



KEM ONE



CSR Report

Committed to
sustainable performance

June 2023

ABOUT KEM ONE

Kem One is a leading player in the chemicals sector in the Rhône-Alpes and Étang de Berre areas, specialised in salt extraction and the production of chlorine, caustic soda, polyvinyl chloride (PVC) and chlorine derivatives. It is also France's leading producer of low-carbon hydrogen.

95% of its production takes place in France, at its industrial sites (Balan, Berre, Fos-sur-Mer, Lavéra, Saint-Auban, Saint-Fons and Vauvert). It also has a plant in Hernani (Spain). Thanks to this geographical basis, its **PVCs are produced using low-carbon electricity**, emitting fewer greenhouse gases than that used by its competitors.

Kem One employs around **1,450 employees** at its industrial sites, its head office in Lyon, its R&D laboratories and its sales offices (Italy, Spain and Turkey).

As a Responsible Company, Kem One is sustainably integrated into the regions in which it is established. Its purpose: **to offer essential and sustainable products from salt chemistry while contributing everyday to a better preservation of resources and the climate.** It thus puts, not only its technical performance, but also energy and economic, at the service of its customers and innovates to meet the challenges of a **high-performance and sustainable industrial development.**



Kem One's head office and industrial sites are located in the south of France and in Spain.

→ An Ecovadis rating in the Gold category



Kem One's commitments and increasing attention to environmental, ethical and societal considerations have been recognised by Ecovadis, an independent body at the origin of a global CSR rating standard. With a score of 74/100 obtained in 2022 (+2 points compared to 2021), Kem One's performance rating has improved. The company is in the top 2% of best-performing companies (out of 75,000 companies evaluated by Ecovadis).

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Melt agency

“Setting an example in the vinyl sector in terms of carbon emissions”



We have an ambitious goal at Kem One: to strengthen our position as a resilient and diversified international player, a world leader in the vinyl sector in terms of carbon emissions. We strive to achieve this goal by building on our values, safety, collective strength, desire to surpass ourselves, sense of partnership and respect for people and the environment.

We face a threefold challenge: fighting climate change, managing resources as efficiently as possible and thinking about the future of PVC. This lies at the heart of our corporate strategy and of our decisions. We therefore aim to take advantage of our production in France, which emits little CO₂ compared to our competitors, and pursue our efforts to reduce emissions in order to retain this advantage and set an example. To better structure our CSR strategy and implement our roadmap, we have decided to create a CSR department in 2023, which will report to general management.

Kem One employees are motivated to innovate and envisage today the PVC of tomorrow: decarbonisation of our activities, an increase of the share of renewable energies in our energy mix, safety, sustainable and recycled PVC ranges, a lower impact of our transport solutions, etc.

Paolo Barbieri

Chief Executive Officer of Kem One

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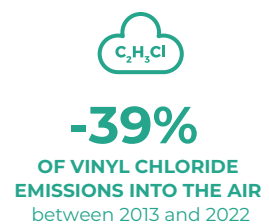
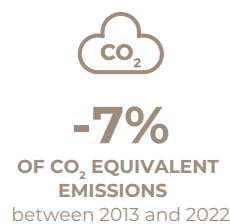
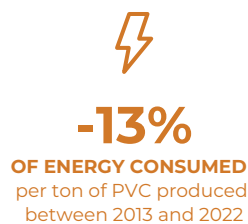
IMPROVING OUR ENERGY PERFORMANCE AND LIMITING OUR ENVIRONMENTAL IMPACTS

Kem One aims to grow its business in the long term by reducing its environmental footprint and improving its energy efficiency.

Kem One is at the heart of the environmental issues we face, due to its industrial activities in the chemical sector. As a high energy consumer, Kem One faces numerous challenges in terms of resources and performance. While environmental regulations are inciting companies to adopt more virtuous

practices, Kem One is focused on anticipating future restrictions and has been making significant and sustained investments since 2014 that will make its means of industrial production more efficient and limit its environmental impact. Today, the company is committed to sustainable and responsible growth.

Key figures



● ● ● Confirming our commitment to the environment

Kem One is fully contributing to the movement undertaken within the French chemical industry to improve its overall energy efficiency by at least 2% per year up to 2030. By 2030, Kem One will have saved around 290,000 tons of CO₂ compared to 2013, for an equivalent level of production. This effort is aligned with the national pathway towards carbon neutrality by 2050.

Kem One is convinced of the need for industrial manufacturers to commit to reducing greenhouse gas emissions and is one of the companies that has signed the **French business climate pledge**. It is also a signatory of the chemical industry's **International Responsible Care program**, placing matters regarding health, safety and the environment at the heart of its activities.

In 2017, Kem One’s energy management system, which focuses on the rigorous control of energy resources, was rewarded with **ISO 50001 certification**.

This certification recognises the continual improvement process implemented at every site, through an energy efficiency plan, with the help of the support functions (manufacturing, engineering, purchasing and supply chain, processes).



