NO_x) or volatile organic compounds (VOC). It is important for the Group to control these emissions, particularly the most significant ones, such as VOCs from the use of solvents in extraction and synthesis processes.



Actions implemented

- The control of atmospheric emissions is based on reduction at source, treatment of gaseous effluents and monitoring of emissions. VOC emissions are captured and sent to treatment equipment (condensers, gas scrubbers, thermal oxidizers, cryogenics, activated carbon filtration, incinerator).
- The Group is continuing its efforts to improve the performance of its treatment facilities and to reduce VOC emissions, particularly diffuse VOCs.
- The quantity of VOCs emitted into the atmosphere is calculated annually and communicated to the authorities by all sites (through the «Solvent Management Plan» for the French sites).
- A technological watch is ensured, in particular via the publication of BREFs in Europe.
- Environmental impact studies are regularly carried out at the request of the authorities. They complement the numerous measurements already carried out in self-control throughout the year.



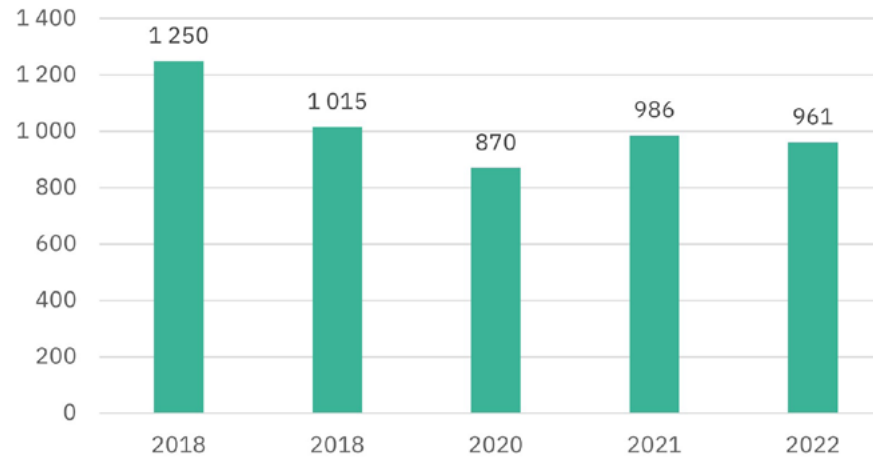
Achievements 2022

- The Beer Sheva site in Israel has installed a new alkaline absorption column to treat acid gas emissions upstream of the VOC treatment unit.
- The Roussillon Novapex site has installed a VOC analyzer which allows for continuous monitoring of atmospheric emissions.
- The Villeneuve-la-Garenne site has installed an activated carbon treatment unit for an effluent containing traces of dichloromethane.
- The Wuxi site has installed a new activated carbon washing and treatment tower, improving the efficiency of the treatment of gaseous emissions and avoiding the release of odorous substances (acetic acid).
- The Turku site completed the inerting of six solvent tanks and two solvent waste tanks in 2022, contributing to the reduction of VOC emissions.



Indicators 2022

Quantity of VOCs released (tons)



The Group has reduced its VOC emissions by 3% between 2021 and 2022¹², thanks in particular to the reduced use of solvents at the Bourgoin site.

The Group also emitted 118 tons of NO_x and 2 tons of SO_x in 2022.

AQUEOUS POLLUTION

Aqueous industrial effluents from extraction and transformation processes may contain pollutants. In order to comply with the regulatory requirements in force in the various countries concerning the quality of water discharged, SEQENS is committed to controlling its aqueous discharges by implementing various programs to:

- Reduce the quantities released at the source
- Implementing effective site-level treatments



Actions implemented

The wastewater produced by the company's activities, excluding cooling water, is always **treated internally before being discharged** into the natural environment or to an **external industrial or municipal treatment plant**.

Some aqueous effluents are even purified and reused internally. This is the case with salt waste from the manufacture of p-aminophenol in Taixing. The salt contained in the site's wastewater is separated from the water and reused as a raw material for the production of sodium hydroxide.

SEQENS' own effluent treatment facilities are subject to **ongoing maintenance, monitoring, reporting and performance optimization programs** through modernization projects or improved flow management (treatment at source, flow segregation and dedicated treatment).



Achievements 2022

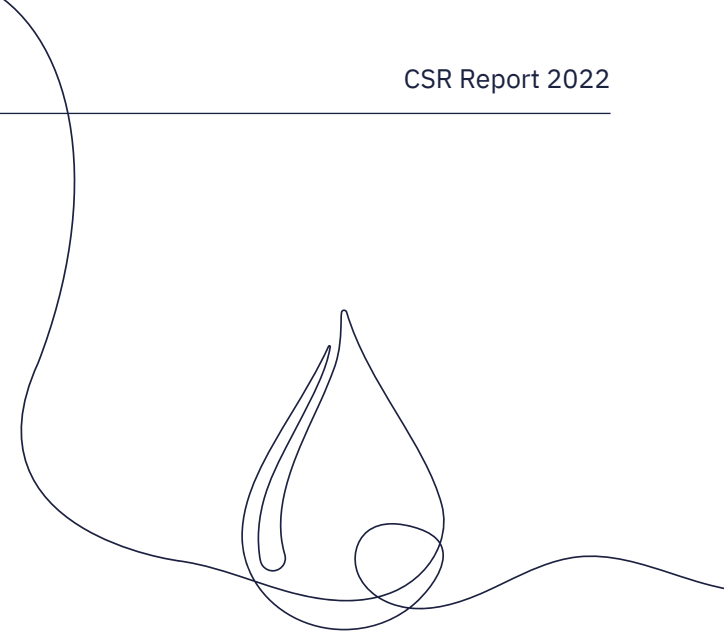
- The Wuxi site has installed an on-line analyzer on the rainwater leaving the plant in order to be able to isolate it immediately in the event of accidental pollution.
- The Saint Jean site has set up a pilot for the treatment of its aqueous effluents by electrolysis, to enable it to reduce the Chemical Oxygen Demand (COD) of these aqueous effluents.
- The Couterne site installed a biological treatment plant in 2021, with a visible improvement in the quality of outgoing effluent in 2022. COD has been reduced by 12% between 2021 and 2022 at the site.



Indicators 2022

The Chemical Oxygen Demand (COD) is the most relevant parameter to assess the quality of aqueous effluents, as an indicator of their overall content of biodegradable or non-biodegradable organic matter.

The overall quantity of COD calculated at the property limits of the sites (and not at the point of discharge into the natural environment) appears to be a reliable and relevant indicator of the efforts made by SEQENS to reduce the environmental impact of its activities on aquatic ecosystems.



17 312 861

m³ of effluent discharged from Group sites in 2022

2 696

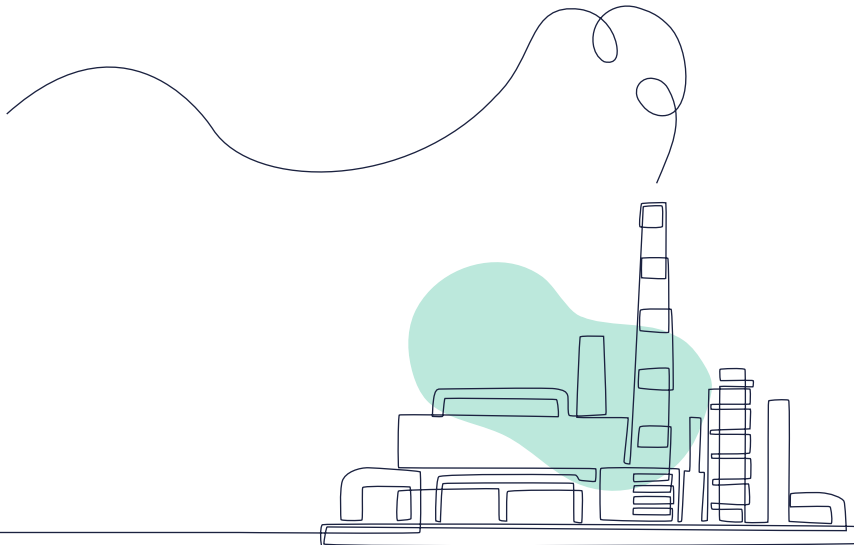
tons of COD in effluent discharged from Group sites in 2022

SOIL AND GROUNDWATER POLLUTION

SEQENS' industrial activity may require the transport, storage, use, production and disposal of environmentally hazardous substances. To avoid any accidental spillage of hazardous products into the soil and groundwater, the Group complies with very strict rules.

Actions implemented

- The sites have specific facilities, such as retention systems and collection networks, to prevent infiltration into the ground during accidental spills.
- Preventive maintenance plans are in place at the sites and aim to guarantee the integrity of the tanks and piping containing hazardous products.
- Soil and groundwater pollution monitoring plans ensure that there is no soil or groundwater pollution, and verify the effectiveness of the retention measures put in place.
- Some French sites have carried out Health Risk Assessments to study the potential impact of activities on the neighboring population.



ODOUR AND NOISE NUISANCES

The manufacture of chemical products on SEQENS' industrial sites may occasionally generate odors and noise. Even if this does not present a risk to the environment or health, SEQENS has put in place a certain number of measures to limit the discomfort that may be caused to employees working in odorous workshops or near noisy equipment, but also to local residents living near the plants.

Actions implemented to limit noise

- Personal protective equipment (PPE) such as hearing protection or ear muffs are provided to workers exposed to noise.
- Noisy equipment is soundproofed or, where possible, moved away from the property line.
- Noise levels at the property line are measured in order to monitor noise pollution in the vicinity and to take appropriate action if necessary.

Actions implemented to limit odors

- When necessary, odor treatment systems are installed (e.g. activated carbon filtration).
- SEQENS is in regular dialogue with local residents and municipalities to report any problems encountered.

Achievements 2022

The Wuxi site has installed a new activated carbon washing and treatment tower, improving the efficiency of the treatment of gaseous emissions and avoiding the release of odorous substances (acetic acid).

BIODIVERSITY

In the context of biodiversity erosion, companies have a role to play in reducing their impacts on biodiversity, but also in restoring and enhancing biodiversity and ecosystems.

Although industrial sites are built and shaped by humans, the majority of sites retain a portion of their surface area as managed or wild green space (lawn, plants, trees, bushes, fallow land etc.). These spaces have an ecological value as reserves of fauna and flora participating in the surrounding ecosystem, while maintaining or restoring the natural functions of the soil.

In addition, each site identifies nearby natural areas as part of its activities in order to limit its environmental impact.

40% green space on all Group sites in 2022

8 sites, or 35% of SEQENS sites, are located in, adjacent to, or near a protected natural area

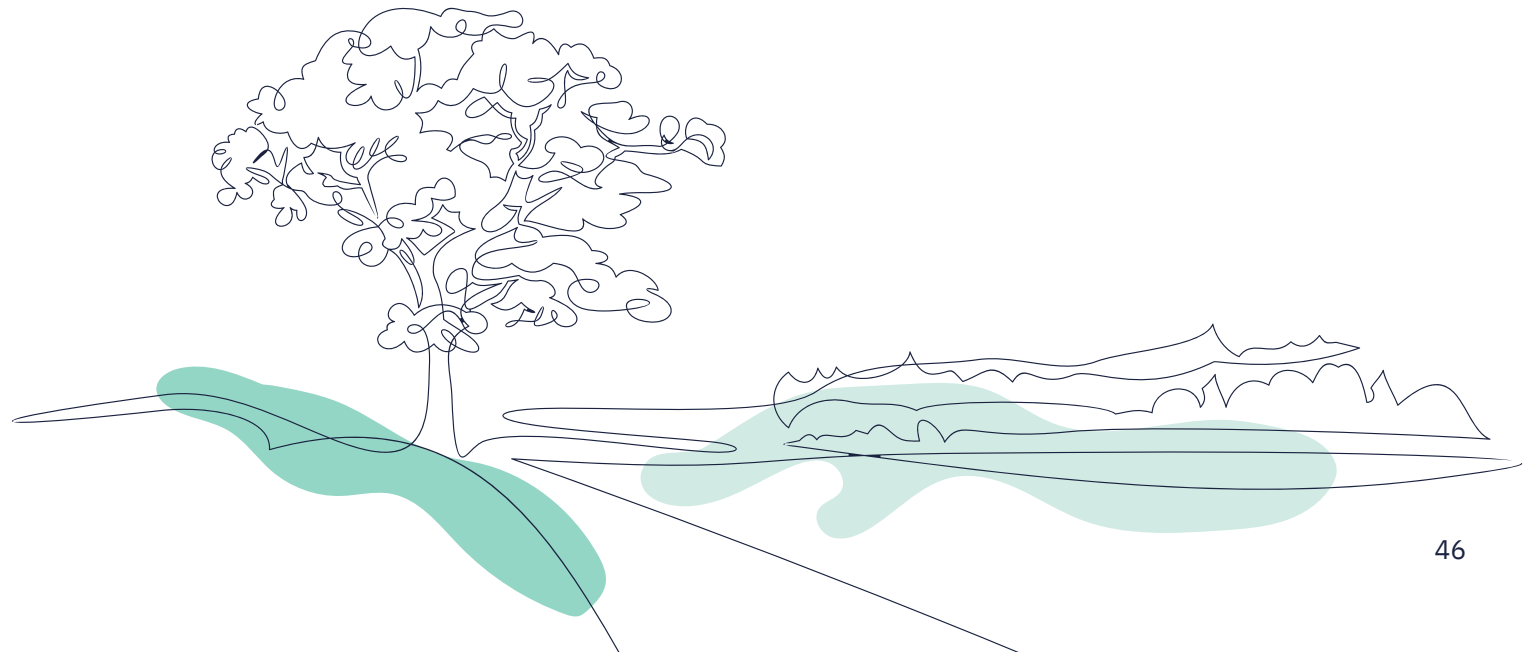
A protected natural area is an area that is recognized as having environmental interest and whose natural character must be preserved. This includes :

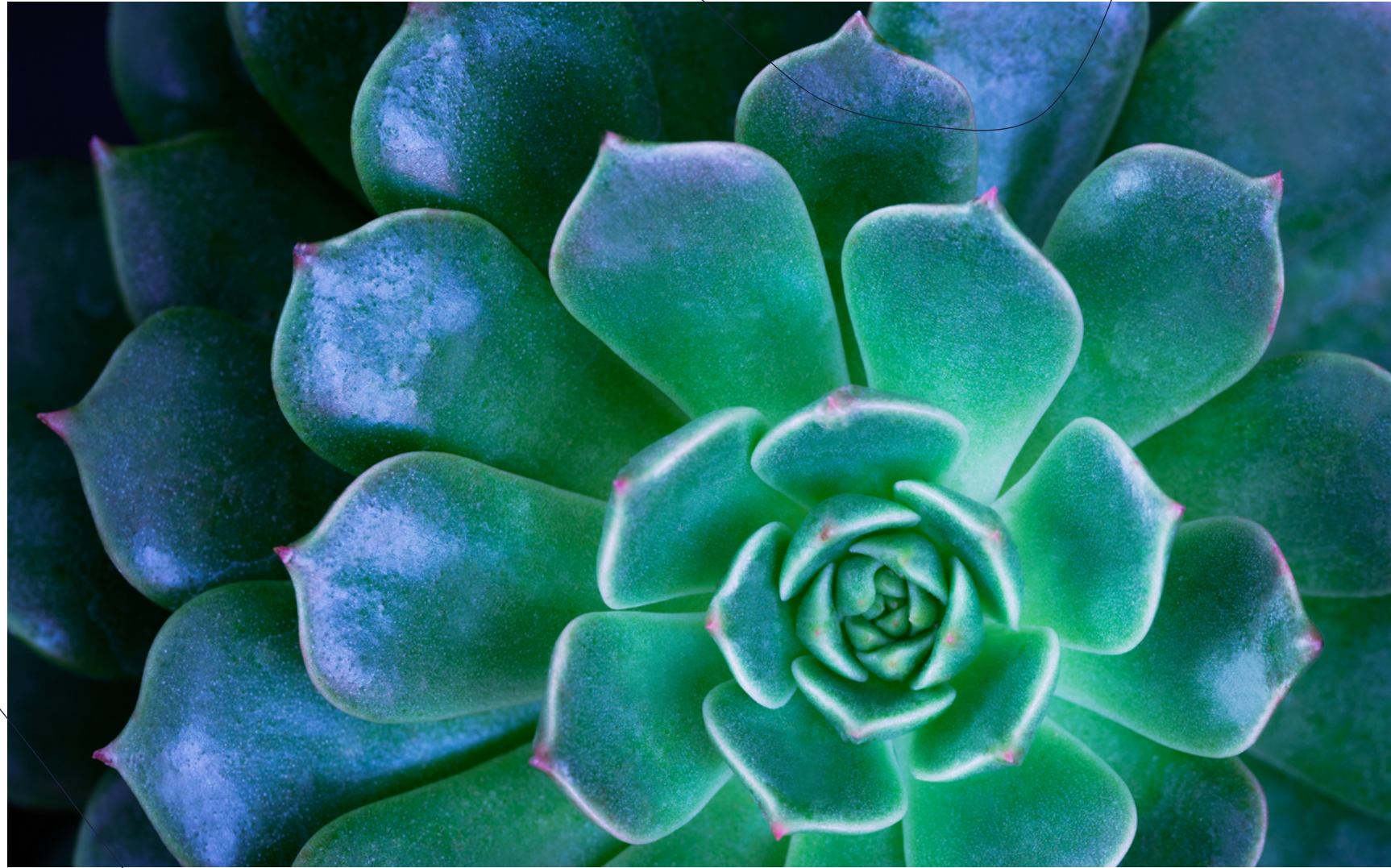
- ZNIEFF (Natural areas of Ecological, Faunistic and Floristic Interest)
- Natura 2000 areas. These are natural sites aimed at ensuring the long-term survival of species and habitats particularly threatened, with high conservation stakes in Europe.
- Nature Reserves
- Wetlands

Within the framework of important projects, such as the construction of a new production unit, SEQENS evaluates through biodiversity diagnosis whether or not the project will modify the local fauna and flora.

For administrative sites, the Group favors the rental or purchase of sustainable buildings. For example, the building occupied by the Ecully headquarters is BREEAM certified, an environmental certification.

In its supply chain, SEQENS strives to ensure the protection of biodiversity and the fair and sustainable use of natural resources. The Group complies with international agreements (e.g. the Nagoya Protocol or the Convention on Biological Diversity). This point is developed in the responsible purchasing section.





3

People and communities



SEQENS is convinced that the success of the company is based above all on the know-how and involvement of its employees.

These are the Group's primary assets. They enable the Group to be a major player in the chemical and pharmaceutical industries. SEQENS' objective is to offer them a safe working environment and to encourage their development at work.

The human resources approach is based on the following guidelines, which apply from the moment of recruitment and throughout the career of each employee within the company:

- Ensure hygiene, health, safety and well-being at work;
- Ensure good working conditions to improve employee engagement;
- Promote our ability to attract and support talent;
- Promoting diversity in the workplace and equal treatment of women and men;
- Develop the professional skills of employees.



CSR COMMITMENTS

Ensure the safety and the health of employees



Implement best practices to attract and retain employees



Commitment to diversity and professional equity



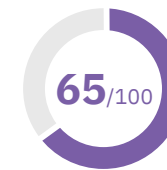
Maintain and promote our historical commitments to associations



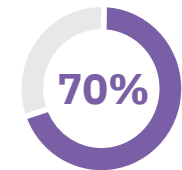
CSR OBJECTIVES



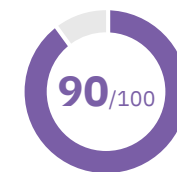
Achieve an accident frequency rate of 2 by 2025



Achieve a GPTW Trust Index score of 65/100 by 2024 and 70/100 by 2027



Train 70% of employees at least once a year



Achieve a score of 90/100 on the professional equality index by 2025

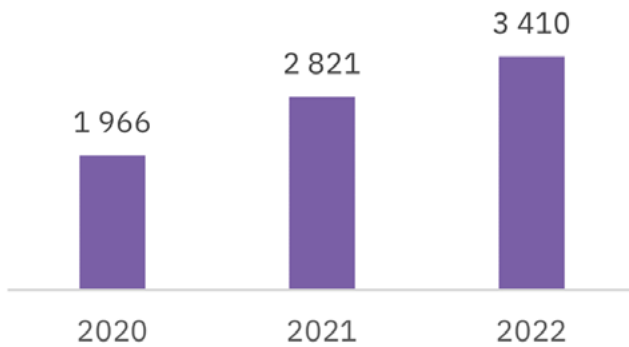
Maintaining our commitment to associations

WORKFORCE

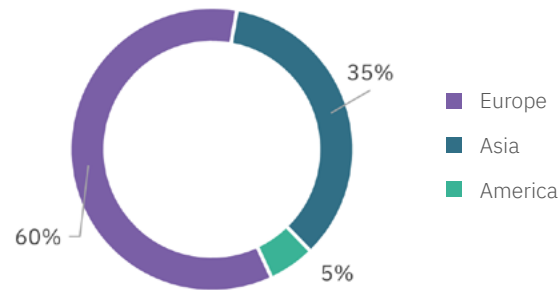
As of December 31, 2022, SEQENS will have 3,410 employees¹³, an increase of 21% compared to 2021.

BREAKDOWN OF CONSOLIDATED EMPLOYEES BY REGION

Group headcount as of December 31, 2022



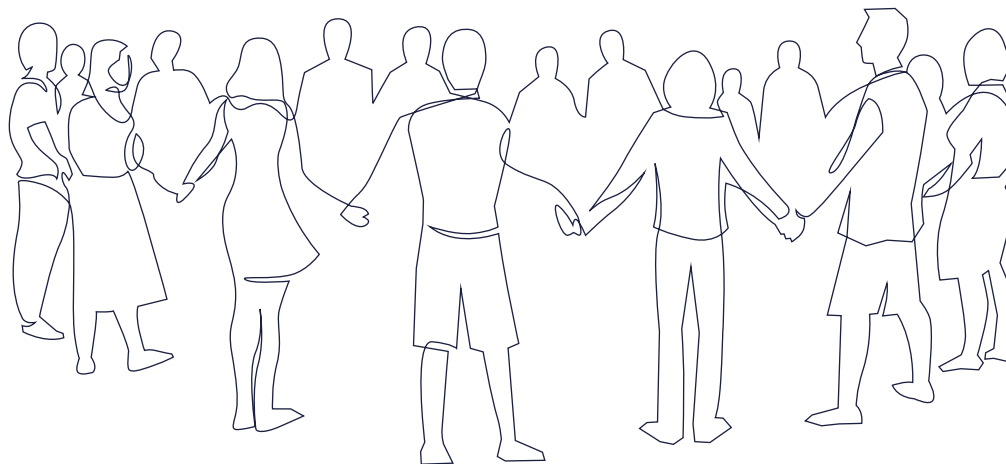
Breakdown of employees by geographic area



Division of the regions

Europe	France, England, Germany, Finland
Asia	Israel, India, Thailand, China
America	Canada, United States

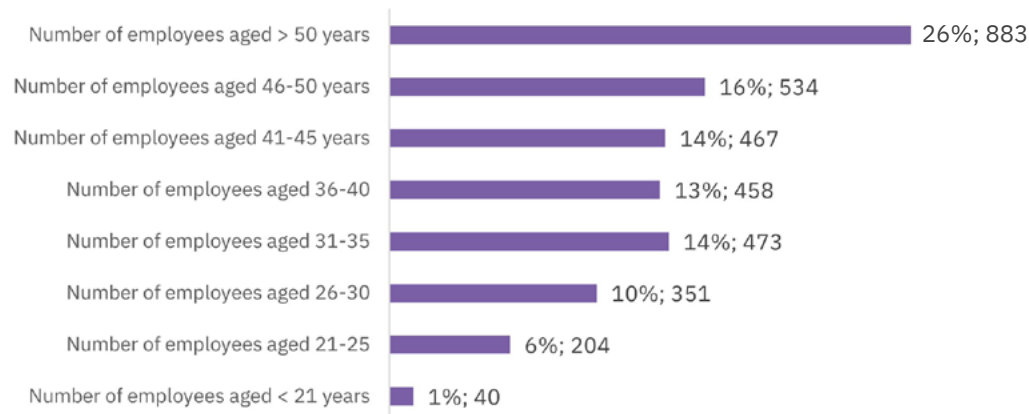
The Group provides jobs in 10 countries on 3 continents. In 2022, SEQENS employs 1,553 people in France (46% of the total workforce) and 2,039 people in Europe (60% of the total workforce). The Group's second employer country is China, followed by Israel and India.



¹³ The headcount includes all employees with permanent or fixed-term employment contracts (including work-study students). Interns, temporary staff and subcontractors are not included in the headcount. In addition, the scope of consolidation excludes the new Alganelle acquisition and the sales offices (Shanghai, Robbinsville), i.e. 12 people.

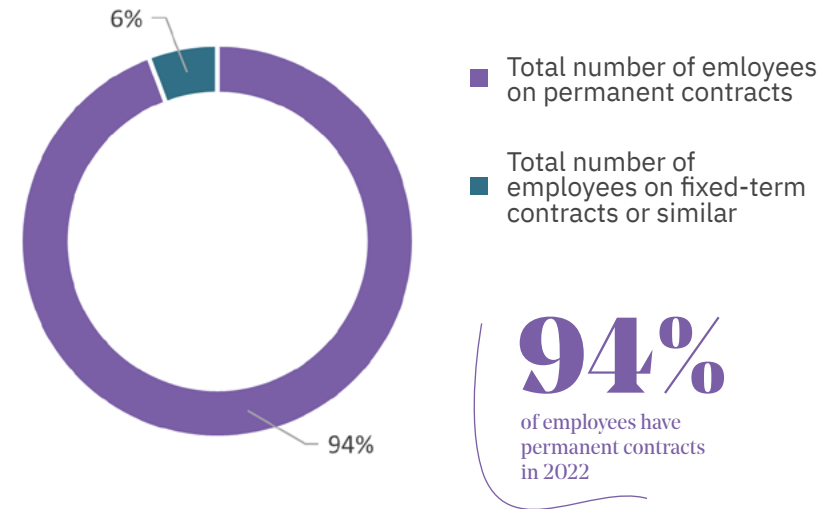
WORKFORCE BY AGE

Distribution of employees by age group



WORKFORCE BY TYPE OF CONTRACT

Total Group employees by type of contract



HIRINGS, DEPARTURES AND TURNOVER

14,1% Turnover in 2022

In 2022, the Group's average turnover¹⁴ is 14.1%. This average varies considerably from country to country, with, for example, a higher rate in the United States and a lower rate in France.

In the context of a tense labor market (shortage of talent, high employee turnover), SEQENS must protect and secure its human capital. This challenge lies in the ability to attract and retain talent as an employer.



¹⁴ Turnover, also known as staff turnover or turnover rate, compares the number of employees coming in versus going out. The formula is: [Number of departures in the current year + Number of arrivals in the current year/2] / Number of employees on December 31 of the previous year.

SAFETY AND HEALTH



Commitment

Ensure the safety and health of employees



Risk

Failure to protect the safety and/or health of employees resulting in work-related accidents or illnesses.



Policy

At SEQENS, no priority can be given to the detriment of people's safety. The Group considers that this is one of the foundations of the sustainable development of its activities.

SEQENS is therefore committed to making the health and safety of its employees and partners a top priority. This commitment is clearly defined in the Group's EHS policy and is set out more operationally in a Group Safety Charter.

The employee safety and health approach focuses on 4 key elements:

- Prevent serious injuries and fatalities through the implementation of the Life Saving Rules program.
- Continuously improve the management of maintenance work and outside contractors by implementing robust safety practices (site preparation, access to confined spaces, provision of facilities, consignment/unconsignment, hot spot work, etc.).
- Respect the safety instructions in the conduct of operations.
- Controlling the exposure of people to hazardous chemicals (hazardous chemical agents, CMR¹⁵, active pharmaceutical products)

In order to meet its commitments and ensure that its policy is fully implemented, SEQENS:

- Manages its activities through a comprehensive and effective EHS management system that defines the minimum requirements applicable to all sites. These requirements may exceed regulations.
- Ensures the competence of its employees and subcontractors through appropriate training, networking and coaching.
- Develops a strong EHS culture throughout the organization.

EHS policy and programs are developed and coordinated by the Group EHS Department. The Group EHS team will consist of six people in 2022, supported by a network of over 80 EHS professionals at all sites.



Objectives

The Group's objective in terms of personal health and safety is twofold:

- 0 serious accidents¹⁶ or fatalities per year
- Achieve a category 1 occupational injury frequency rate¹⁷ of less than or equal to 2 by 2025.

SEQENS has defined three types of accident categories:

- An accident is classified as category 1 if it leads to serious injuries resulting in more than 3 days off work, in addition to the day of the accident.
- An accident is classified as category 2 if it leads to injuries that require medical attention by external care services. These injuries may result in time off work (less than 3 days).
- An accident is classified as category 3 if it leads to minor injuries that require first aid without time off work.

¹⁵ Carcinogenic, mutagenic and reprotoxic substances

¹⁶ An accident is considered serious if it leads to injuries resulting in one or more irreversible effects, permanent disability(ies), surgery or long-term hospitalization (greater than or equal to 10 days).

¹⁷ The category 1 frequency rate is the ratio of the total number of accidents (in the workplace) resulting in death or total disability of at least 3 days (excluding the day of the accident) to the number of hours of exposure to the risk (i.e. the number of hours worked), multiplied by 1,000,000.



Actions implemented

- A Group intranet information system makes Group EHS procedures available to all sites, in all geographical areas, and facilitates management of the EHS system. Group EHS standards are deployed uniformly across all Group entities and new acquisitions.
- Each year, site EHS action plans are defined in collaboration with site management, business unit managers, operations managers and the Group EHS department.

92% completion of EHS action plans by 2022

- At all management meetings, such as the Supervisory Board, the ESG Committee, the monthly Executive Committee and the quarterly SEQENS Committee, EHS and process safety results, key performance indicators, feedback and action plan monitoring are systematically presented and discussed. A quarterly EHS management review is organized at each site.
- The Group EHS team makes regular visits to the sites, with the main objective of assisting the sites in implementing their annual action plans.
- The strict application of the Group's requirements at all sites is regularly audited either by internal teams or by external experts appointed by the Group EHS department.
- Safety visits are regularly carried out by members of the Group's management at industrial sites.
- Category 1 and 2 process accidents and safety incidents are recorded, investigated and, where necessary, corrective action is taken. The lessons learned from these events are shared within the Group.

○ In order to strengthen the safety culture, nine life saving rules were drawn up in June 2021 based on widely used good industrial practices and an analysis of potentially serious events that have occurred in the Group's plants. These simple rules are actions that employees and subcontractors can take to protect themselves and others from the risks of industrial processes and facilities. These life saving rules are accompanied by a communication and training plan. The nine life saving rules are immediately applicable, but each rule is the subject of a specific focus per quarter (training, self-assessment, etc.).

71%

of workforce trained in health and safety by 2022

LOTO & LINE BREAKING



I know and apply the rules of LOTO and Line Breaking.

HOT WORK



I check for the absence of flammable gases/vapours/liquids, remove or cover combustible materials before performing hot work.

WORKING AT HEIGHT



I protect myself and others when there is a risk from working at height

CONFINED SPACES



I will never enter a confined space without permission

SAFE WORK PERMIT



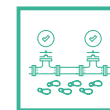
I will not start any work without work permit / special work permits

DANGER ZONE



I keep myself and others out of the line of fire

WALK THE LINE



I check the line before each product transfer

ZERO TOLERANCE TO DANGEROUS ANOMALIES



I never underestimate the hazards
I systematically react to any dangerous anomaly

EMERGENCY PREPAREDNESS



I know how to react in an emergency

- The industrial hygiene program is continuing. It focuses in particular on monitoring and measuring exposure to hazardous chemical agents, keeping risk analyses up to date and improving workstations (reduction at source, mechanical ventilation, collective and individual protection, medical monitoring of occupational exposure).
- Safety results are part of the individual performance evaluation of all managers.
- Occupational health and safety management system certifications are in place at some sites.

2 sites certified ISO 45 001, the standard for the Occupational Health and Safety Management System in 2022



Achievements 2022

Numerous improvement projects have been carried out on our sites, for example:

- The Aramon site has installed a gantry at the road tanker unloading station to secure access to the tanker domes and prevent the risk of falling. The site has also improved the ergonomics of the reactor loading station in the hydrogenation workshop by extending a platform and installing a safety lock for the approach of raw materials.
- The Limoges site has made improvements to manual handling (push-puller; equipment to help with boxing, pallet preparation and wrapping).
- The Nimes site has improved the stages of moving and loading raw materials with the purchase of a lifting table.
- The Lahr site has invested in a lifting platform that makes maintenance work at height easier and safer. Maintenance technicians can now access many areas that in the past could only be reached via ladders or scaffolding.
- The Saint Jean site has extended its breathing air network and improved the comfort of respiratory protection in the production workshops (selection of ventilated respiratory protection, feeling of coolness in summer and lightness of wear).
- The Villeneuve-la-Garenne site has improved its pneumatic transfer system for highly active powders, thereby eliminating the risk of clogging, the associated maintenance work and therefore the risk of exposure to hazardous substances.



Indicators 2022

2022

Number of occupational diseases	4
Number of category 1 work accidents	21
Number of hours worked	6 677 515
Category 1 frequency rate ¹⁸	3,14
Number of days lost	2 229
Severity rate ¹⁹	0,379

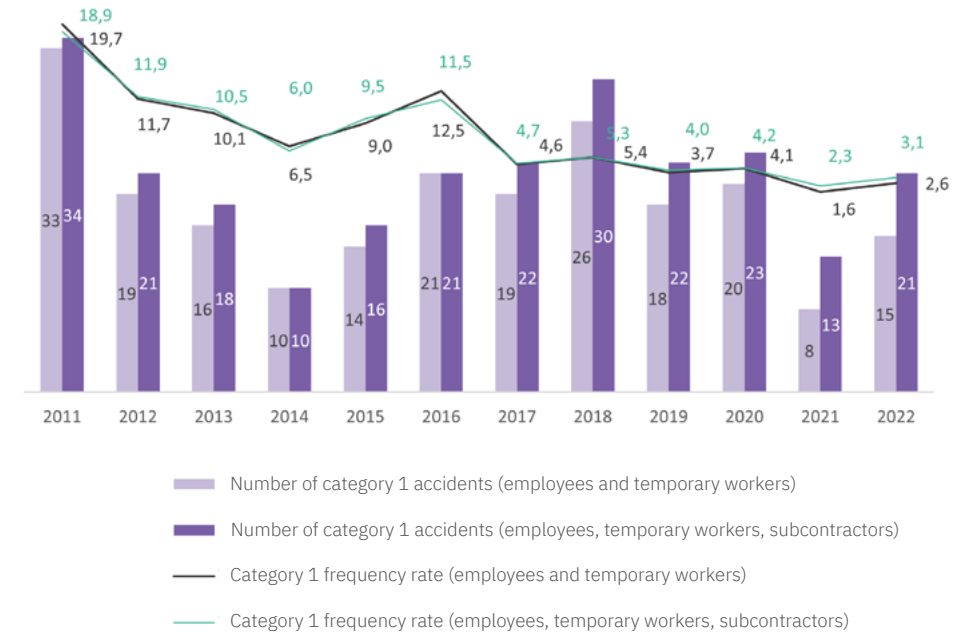
The number of category 1 accidents at work includes the number of accidents involving SEQENS employees as well as temporary workers and subcontractors. The Group has chosen to include these workers on a voluntary basis, since SEQENS controls their work and/or workplace, and the Group must also take measures to eliminate hazards and reduce risks to protect these workers from harm.

The number of hours worked and the category 1 frequency rate also include temporary workers and subcontractors.



KPI

Accident frequency rate



Since 2019, thanks to the deployment of the EHS roadmap and the sharing of internal best practices, the SEQENS Group has reduced the category 1 accident frequency rate. The year 2022 confirms this good trend, with a category 1 frequency rate (employees, temporary workers, subcontractors) of 3.1.

In 2022, the frequency rate increased slightly due to the integration of Wavelength Pharmaceuticals and the increase in the number of projects on the sites involving external companies.

It should be noted that this level is significantly lower than the sectoral frequency rate for the French chemical industry, which stands at 8.8 in 2019 (source: France Chimie).

¹⁸ Number of accidents at work resulting in more than three days' absence from work, occurring during a 12-month period, per million hours worked.

¹⁹ Number of days lost per 1,000 hours worked.

ATTRACTION AND RETENTION

Commitment

Implement best practices to attract and retain employees

Risk

Difficulty in attracting and retaining human capital

Policy

SEQENS is convinced that the success of the company and the realization of its ambition are based on the know-how of its employees, who come from different backgrounds. The Group must therefore offer working conditions that enable it to attract and retain committed and qualified employees, in a talent market that is both tense and highly competitive.

The Group wishes to give employees recognition for their merit and commitment by enabling them to progress in their work. Encouraging internal professional and geographical mobility, a fair remuneration policy, and the establishment of a quality work environment all contribute to offering them motivating prospects for professional development and personal fulfillment.

The Human Resources function at SEQENS is responsible for deploying the company's HR strategy. Each year, Human Resources roadmaps are defined in collaboration with the Group Human Resources Director, the Group Talent Management & Organization Director and the sites. These roadmaps are then validated by the Board of Directors and applied at site level.

Monthly HR meetings with site HR managers and the Group HR department enable the sharing of best practices and results.

In 2022, human resources actions focused in particular on:

- the integration process for new employees;
- workplace relations and social climate with an emphasis on internal communication;
- development of the company culture through convivial events;
- work-life balance with telecommuting;
- professional equality with the implementation of a budget dedicated to the revaluation of certain wages.

These themes are described in more detail below.

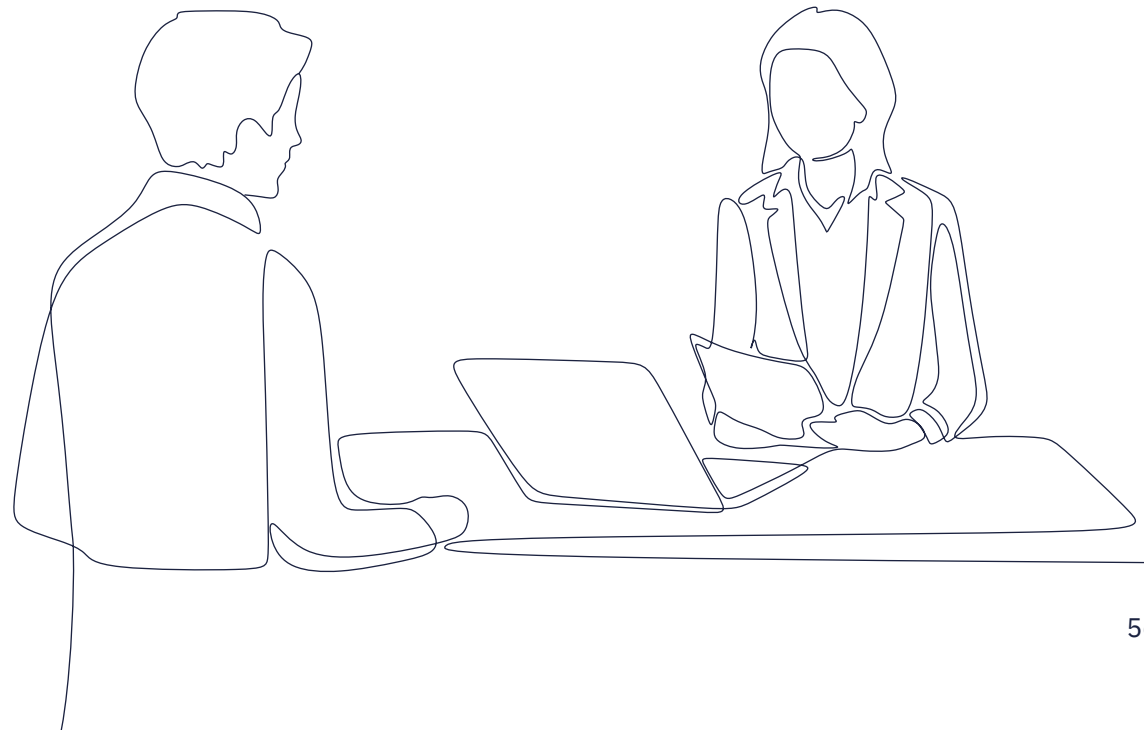


Actions implemented

WORKING ENVIRONMENT

In order to ensure that employees work in good conditions, SEQENS is making improvements to the workplaces, providing more modern equipment on the sites and providing relaxation areas that promote conviviality.

In 2022, the Limay site installed new offices, while Roussillon Novapex and the Lahr sites renovated or extended their changing rooms. The Villeneuve-la-Garenne site has set up a convivial area.



SOCIAL DIALOGUE

The quality of life at work depends on the conditions in which employees perform their work, but also on their ability to express themselves on the subject. The Group is therefore committed to ensuring quality labor relations. In this spirit, the social partners and company management meet regularly to discuss, negotiate and conclude agreements. The structure of social dialogue varies from country to country (social and economic council, employee representative, trade union, professional branch, etc.), can take different forms (information, consultation or negotiation) and can take place at local, national or company level.

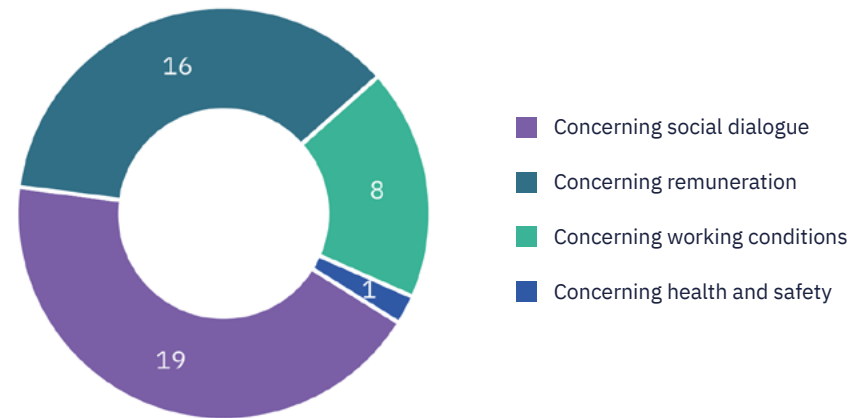
Dialogue with internal unions and employees:

Social dialogue is important within SEQENS in order to maintain a positive social climate that contributes to the company's ultimate performance. This axis is particularly developed in connection with local legal regulations and with the social dialogue bodies in place at each site.

In 2022, 44 collective agreements were signed at SEQENS sites. This significant number reflects the quality of social dialogue within the Group's various entities.

The topics covered include social dialogue, employee benefits (e.g. profit-sharing), working conditions (e.g. working hours) and equal treatment of men and women.

Types of collective agreements signed in 2022



In addition, in 2022, a teleworking charter was implemented at all the Group's French sites.

Beyond the collective agreements signed during the year, SEQENS Group employees are covered by 87 other collective agreements that are still valid in 2022, enabling each employee to benefit from a health insurance scheme, life accident insurance, and value-sharing schemes via company savings plans (profit-sharing, participation) or collective savings plans.

In addition to negotiations, all employees are also consulted on the quality of life at work via the «Great Place To Work» (GPTW) survey, leading to action plans for each site.

Similarly, in November 2022, the Ecully headquarters set up an environmental idea box. Employees were able to propose projects to be implemented on the site in connection with environmental issues. All of these ideas will be studied in 2023 and the winning project implemented.

44
collective agreements signed in 2022

100%
of employees covered by at least one collective agreement by 2022



Dialogue with external professional organizations:

Some of SEQENS' executives are either active members, presidents or directors of several regional, national or international associations such as France Chimie, SICOS, FEFIS, UNIDEN, MEDEF, Franco-Chinese Institute (France), BPTF (United States), CEFIC (European Chemical Industry Council), EFCG (Europe), CPCIF-MNC (China), etc.

Dialogue with the neighborhood and local stakeholders:

SEQENS is also developing a direct dialogue with its neighbors and local stakeholders through open days at its sites or visits to schools, and by participating in university or school forums.

CORPORATE CULTURE

In order to unite employees around common values, to give meaning to the work of each person, to foster a sense of belonging and to strengthen team cohesion, SEQENS is committed to strengthening its corporate culture.

Integration

SEQENS attaches great importance to the integration of new employees so that they can get to know the company, its culture and the general environment, get to know their team and other colleagues, and understand their position and their tasks.

In 2022, the Bourgoin, Porcheville and Massy sites have reworked their integration process, with the latter two sites introducing a mentoring system. Similarly, the Villeneuve-la-Garenne site has set up a mentoring system for employees joining the production and quality control departments.

On the Ecully site, as on other sites, each newcomer systematically attends an integration day.

Values and recognition

SEQENS is driven by shared values and behaviors that are encouraged within the Group: entrepreneurship, agility and reactivity, tenacity, customer orientation, and solidarity.

In 2022, the Saint-Jean site went further in the process and set up a new program to recognize and promote employee contributions in line with the 5 SEQENS core values. As soon as a manager identifies an individual or collective action that promotes SEQENS values, he or she can submit a recommendation to the site manager who validates the eligibility. A communication is then made to the whole site to promote this behavior. The employees who have contributed the most to the influence of the 5 values received a special prize without prior announcement during the Christmas event. This program encourages positive feedback and team mobilization. In 2022, 87 «value cards» were distributed by the site manager.

Since 2020, the Operational Excellence department has been communicating internally on the «collective successes» of the «I&GP» business unit²⁰. The «I&GP» business unit went further in 2022 with the introduction of trophies to highlight individual and collective successes, combined with site-wide communications. In 2022, three trophies were awarded for collective successes and two for individual successes. The aim of this approach is to highlight SEQENS employees and teams, for greater recognition.

Similarly, in order to strengthen the CSR culture within SEQENS, a CSR seminar has been held every year since 2015 and provides an opportunity to reward projects that contribute to the achievement of the Group's CSR strategy.

SEQENS
4 THE FUTURE



Conviviality

In order to foster a sense of belonging and team cohesion, both the head office and the sites organize convivial events: SEQENS seminar, integration seminar for new managers, departmental seminar, etc.

In 2022, the Limay, Couterne and Grand Serre sites celebrated their 70th, 60th and 50th anniversaries respectively with their employees and, in some cases, their families. In the same spirit, the Roussillon Novacyl site once again opened its doors to employees' families.

Quest for meaning at work

SEQENS emphasizes internal communication so that each employee can understand the company's strategy, its mission and the meaning of its work.

At the Group level, a videoconference called «Seqens group update» enables site and function management committees to share all the latest financial, quality, EHS and CSR news, as well as the priorities of the Group and the business units, and the upcoming agenda. Each management committee is then responsible for passing on the information to its teams.

At the site level, internal communication can take different forms. For example:

- Since July 2019, the headquarters in Ecully has set up monthly «P'tit Dej News». These breakfasts are an opportunity to bring together all employees present on site; to share the Group's strategy, results and current projects; to present the missions of the various departments; and to highlight collaborations with associations.
- On the industrial sites, so that everyone finds meaning in their work and feels useful, even in repetitive tasks, the emphasis has been placed on internal communication around site news, finished products and customers. Indeed, beyond working for SEQENS, employees work for customers and patients. In 2022, the Porcheville, Massy, Roussillon Novapex, Limay and Bourgoin sites have improved their internal communication, particularly on current projects, the becoming of products at customers' sites, and the markets they serve.
- In 2022, the Turku site has set up a pilot called «TOT-days», days of discovery in another department. As part of the project,

everyone can volunteer to work for a day in another department that interests them. This initiative creates respect between departments and a better understanding of each other's missions. The pilot project was a great success and will be repeated in 2023.

QUALITY OF LIFE AT WORK

The quality of life at work is an issue of development of the attractiveness of the company, improvement of the commitment, motivation and loyalty of employees, as well as the prevention of psychosocial risks and the reduction of absenteeism.

For SEQENS, quality of life at work means improving the working environment and conditions, promoting social dialogue and strengthening the corporate culture.

In 2017, to go further in improving the quality of life at work, SEQENS launched its first «Great Place To Work» (GPTW) survey. The Great Place To Work institute has developed a specific methodology to assess the quality of life at work and capture «a snapshot of the employee experience» within volunteer companies. It is the Trust Index®, an anonymous questionnaire addressed to employees, comprising 70 questions divided into 5 key themes: credibility, respect, pride, camaraderie and fairness. The company can act on these themes to improve the employee experience and thus contribute to the overall performance of the organization.



SEQENS renews this Trust Index® survey, administered by Great Place To Work, every three years. The last survey was conducted in 2021 and will be repeated in February 2024.

An action plan is deployed after each Trust Index® survey at Group and site level to improve the quality of life at work.



In 2022, completion of the GPTW action plan has been included in the criteria for calculating the profit-sharing for the Ecully site.

In addition, since 2016, the Middlesbrough and Billingham sites have participated in the North East Better Health at Work (BHAW) program and were again awarded the «Maintaining Excellence» trophy in 2022. The program is run by the Northern Trades Union Congress (Northern TUC), with support from the Department of Health's executive agency (Public Health England). It promotes health and well-being in the workplace. In 2022, employees were consulted to guide the BHAW strategy over the next few years. This year, both sites focused on five themes: healthy eating/nutrition/weight loss, cancer, work/life balance, health checks, and financial health. For each theme, actions were implemented:

- Increased financial assistance for cycling to work
- Promoting healthy eating discounts
- Cooking classes for a healthy diet
- Discussion on prostate cancer
- Breast Cancer Awareness
- Mental Health Awareness
- Increase in vacation pay
- Introduction of personal health checks through private health insurance
- Arrival of buses performing on-site employee health checks
- Financial planning interviews with an independent financial planning firm

Objective

With regard to quality of life at work, the Group has set itself the objective of achieving a score of 65/100 in 2024 and 70/100 in 2027 in the GPTW Trust Index® survey.

KPI

	2018	2021	Objective 2024	Objective 2027
Trust index score of GPTW*	51	61	65/100	70/100
GPTW** Score	44	59		

*The Trust index is the average of the scores of all the questions.

** The GPTW score is the score on the overall perception question: "Taking all elements into account, I would say this is a great place to work."

Indicator 2022

The Group also monitors the absenteeism rate²¹, which in part demonstrates the commitment and professional development of employees within the company.

4,4% Absenteeism rate in 2022



²¹ The absenteeism rate is the number of hours of absence during the year compared to the total number of hours worked by the workforce initially planned for the same period. Absences may be due to illness, work-related or commuting accidents, occupational illness, unpaid leave, authorized or unauthorized absence.

SKILLS DEVELOPMENT

Commitment

Implement best practices to attract and retain employees

Risk

Failure to maintain and develop employee skills

Policy

Employee development is a strategic lever for the performance and transformation of companies. SEQENS ensures that each employee has the means to carry out his or her missions effectively and to progress in his or her professional life, by developing the potential and employability of each employee.

For SEQENS, the development of the professional skills of its employees is achieved through training, the transfer of know-how, and a good appreciation of the professional aptitudes of the employees. This approach also contributes to the attraction, commitment and retention of employees.

Objective

The Group's objective is to ensure that at least 70% of employees have received training within the year.

DEVELOP COMPETENCIES THROUGH TRAINING

Actions implemented

In order to maintain and enrich the human capital of SEQENS, the Group defines training priorities every three years in accordance with the company's needs and strategic orientations. These priorities are reviewed annually and circulated to the sites, which deploy training or skills development plans in line with these priorities.

To meet specific needs and provide information specific to SEQENS, customized training courses are developed. In 2022, the key areas of these customized training courses were **project management, management and financial culture**. These training courses have been deployed at all our sites and complement the annual internal training courses on EHS and ethics provided at Group level.

In addition, in 2022, the Group worked on the digitalization of practices with the development of the «Knowledge» training module. This module will be gradually rolled out to all sites in 2023 and is intended to structure the training process. Employees will have access to a comprehensive catalog of online training courses, promoting the compartmentalization of services and training.

250

managers trained on a common management culture by 2022

80

employees trained on project management in 2022

70

employees trained on finance in 2022

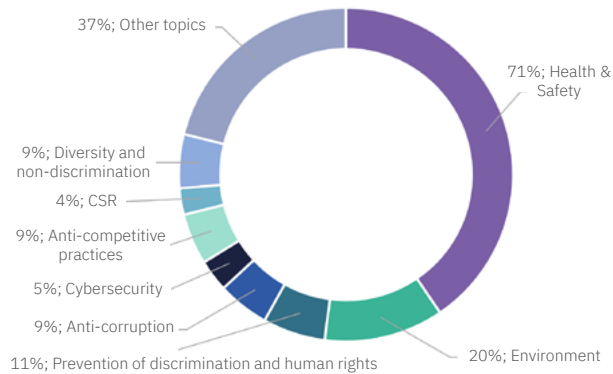
Achievements 2022

- The Roussillon Novapex site has set up an internal training course for the Manufacturing department.
- An internal training course on responsible purchasing has been set up, enabling all the Group's buyers to be trained in this area.
- Like every year, the EHS department has set up training courses on the 9 life saving rules.

Indicators 2022

The employees were trained on various topics:

Percentage of employees trained in 2022 by theme



Anti-corruption: Excluding the Group's anti-corruption training program (within the framework of the Sapin II law)

In 2022, employees were mainly trained in EHS (environment, health and safety) but also trained on the acquisition of skills (other topics).

78 325

hours of training in 2022

23

hours of training per employee in 2022

The total number of training hours averaged 23 hours per employee.

KPIs

3 207

employees trained during 2022

94%

of employees trained by 2022

By 2022, 3,207 Group employees had received at least one internal or external training course, representing 94% of the total workforce. SEQENS has thus reached and exceeded its 2025 target of 70%.



ASSESSING PROFESSIONAL SKILLS

In order to identify the needs of each of our employees, annual appraisal interviews allow the employee to meet with his manager to analyze his training needs and to review the past year. This interview is a privileged moment of dialogue between the manager and the employee. The aim of this exchange is to achieve lasting improvements in professional practices, results and behavior. This practice will be extended to all Group managers in 2022 and to all non-managers in 2023.

86%

of managers had an annual interview in 2022

In 2022, 86% of the Group's managers had an annual interview or evaluation.

These interviews are used to identify employees' training needs and feed into skills development plans.

1 522

requests for training by employees within SEQENS in 2022

They also make it possible to identify potential for internal mobility in relation to open positions.

16

inter-site or inter-institutional mobilities within SEQENS in 2022

5

international mobilities within SEQENS in 2022

DIVERSITY

Commitment

Commit to diversity and professional equity

Risk

Inequality of opportunity and treatment

Policy

The diversity of profiles, including people of all ages, genders, origins, family situations, sexual preferences, opinions and skills within its workforce is an essential asset for the performance and sustainable growth of SEQENS, in terms of creativity and knowledge.

SEQENS is committed to providing an **equitable and inclusive work environment for all its employees** and to preserving diversity from the moment of hiring and throughout the life of the company.

SEQENS' approach to diversity, equity and inclusion is built around **three priority pillars**:

- 1 | **Gender:** achieve gender equity at all levels and functions of the company; engage against all types of harassment and violence, including sexism and sexual harassment, as well as gender-based violence.
- 2 | **Age and generations:** supporting young people in their career paths, encouraging exchange and cooperation between employees across generations.
- 3 | **Disability:** accelerate the inclusion of people with disabilities through targeted actions.

Objective

The Group's objective is to achieve a score of **90/100 on the gender equality index by 2025**. The scope of this indicator is limited to certain French legal entities, and SEQENS is considering setting up a diversity objective for the other sites.

Actions implemented

GUARANTEEING PROFESSIONAL EQUALITY BETWEEN WOMEN AND MEN

With regard to professional equality, SEQENS is careful not to create inequality, particularly between men and women.

The Group wishes to increase the proportion of women in its workforce as much as possible, despite the fact that its professions are highly industrial and in the chemical sector. To this end, the Group has set up a communication program aimed at the general public and schools to promote industrial jobs to both boys and girls. The aim is to promote scientific and technical training, which is the least attractive to young girls.

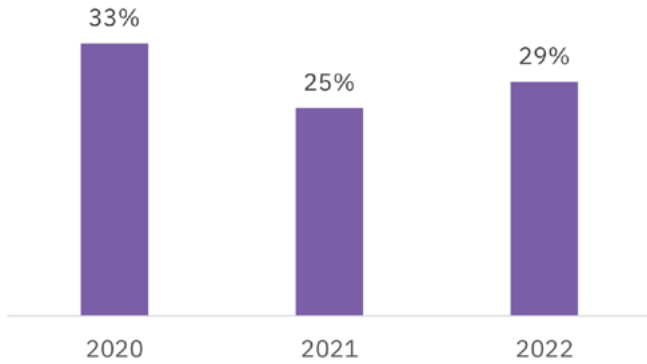
At the same time, SEQENS, through publications, is highlighting women in the chemical industry to combat the workforce imbalance that remains, particularly because of the persistent image of the industry and the arduous nature of the jobs. However, technology, innovation and digitalization have transformed working conditions.

In order to ensure good working conditions for women working at SEQENS sites, the Group has set up appropriate infrastructures. For example, two years ago the Bourgoin site built a separate changing room for women.

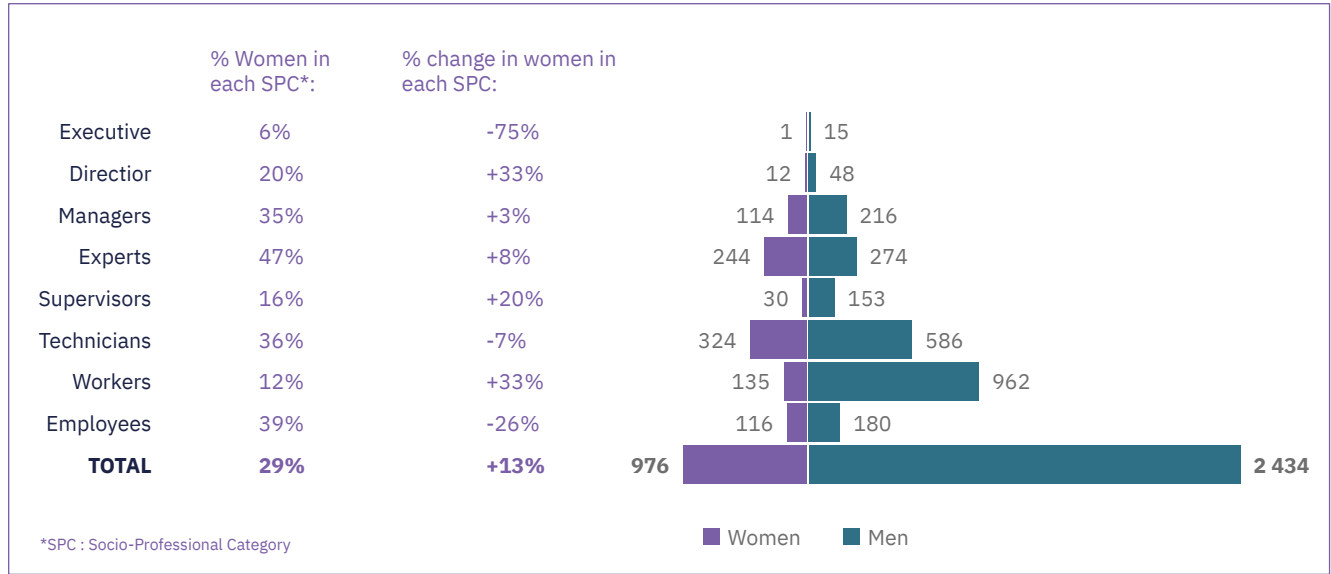
The Group is also seeking to increase the number of women in top management. For example, the Group's 15-member Executive Committee has been increased from 3 to 4 women by 2022.

Indicators 2022

Percentage of women in the total workforce



The total percentage of women in the total workforce is 29% in 2022 and has increased by 12.5% from 2021.



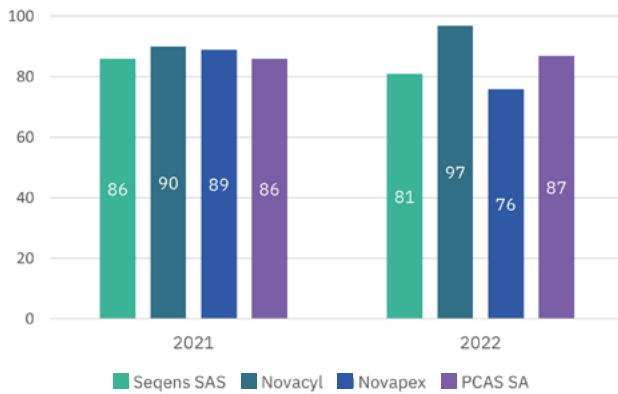
The Group has historically had few women among its operators, due to the reality of the field: working on the chemical or pharmaceutical production line requires a lot of handling and driving of specific equipment. Although women account for only 12% of the workers, the proportion of female workers has risen by 33% since 2021, thanks to a recruitment drive.

This ratio is more balanced among experts (47% women) and managers (35% women). SEQENS recognizes that it must continue its efforts in this area, whether through internal promotion or recruitment.



Since 2020, in accordance with the French law on the freedom to choose one's professional future, the legal entities Seqens SAS, Novacyl, Novapex and PCAS SA have been calculating the gender equality index of their workforce in France.

Gender equality index



The Index, out of 100 points, is calculated from 5 criteria:

- The gender pay gap
- The distribution gap for individual increases
- The promotion distribution gap
- The number of women employees increased in salary after returning from maternity leave
- Parity among the 10 highest earners

	2021	2022	Objective 2025
SEQENS gender equality index (average)	88	85	90/100

In 2022, the gender equality index is between 76 and 97/100, which is above the minimum threshold of 75/100 set by the French government. The average score obtained for the 4 legal entities is 85/100, a -3% decrease compared to 2021. This is explained in particular by the drop in the score of Roussillon Novapex. Novapex's annual salary negotiations have resulted in more collective agreements in favor of employees with an amendment 1 to their contract (a population where men are overwhelmingly represented), and more individual increases in favor of employees with an amendment 2 and 3 (a population where women are more represented), hence the evolution of the index.

SUPPORT YOUNG PEOPLE

The SEQENS Group is committed to a policy of encouraging young students, trainees and work-study students. The objective of SEQENS' commitment to young people is to support and train the talents of tomorrow and the future employees who will make our industry grow. It is part of an approach of mutual interest through concrete actions and commitments that promote professional integration and sustainable employment. This is not only essential at a time when young people are having difficulty finding an internship or work-study program, but also important for a group like SEQENS, in order to maintain its skills and know-how.

In 2020, the Group has implemented a work-study and internship policy, which aims to:

- Supporting the growth of SEQENS
- Promoting intergenerational solidarity
- Participate in technical and scientific training
- Develop the employer brand to increase the attractiveness of SEQENS and its activity
- Generate pools to fill key skills and shortage jobs
- Develop tutoring

Each year, the Group implements actions to promote the recruitment of work-study students and interns. Partnerships with schools, site visits, forums and various activities for students are all ways of giving them the opportunity to exchange views with players in the pharmaceutical and chemical industry. In 2022, the Roussillon Novapex site again hosted a half-day visit by students from the CPE Lyon, School of Chemical and Digital Sciences Engineering. At the Saint Jean site, students from Collège Maisonneuve visited the site to gain a better understanding of the reality of the chemical industry.

Since September 2021, every three months, youth seminars are organized at each site in France to allow the creation of a youth community within SEQENS. This community allows young people to meet, help each other and share information. And since October 2022, SEQENS has set up a special integration day for the new class of work-study students and interns.

In addition, SEQENS is present on the French platform «Engagement Jeunes». This platform is a pragmatic and unique initiative that brings together companies, training schools and young people. For companies, the platform allows them to share their work-study students, interns and international volunteers in business with their ecosystem (suppliers, partners, small and medium-sized enterprises in the employment area and other large groups), to stay in contact with them and to recruit new talent. For schools, it is a way to encourage students to look for work-study programs and jobs, and to showcase their training offer. For young people, it allows them to

look for an internship, a work-study program or a training program and to develop their visibility with recruiters. It also offers young people from work-study programs specific services (driving license, language courses, coaching, etc.).

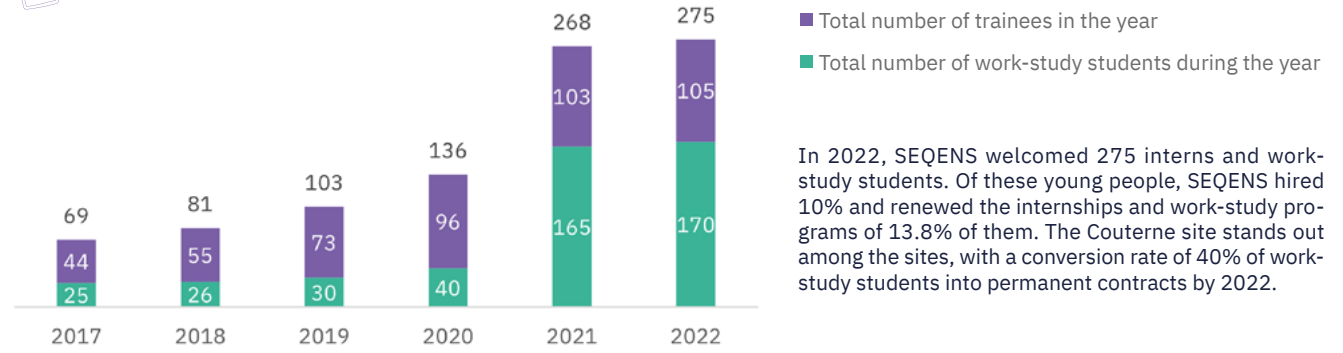
This approach is part of SEQENS' ongoing commitment to its work-study students and interns by supporting them in the next stage of their careers.

In 2022, SEQENS was once again awarded the «Engagement Jeunes» label. This label is obtained following the evaluation given by the young people on the Youth Commitment platform and the scores obtained according to different criteria.

Work-study students and interns can also share their testimonials on the «Engagement Jeunes» platform. The tutor, for his part, leaves his assessment of the young person he has trained and accompanied via the platform to optimize his employability. This is a way for SEQENS to give the young person a helping hand if it is not possible to offer him or her a contract at the end of the internship or work-study program.



Indicators 2022



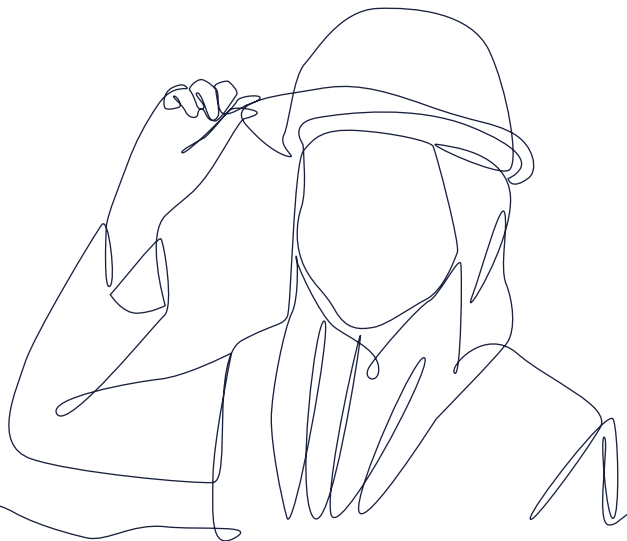
In 2022, SEQENS welcomed 275 interns and work-study students. Of these young people, SEQENS hired 10% and renewed the internships and work-study programs of 13.8% of them. The Couterne site stands out among the sites, with a conversion rate of 40% of work-study students into permanent contracts by 2022.

A PARTICULAR ATTENTION ON DISABILITY

SEQENS takes care to support people hired with disabilities and to maintain the employment of those who become disabled. This is done in particular by adapting workstations when necessary and possible.

In addition, the Group is developing contracts with adapted companies or ESATs (establishments or services providing assistance through work). These companies are called upon for supplies, subcontracting or services such as waste collection and recycling, or maintenance of green spaces.

1,2% of employees with disabilities in the workforce in 2022



COMMUNITIES

Commitment

Maintain and promote our historical commitments to associations

Risk

Lack of involvement with local communities

Policy

SEQENS is not an isolated entity. It is present in different territories, ecosystems where the economic actors are linked by relationships of complementarity, cooperation or competition.

In line with SEQENS' value of solidarity, the Group is committed to being an active player in these ecosystems, in particular by supporting and accompanying local initiatives and civil society on a long-term basis, without compensation.

Support for the local ecosystem can take different forms at SEQENS: donations, partnerships with associations, highlighting the missions of associations on the sites, and promoting the personal commitment of employees.

Actions implemented

Each site contributes, to the extent of its means, to the challenges of the region in line with the main pillars of the Group's philanthropic commitment:

- Helping the needy, sick and disabled
- Training, education and professional integration of young people
- Support for local public health initiatives
- Contribution to climate and biodiversity actions

More than 30 organizations are supported or helped either by SEQENS or by one or more of its collaborators.

Achievements 2022

- During the "P'tit dej News" events at the Ecully site, the various associations with which the site maintains relations are invited to present their missions to all employees. In 2022, about ten associations came to the site.
- The Roussillon site Novapex has been supporting the "L'Arche de la Vallée" association for five years now, which provides homes for mentally handicapped adults. In 2022, SEQENS supported the renovation of the accommodation sites.
- The Bourgoin site took part in an inter-company soccer tournament, with the participation fees going to support children suffering from cancer (leukemia, etc.).
- The employees of the Couterne site supported an employee in her operation to collect donations for the socio-aesthetic service of the hospital in Flers. This service provides care to alleviate the side effects of chemotherapy.

○ The Nimes and Roussillon Novacyl sites have collected old glasses for the association "Lunettes Sans Frontières" (LSF). The beneficiaries of the old glasses are disadvantaged people living in France or abroad.

○ The Saint Jain site made a donation to a mental health charity to mark 1,000 days without a category 1 accident at the site.

○ The Hyderabad site made a donation from the "Sri Jain Shrivak Charitable Trust" for the creation of a charity hospital in Balamrai, India, and for the purchase of medical and hospital equipment.

○ As part of a partnership with «L'Entreprise des Possibles», employees in the Lyon region have offered days off to support local associations. In 2022, Seqens donated €43,569.56, i.e. a total of 34 days offered by 27 employees. L'Entreprise des Possibles is a group of companies committed, with their employees, to working alongside public bodies and associations to help the homeless and the most vulnerable. Their aim is to mobilize human, financial and real estate resources to boost the work of associations in the field.

Indicators 2022

416 507

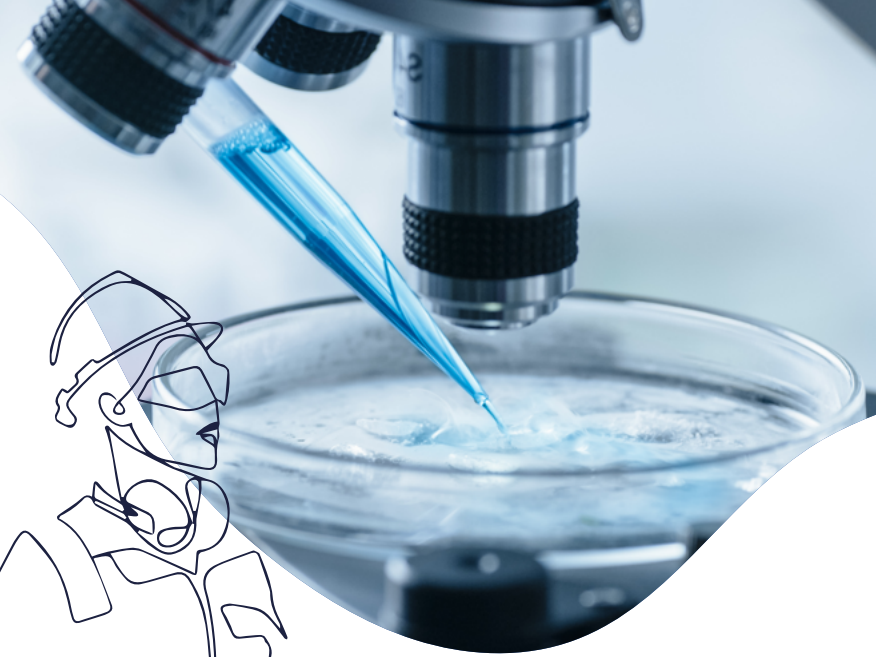
euros of donation in 2022

45

local initiatives supported

4

**Safety,
Quality and
Sustainable innovation**



As a global producer of active ingredients, pharmaceutical intermediates and specialty ingredients, SEQENS distinguishes itself not only by the high level of quality and safety of its products, but also by its culture of excellence, offering its customers the best service, while seeking to innovate in order to develop more efficient processes and to offer customers products that are more respectful of the environment and of people.



CSR COMMITMENTS

Prevent major accidents and ensure the safety of our processes



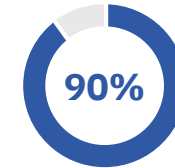
Guarantee the quality and safety of our products



Promote eco-design and sustainable value creation through innovation



CSR OBJECTIVES



Achieve an annual process safety program completion rate of over 90%



Reduce the number of justified customer complaints by 20% between 2021 and 2025



Assess 100% of our new proprietary projects against CSR criteria by 2025

PROCESS SAFETY

Commitment

Prevent major accidents and ensure the safety of our processes

Risk

Major industrial accident leading to lethal and irreversible effects beyond the property limits

Policy

Controlling technological risk²² is our absolute priority. The Group is therefore committed to controlling the safety of its processes. This commitment is clearly defined in the Group's EHS policy. It is all the more important as the chemical and pharmaceutical industry sector must follow and comply with numerous regulations, in particular (but not only) those on the prevention of major accidents and environmental protection:

- Seveso Directives in Europe;
- Industrial Emissions Directive (IED) in Europe;
- ATEX Directives in Europe ;
- OSHA PSM (Process Safety Management) regulations in the United States;
- PSM regulation in China (Chinese National Administration of Work Safety).

In 2022, the SEQENS Group will have four sites classified as Seveso high threshold (Bourgoin, Grand-Serre, Roussillon Novapex and Couterne) and four sites classified as Seveso low threshold (Roussillon Novacyl, Limay, Saint Fons and Aramon). All of these sites are subject to authorization under the ICPE regulations²³ and are regularly inspected by the authorities (DREAL²⁴, DRIEAT²⁵).

In order to guarantee a high level of safety, to reduce risks to the lowest possible level, and to comply with the various regulations, SEQENS deploys an EHS management system at its sites that integrates risk-based process safety.

Objectives

In order to ensure the implementation of a system and practices that are sufficiently robust and sustainable so that no serious, catastrophic or disastrous events occur, the Group has set itself the objective of achieving:

- An annual completion rate of the annual process safety program of over 90%.
- An annual rate of completion of the process hazard analysis (PHA) of over 90%.



Actions implemented

- The annual EHS action plans include process safety, as do the quarterly EHS reviews.
- The Group EHS team has three process safety specialists who provide support to the sites. Process safety correspondents have been appointed at all production sites.
- The management of process safety data continues: piping/instrumentation diagrams, action/defect matrix, product safety data sheets.
- The Process Hazard Analysis (PHA) program continues, with associated improvements.
- The mechanical integrity program has been strengthened. This includes ensuring that safety critical items are identified and included in a robust inspection, testing and preventive maintenance plan.
- Safety practices in the management of internal maintenance work and work by outside companies are continuously improved: provision of equipment (preparation of equipment and piping before work is carried out), consignment/deconsignment of dangerous fluids and energy sources, work with hot spots, access to confined spaces.
- Emergency procedures are tested periodically to deal with industrial risks (gas/dust explosion, fire, release and dispersion of toxic substances).

²² A major technological risk is an accidental event occurring on an industrial site and leading to immediate and serious consequences for the personnel, the neighbouring populations, the goods or the environment.

²³ Installations classified for the protection of the environment

²⁴ Regional Directorate for the Environment, Planning and Housing

²⁵ Regional and Interdepartmental Environment-Planning-Transportation Directorate

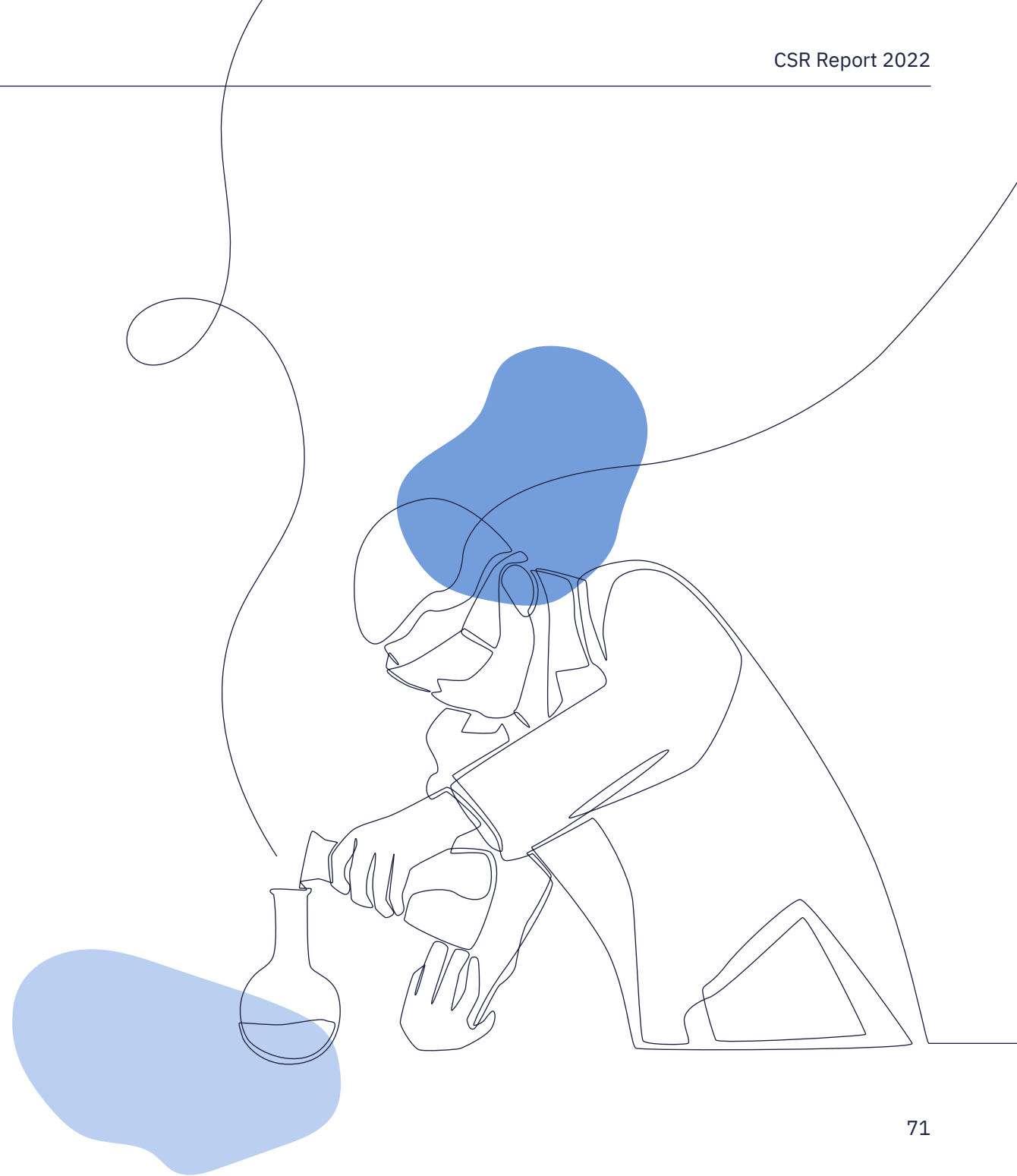
Achievements 2022

- The Couterne site has completed its fire protection project for outdoor storage tank and flammable liquid tanks.
- The Saint Jean site has improved the safety of its chemical reactors by adding measuring instruments that allow the level, pressure and temperature of the process to be measured in real time. This safety enhancement is accompanied by an automatic triggering of the safety chains according to the measurements.
- The Saint Jean site has installed an emergency generator to ensure the safety of the installations in the event of a loss of general power supply on the site.
- The Beer Sheva site has extended its automatic fire protection system (sprinkler) in workshop 75 and in the archive room.
- The Saint Fons site has improved the powder sieves as part of the prevention of dust explosions.
- The Grand Serre site has installed a video surveillance system (real time and remote monitoring of the installations).
- The Wuxi site has protected its dust collectors against the risk of internal dust explosion.

KPI

	2022	2021	2022	Objective 2025
Percentage of completion of the process hazard analysis program (PHA)	73%	95%	83%	>90%

Although the 90% target was not achieved, the 83% completion rate corresponds to 65 completed process risk analyses in 2022.



QUALITY

Commitment

Guarantee the quality and safety of our products

Risk

Product non-quality: product recalls, regulatory non-compliance (Good Manufacturing Practices, Cosmetics, etc.)

Non-compliance following regulatory and legal changes unfavorable to the Group's activities (REACH, Tox, EcoTox, etc.).

Policy

Product quality and the conformity of associated activities are essential to SEQENS. In its Quality Policy, SEQENS is committed to ensuring that products are always delivered safely and reliably to customers, in compliance with applicable regulations and international standards. This is especially true for products delivered by the Group to the pharmaceutical markets.

For SEQENS, guaranteeing excellence in quality, product and process safety necessarily involves the following elements:

- To manage activities through a comprehensive quality management system, in compliance with international standards, regulations and applicable directives (GMP²⁶, ISO).
- Remain constantly attentive to customer expectations to guarantee their satisfaction and develop new partnerships.
- Carry out operations and projects in a manner that ensures product quality and safety.
- Continuously improve the reliability and efficiency of our operations.
- Develop the skills, competencies, behaviors and effectiveness of staff through training programs designed to encourage accountability in the workplace.

Quality policy and programs are developed and coordinated by the Group's «Quality and Regulatory Affairs» department. It ensures that quality standards are applied and that products comply fully with the requirements of customers and regulatory health agencies. In this way, SEQENS acts on a daily basis to be recognized for its strong customer orientation and its compliance with regulations and quality standards.

Objectives

SEQENS aims to provide its customers with 100% success in regulatory inspections and certification audits to ensure business continuity; and wishes to be recognized as a major and serious player in the field.

In addition, all of the Group's teams are doing everything possible to ensure customer satisfaction. SEQENS has set itself the objective of reducing the number of justified customer complaints by 20% between 2021 and 2025.



Actions implemented

The implementation of the SEQENS quality management system includes the following measures:

- Product quality, safety and traceability are ensured throughout the manufacturing process, starting with the reception of raw materials (supplier qualification process, audits or controls of materials upon reception).
- Most operational sites have implemented a quality management system and are therefore compliant with regulatory and customer requirements, certified according to applicable standards such as GMP, ISO 9001, HACCP, COSMOS, Excipact ...

11 sites with one or more ISO 9001 certified activities in 2022

14 sites with one or more GMP certified activities in 2022

1 site with one or more ISO 22 000 certified activities in 2022

1 site with one or more COSMOS certified activities in 2022

○ The industrial sites are regularly audited internally. These audits are carried out by a dedicated «Quality Audit» team whose mission is to provide General Management with a precise and independent assessment of compliance with the SEQENS Quality Management System. They also aim to guarantee the success of customer audits and inspections by national drug safety agencies.

9 sites audited by the Quality Audit team in 2022

87 customer audits on sites in 2022

100% of national drug safety agency inspections passed by 2022

- Each year, site Quality action plans are defined by the Group Quality department in collaboration with site management and the site Quality manager.

85% average completion of the quality action plan in 2022

- A voluntary plan to update REACH files has been set up and will continue until 2026, in accordance with the wishes of CEFIC²⁷, to which SEQENS belongs.
- Regular training and communication actions around quality are organized to maintain and develop the quality culture within the company.
- Results and priorities in terms of product quality and safety are presented and discussed at monthly «Quality Points» with the Executive Committee.
- The digitalization of the quality system continues with the deployment of the VeevaVault tool.
- A Data Integrity Committee was established in 2022 to continuously improve computerized systems and paper-based processes, as required by health authorities, for GMP certified sites.
- In order to ensure the proper application of the various regulations relating to product quality and safety, SEQENS is a member of the APIC (Active Pharmaceutical Ingredients Committee) in Europe, of SICOS²⁸ in France, and of the BPTF (Bulk Pharmaceutical Task Force) in the United States.

Product quality and safety are key elements of customer satisfaction. In order to assess overall customer satisfaction, SEQENS has set up several channels to collect feedback at all stages of the customer journey.

In 2022, SEQENS launched a customer satisfaction program within the Group. An annual survey is sent to all customers to obtain a quantifiable and reliable measure of SEQENS' customer engagement, including the Net Promoter Score (NPS), the percen-

tage of customers who rate their likelihood to recommend SEQENS. Following the 2022 survey, a 5-year «customer experience» roadmap has been launched for the I&GP (Innovative & Generic Products) division. The objective is to deploy this roadmap throughout the Group.

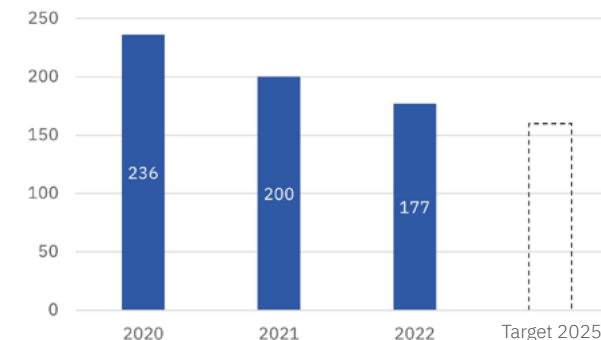
Achievements 2022

- The Hyderabad site has passed its first U.S. FDA (Food and Drug Administration) inspection, authorizing the marketing of active ingredients produced at the site in the United States.
- The Roussillon Novacyl site has opened a new quality control laboratory, while the Newburyport site has internalized ion chromatography. The internalization of these analysis steps saves time, improves customer satisfaction and control of these analyses.
- REACH files have been reorganized following the Brexit.
- A Quality quiz was launched throughout the Group to check the acquisition of the main concepts of quality and to mobilize all employees around the subject.
- In order to ensure the traceability of signatures, in accordance with GMP, SEQENS has proactively deployed the e-signature, allowing a gain in terms of responsiveness and flexibility.
- A new module has been created on the OneCRM platform to improve the management of customer requests. Customer requests concerning quality and regulatory issues, product regulations (including REACH) and CSR are gradually being centralized on this platform for the various business units. The tool was deployed in 2022 at the Turku site, involving the training of teams and the hiring of a full-time resource. This pilot will be extended to the I&GP division in 2023. In addition to centralizing customer requests, this tool makes it possible to identify customer dissatisfaction more quickly since, following responses to a request, customers can rate SEQENS out of five stars. In 2022, in the Turku pilot, 80% of customers were satisfied (4 and 5 stars) with the answers formulated by SEQENS concerning these requests.



KPI

Customer complaint justified



Reduction in the number of justified customer complaints between 2021-2022

-12%

Target 2021 - 2025 :

-20%

SEQENS has reduced the number of justified customer complaints by 12% between 2021 and 2022, contributing to the achievement of the target set for 2025. All these complaints have been the subject of an in-depth root cause analysis and the implementation of corrective and preventive actions aimed at eliminating the recurrence of such events. All of the Group's Quality teams are doing their utmost to reduce the number of complaints and achieve the Group's objective.

SUSTAINABLE INNOVATION

Commitment

Promote eco-design and sustainable value creation through innovation

Risks

Loss of markets due to changing regulatory, economic and environmental requirements.

Not seizing the opportunity to improve profitability, environmental performance, quality and safety of processes and products.

Policy

Regulatory, safety and environmental issues require the development of efficient, reliable and sustainable production processes, from the design phase to the industrialization phase.

SEQENS is committed to developing products that are not only effective and safe but also to improving its manufacturing processes from a CSR perspective. The Group relies on the principles of green chemistry to design and develop chemical products and processes that have minimal impact on the environment and human health, while being cost-effective.

This includes our 10 R&D centers of excellence in Europe and North America and more than 300 scientists, engineers and experts working on customized solutions for our customers, right through to manufacturing.

The Strategy & Innovation department also supports this CSR approach. Its main missions are to promote synergies, encourage ideas, stimulate and support the Group's development projects and optimize the portfolio of products, R&D services and technologies.

The technical engineering and operational excellence functions also participate in this approach, challenging projects while providing the necessary expertise to industrialize projects and improve their performance.

Objective

The Group has set itself the objective of evaluating 100% of its new proprietary products by 2025 according to CSR criteria, which have yet to be defined and measured.

Proprietary products are products developed by the SEQENS Group since their conception and design, and for which SEQENS holds the intellectual property. Proprietary products are to be distinguished from products developed under contract for customers. In the case of custom products, customers approach SEQENS with a specific project. The Group accompanies the customer from development on a laboratory scale to industrialization and production on a commercial scale. For these products, the customer is the decision-maker: he chooses the synthetic voice, which may or may not have an impact on the environment and human health.



Actions implemented

- A Lab'com has been created in 2021 between the CNRS and the Seqens'Lab teams in Porcheville. Its objective is to optimize chemical reactions and conditions, particularly catalysts, in order to reduce their toxicity, the quantities used and improve yields.
- A Scientific Council created in 2017 meets three times a year to define the scientific strategy of SEQENS, including eco-design topics. This council is composed of high-level scientific experts, mostly from academia, the SEQENS management and the Scientific, Technical, R&D, and Innovation Department.

- The Group develops and registers patents to protect processes with a reduced environmental impact.

- SEQENS is working on the development of bio-based versions of petrochemicals. Since December 2021, the Roussillon Novapex site has been offering an ISCC (International Sustainability & Carbon Certification) certified phenol. Another example is the replacement of butylene glycol, an extraction solvent of synthetic origin, by a version of plant origin (sugarcane molasses) at the Limoges site.

- The Group participates in the circular economy by improving the prevention, reuse, recycling and recovery of waste, including the reuse of co-products, by-products or waste materials as ingredients in other production processes, thus reinjecting used raw materials into the economic cycle. SEQENS more commonly refers to up-cycling, a process that recovers depleted raw materials and reuses them as raw materials in a new manufacturing process.

This is how the Limoges site developed a natural cosmetic active ingredient, «Sun Flower»[®], from co-products of the food industry. Indeed, the pistils of saffron flowers are used as spices in cooking. But it results in by-products: the petals. From this by-product, which was considered a waste product by the food industry, the Limoges site has developed a saffron active ingredient with soothing properties for the skin.

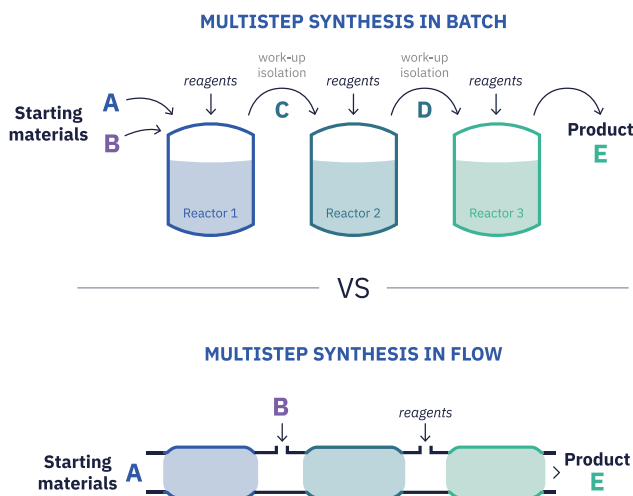
- SEQENS develops technologies to minimize the environmental impact of its products and processes, such as Flow Chemistry or multi-catalysis, aiming at substantial reductions in energy consumption, material consumption and discharges into the natural environment in any form.



FOCUS : FLOW CHEMISTRY

Flow Chemistry is a method of synthesis involving a chemical reaction taking place in a moving stream, with the reaction progressing as the stream advances through the equipment. In other words, a liquid medium flows through the equipment. Reagents are added to this medium by pumping through a mixer and then pass through a temperature-controlled pipe, tube or reactor. At the junction of the tubes, the fluids containing the reagents come into contact with each other and the reaction takes place, progressing according to the flow.

This method of synthesis is distinct from classical batch chemistry, in which the reactions take place in the same space, with the initial reactants and subsequent products of the reaction being in contact.



Flow Chemistry has many advantages from a CSR perspective:

- The safety of the processes is reinforced. Because of the smaller volumes and the larger surface area of the devices that allow temperature control, reactions considered dangerous in batch chemistry because they are too exothermic (releasing a lot of heat) can be safely implemented in Flow Chemistry and can therefore be carried out on an industrial scale using this type of chemistry.
- Reaction parameters (mixing, heating and residence times) are better controlled, allowing a better product yield and better control of impurities. This reduces the amount of raw materials used and, when sufficient purity is obtained, it is possible to avoid or reduce the purification steps that consume large quantities of solvents and generate effluents. Real-time monitoring of the parameters also helps to prevent pollution.
- The footprint is reduced, as the size of the equipment is smaller.



FOCUS : MULTI-CATALYSIS

Catalysis consists in accelerating or slowing down a chemical reaction under the effect of a substance (the catalyst) which does not undergo any transformation itself. Multi-catalytic reactions combine several catalysts in order to benefit from collaborative effects. Multi-catalysis is very interesting because of the diversity and efficiency it provides. It allows to reduce the amount of raw materials involved in the reaction and to improve the yield. However, it remains complex to implement, calling on skills from different fields (chemistry, biology, materials, etc.) and examples of multi-catalysis on an industrial scale remain rare. This is why, by extension, SEQENS also uses the term multi-catalysis for chemical synthesis pathways that successively use several different types of catalysis, even if they are not implemented simultaneously.

One type of catalysis implemented in multi-catalysis is biocatalysis. It consists in using enzymes to catalyze chemical reactions. Biocatalysis is interesting from an environmental point of view because it allows to carry out reactions at ambient temperature and pressure, thus requiring less energy. Moreover, biocatalysts are enzymes, proteins made up of a chain of amino acids, which are therefore biodegradable and allow the quantity of metals used to be replaced or reduced, compared to conventional catalysts, and are therefore associated with a lower environmental impact.



Achievements 2022

- After the ISCC (International Sustainability & Carbon Certification) certification of phenol, the Roussillon Novapex site has been offering ISCC-certified solvents from ISCC propylene since October 2022.
- The Flow Chem unit in Porcheville was launched in 2022 with a capacity of 2 kg/h.
- In 2022, SEQENS filed three patents, two of which protect processes with a reduced environmental impact. In addition, the Group has applied for an international extension of the patent on an active pharmaceutical ingredient manufactured by a continuous process (more efficient for the environment).
- The Roussillon Novapex site is working on the development of a new process and a new catalyst, called SCALA, to offer a solvent from bio-sourced raw materials.
- In 2022, the Nimes site started a pilot-scale activity with the acquisition of a 300-liter fermenter. This new bioreactor allows the production of an enzyme, Seqenzym® LM. In 12 months, the teams succeeded in identifying the enzyme, developing the biocatalyst production process, optimizing the biocatalysis reaction and producing the quantities of enzyme required on an industrial scale.
- The SEQENS teams have studied fluorination in flow chemistry and have published an article on the subject. The development of fluorination technology in flow chemistry would allow France to reindustrialize and reduce its dependence on Asia for fluorinated molecules, which are used in the composition of 60% of active pharmaceutical ingredients.

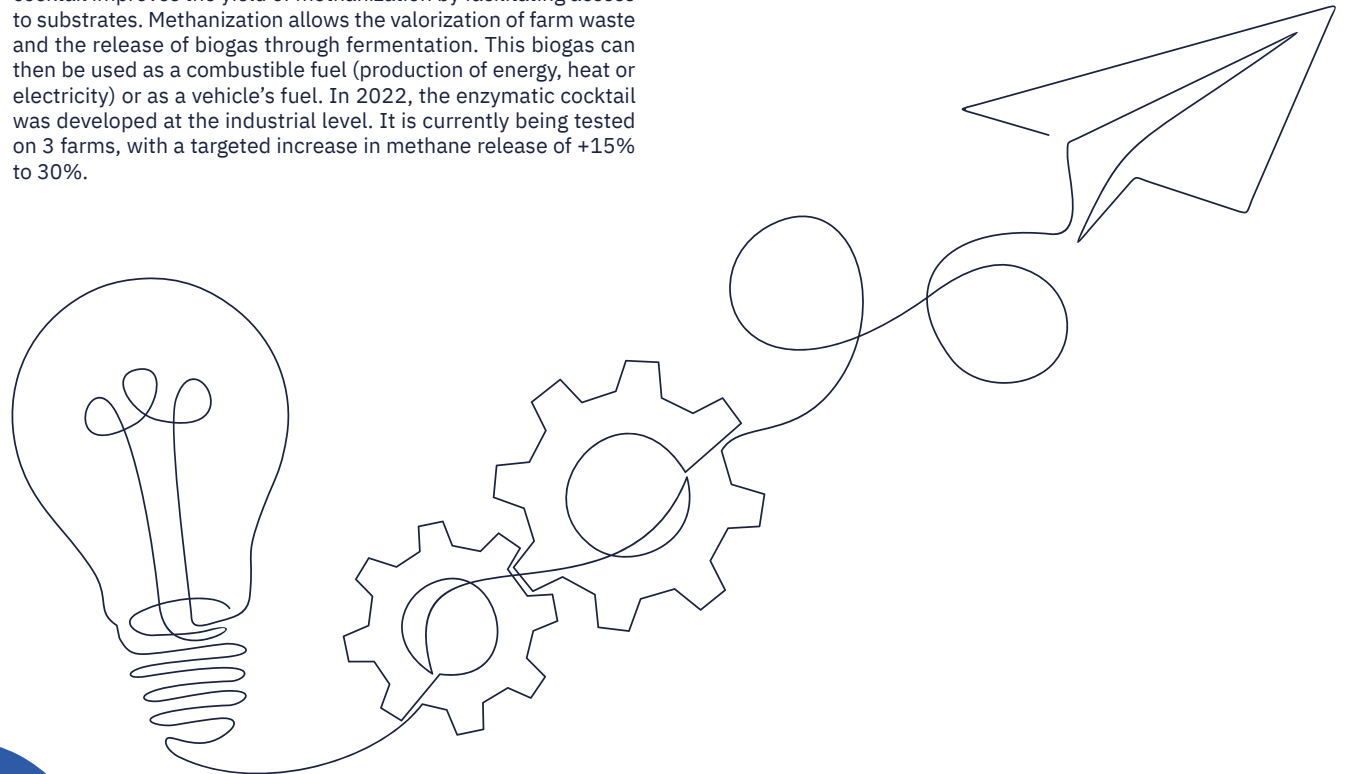
The SEQENS Group is also proud to **develop products that have a positive impact on society**, especially for the health and well-being of end consumers. Thus, the Nimes site has developed a green process (fermentation) to produce an enzyme, called «Sugar Killer», capable of transforming sucrose (sugar) into fructo-oligosaccharides (healthy prebiotics, less caloric but retaining the sweet taste). The sale of this enzyme contributes to the reduction of sugar and calories in the daily diet, a major public health challenge. Indeed, cardiovascular diseases are the main cause of death in the world, mainly due to a sedentary lifestyle and an unhealthy diet, including the consumption of increasingly processed and sweetened products.

SEQENS also contributes through some of its activities to the **development of alternatives to fossil fuels**. For example, the Nimes site has improved the efficiency of certain enzymes present in an enzymatic cocktail in partnership with an institute. This cocktail improves the yield of methanization by facilitating access to substrates. Methanization allows the valorization of farm waste and the release of biogas through fermentation. This biogas can then be used as a combustible fuel (production of energy, heat or electricity) or as a vehicle's fuel. In 2022, the enzymatic cocktail was developed at the industrial level. It is currently being tested on 3 farms, with a targeted increase in methane release of +15% to 30%.

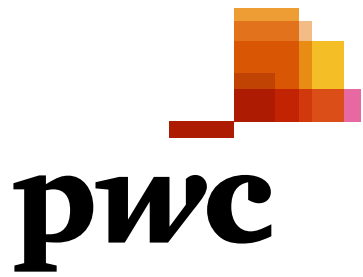


KPI

The methodology for calculating the percentage of new proprietary products evaluated according to CSR criteria remains to be defined and measured.







External audit of the report

(Year ended December 31, 2022)

Report of the Statutory Auditor on the verification of the consolidated non-financial statement

(Year ended December 31, 2022)

This is a free English translation of the report by the Statutory Auditor issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Seqens

21 chemin de la Sauvegarde
CS331167
69134 Ecully cedex

In our capacity as Statutory Auditor of the company Seqens (hereinafter the “Entity”) and in response to your request, we have undertaken a limited assurance engagement on the historical information (observed or extrapolated) in the consolidated non financial statement, prepared in accordance with the Entity’s procedures (hereinafter the “Guidelines”) for the year ended December 31, 2022 (hereinafter the “Information” and the “Statement”, respectively), presented in the CSR report and voluntarily established pursuant to the legal and regulatory provisions of Articles L. 225 102 1, R. 225

105 and R. 225 105 1 of the French Commercial Code (code de commerce).

Conclusion

Based on the procedures we have performed as described under the “Nature and scope of procedures” and the evidence we have obtained, nothing has come to our attention that cause us to believe that the consolidated non financial statement is not prepared in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

Preparation of the non financial performance statement

The absence of a commonly used generally accepted reporting framework or a significant body of established practice on which to draw to evaluate and measure the Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the Information needs to be read and understood together with the Guidelines, the significant elements of which are available on request at the head office.

Inherent Limitations in preparing the Information

The Information may be subject to uncertainty inherent to the state of scientific and economic knowledge and the quality of external data used. Some information is sensitive to the choice of methodology, assumptions and/or estimates used for its preparation and presented in the Statement.

Responsibility of the Entity

Management is responsible for:

- selecting or establishing suitable criteria for preparing the Information;
- preparing, on a voluntary basis, a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non financial risks, a presentation of the policies implemented considering those risks and the outcomes of these policies, including key performance indicators;
- preparing, on a voluntary basis, the Statement by applying the Entity’s “Guidelines” as referred above; and
- implementing internal control that it estimates necessary to establish the Information that does not contain any material misstatement, whether due to fraud or error.

The Statement has been prepared by the Board of Directors.

PricewaterhouseCoopers Audit, SAS, Grand Hôtel Dieu 3 Cour du Midi - CS 30259 69287 Lyon cedex 02

Téléphone: +33 (0)4 78 17 81 78, www.pwc.fr

Société d'expertise comptable inscrite au tableau de l'ordre de Paris - Ile de France. Société de commissariat aux comptes membre de la compagnie régionale de Versailles et du Centre. Société par Actions Simplifiée au capital de 2 510 460 €. Siège social : 63 rue de Villiers 92200 Neuilly-sur-Seine. RCS Nanterre 672 006 483. TVA n° FR 76 672 006 483. Siret 672 006 483 00362. Code APE 6920 Z. Bureaux : Bordeaux, Grenoble, Lille, Lyon, Marseille, Metz, Nantes, Neuilly-Sur-Seine, Nice, Poitiers, Rennes, Rouen, Strasbourg, Toulouse.

Responsibility of the Statutory Auditor

Based on our work, our responsibility is to express a limited assurance conclusion on:

- the compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code (code de commerce);
- the fairness of the historical information (observed or extrapolated) provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code (code de commerce), i.e. the outcomes of policies, including key performance indicators, and measures, relating to the main risks.

As we are engaged to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information as doing so may compromise our independence.

It is not our responsibility to report on:

- the Entity's compliance with other applicable legal and regulatory (particularly in terms of the vigilance plan and the fight against corruption and tax evasion);
- the compliance of products and services with the applicable regulations.

Applicable regulatory provisions and professional guidance

We performed the work described below in accordance with Articles A. 225 1 and according to the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) applicable to such engagement, in particular the professional guidance issued by the Compagnie Nationale des Commissaires aux Comptes, Intervention du commissaire aux comptes Intervention de l'OTI déclaration de performance extra financière, and acting as the verification program and with the international standard ISAE 3000 (revised) Assurance engagements other than audits or reviews of historical financial information.

Independence and quality control

Our independence is defined by the provisions of Article L. 822 11 of the French Commercial Code (code de commerce) and French Code of Ethics for Statutory Auditors (code de déontologie) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement.

Means and resources

Our work engaged the skills of 6 people between December 2022 and April 2023 over a total intervention period of 3 weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted around 20 interviews with people responsible for preparing the Statement, representing in particular CSR, Human Resources, Health and safety, Environment and Purchasing departments.

Nature and scope of procedures

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Information is likely to arise.

The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Information, we:

- obtained an understanding of all the consolidated entities' activities and the description of the main risks associated;

- assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, taking into account, where appropriate, best practices within the sector;

- verified that the Statement includes each category of social and environmental information set out in article L. 225 102 1 III in social and environmental aspects;

- verified that the Statement provides the information required under Article R.225 105 II where relevant with respect to the main risks, and includes, where appropriate, an explanation for the absence of the information required under Article L.225 102 1 III, paragraph 2 of the French Commercial Code (code de commerce);

- verified that the Statement presents the business model and a description of the main risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with its business relationships, its products or services, as well as its policies, measures and the outcomes, including key performance indicators associated to the main risks;

- referred to documentary sources and conducted interviews to:

- assess the process used to identify and confirm the main risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the main risks and the policies presented, and

- corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in appendix. Concerning certain risks such as the fight against corruption, involvement with local communities, performance in terms of sustainable innovation, our work was carried out on the consolidating entity; for other risks, work was carried out on the consolidating entity and a selection of sites: Couterne, Aramon, Roussillon and Middlesbrough;

- verified that the Statement covers the consolidated scope, i.e. all the entities within the consolidation scope in accordance with Article L. 233 16 within the limitations set out in the Statement;

- obtained an understanding of internal control and risk management procedures the Entity has implemented and assessed the data collection process aimed at ensuring the completeness and fairness of the Information;

- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in appendix, we implemented:

- analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;

- tests of details, on the basis of surveys or other means of selection, in order to verify the proper application of definitions and procedures and reconcile the data with supporting documents. This work was carried out on a selection of contributing sites: Couterne, Aramon, Roussillon et Middles-

- brough, and cover between 20% and 39% of the consolidated data selected for these tests;

- assessed the overall consistency of the Statement in relation to our knowledge of all the entities included in the scope of consolidation.

The procedures performed in a limited assurance review are less in extent than for a reasonable assurance opinion in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes); a higher level of assurance would have required us to carry out more extensive procedures.

Lyon, May 5th, 2023

One of the Statutory Auditors,
PricewaterhouseCoopers Audit

Nicolas Brunetaud
Partner

Anne Parenty
Sustainability
Reporting Partner

APPENDIX: LIST OF INFORMATION WE CONSIDERED MOST IMPORTANT

Key performance indicators and other quantitative results:

- Percentage of newcomers and exposed employees trained on the code of ethics,
- Number of Platinum, Silver, Gold and % of sites with a Platinum or Gold medal,
- Number of buyers trained in sustainable procurement, % of palm oil derivatives purchased by ID bio, % of procurement value covered by a CSR performance assessment (Ecovadis),
- Percentage of renewable electricity, steam and heat (Turku), % of renewable and recovery energy, number of energy audits commissioned, steam – electricity – gas – heat – biomass and fuel consumption in MWh, emissions CO2 scopes 1 & 2 (kt CO2eq), energy intensity per ton of product manufactured,
- Quantity of water consumed in m3, per type and then reported per ton of product manufactured,
- Quantity of hazardous and non-hazardous waste and per ton of product manufactured, percentages of material recovery part, landfilled and incineration without energy recovery,
- Tons of used or redistilled solvents reintroduced into industrial processes, quantity of waste, quantity of NOx, VOC and COD (tons), quantity of effluent discharged in m3,
- Percentage of green space, number of active extracts submitted to Nagoya,
- Total workforce, distribution of employees by age group and total group employees by type of contract, turnover rate,
- Number of life-saving rules, % of completion of EHS action plans, number of ISO 45001 certified sites,
- Number of category 1 work accidents and category 1 frequency rate,
- Number of collective agreements signed and % of employees covered by at least one collective agreement, GPTW Trust Index© and score, % of average completion of GPTW action plan,
- Number of interns and work-study students, conversion rate of work-study students into permanent contracts, percentage of women in the total workforce and evolution, gender equality index,
- Number of training hours averaged per employee, number of hours of training, number and percentage of employees trained,
- Number of local initiatives supported, total amount of donation in euros,
- Number of inspections by national drug safety agencies and % of inspections passed, number of customer audits on sites, % of average completion of quality action plan, percentage of completion of the process hazard analysis program (PHA), number of justified customer complaints, number of patents.

Qualitative information (actions and results):

- The code of conduct and ethical charter, ethical alert,
- Ecovadis certification, “Responsible Care” charter,
- Terroir range, suppliers with a valid code of ethics,
- Improvement of the tool for the annual calculation of CO2e emissions, photovoltaic panels in Bangpoo, energy audits, energy efficiency, Phoenix project, “French Business Climate Pledge”,
- Osmosis unit for the boiler, areas for improvement in water consumption, proactive investments,
- Replacement of gas at the incinerator of the Couterne site, reuse or recycle used solvents,
- Biological treatment plant in the Couterne site, the wastewater produced by the company’s activities is always treated internally, BREFs, quantity of VOC assessed annually and communicated to the authorities,
- Access and benefit sharing (ABS) resulting from the Nagoya Protocol,
- Group safety charter, Group intranet information system makes Group EHS procedures available, the quarterly EHS review, a lifting platform at the Lahr site, pneumatic transfer system for highly active powders,
- Monthly HR meetings, the Villeneuve-la-Garenne site set up a convivial area, profit-sharing agreement, teleworking charter, mentoring system, I&GP trophies, “Seqens Group update”,
- Seqens is present on the French platform “Engagement Jeunes”, collaboration with ESAT on the Roussillon Novapex site,
- Responsible purchasing training course,
- Monthly “P’tit dej News” events, action in favor of “l’Entreprise Des Possibles”,
- Annual EHS action plans, the Wuxi site has protected its dust collectors,
- Maintain and develop a culture of excellence,
- An ISCC certified phenol, the Flow Chem, a Scientific Council, a Lab’Com.

SEQENS

21 CHEMIN DE LA SAUVEGARDE
CS 33167
69134 ECULLY CEDEX
FRANCE

TEL. +33(0)4 26 99 18 00
TEL. +33(0)4 26 99 18 00

WWW.SEQENS.COM



Written by Lucie COSSON,
Group CSR Manager
Designed by Corporate Group
Communication Team