As part of its energy and climate policy, Kem One has set itself ambitious targets for 2030 (in comparison with 2013):

- A 33% reduction in energy consumption per ton of PVC produced (EPI measurement: Energy Performance Indicator).
- A 50% reduction of greenhouse gas emissions for scopes 1 and 2 (CPI measurement: Carbon Performance Indicator).

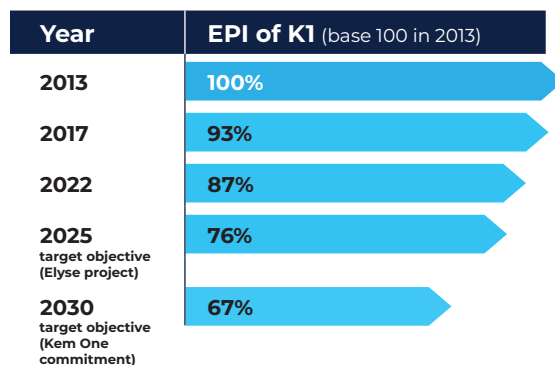
● ● ● Improving the energy efficiency of Kem One’s industrial manufacturing sites

Kem One is a hyper electro-intensive company, which means that managing its energy consumption is a key issue.

The company has set itself the target of cutting its energy consumption by one third in less than two decades. Kem One’s energy efficiency plan consists of:

- Using more efficient processes and equipment.
- Keeping tight control of consumption and production parameters in order to identify losses and thereby avoid over-consumption.

The changes in the energy performance index (EPI) of the vinyl chain* show the positive impact of the actions that the company has taken since 2013.



*The EPI is calculated as follows: (MWh purchased – MWh sold) / tonnage of PVC produced.

Major investments in more efficient processes and low-carbon technologies

This means complete changes of technology, such as the one carried out in 2017 in the electrolysis unit at the Lavéra site and the one in progress in the electrolysis unit at Fos-sur-Mer. This investment of around €170 million will position this industrial site **as one of the most energy efficient in Europe**, with an estimated reduction of 16% per year in electricity consumption and 36% in natural gas.

Another change of technology is being studied for implementation by 2030, concerning the adoption of a chlorination by boiling process in the monomer vinyl chloride production unit at Lavéra, in order to significantly reduce the site's steam consumption.

→ The technological conversion of the chlorine, caustic soda and hydrogen production unit at Fos-sur-Mer

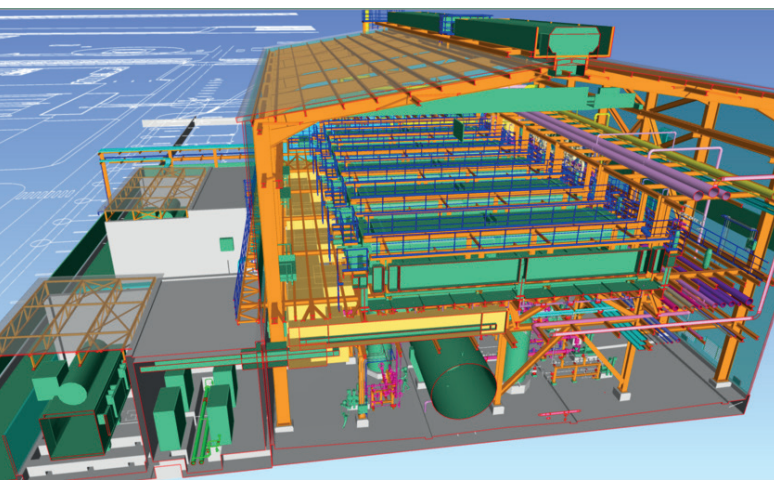
Kem One has launched the Elyse project at Fos-sur-Mer, which aims to replace its diaphragm cell electrolysis process with the best membrane electrolysis technology available. The goal of this conversion is to improve the site's energy efficiency and should make it possible to reduce CO₂ emissions by 50,000 tons per year. Construction of this new electrolysis unit has begun and it is scheduled to come on stream in 2024.

→ Cold generator retrofit

Currently, some 60 cold generators at our industrial sites use refrigerant fluids with a high global warming potential (GWP).

The aim is to gradually replace them by 2030 with equipment using fluids with as low a GWP as possible, in order to attain a level well below the regulatory thresholds fixed. Kem One's goal is therefore to use fluids with a very low GWP, such as propylene (GWP of 1.8).

As of mid-2023, €30 million is earmarked in the investment plan to convert the four main cold generators to propylene over the next few years.



Introduction of equipment that consumes less energy

The adoption of more energy-efficient equipment involves the manufacturing sites, the engineering department, the process teams and the purchasing department, which all help to optimise energy consumption and facilitate the operation of our units. The installation of this equipment often involves on-site trials, so it can then be installed in other facilities.

→ Removal of chlorine storage in Lavéra

Safety, environmental protection and savings: these are the guiding principles behind the project to remove chlorine storage at the Lavéra site. We have achieved our objective of reducing stocks of chlorine from 375 tons to 15 tons in 2023. The change in technology offers new processes that consume less energy. The new storage facility – which has been drastically reduced – has been relocated for greater safety and to guarantee the control of just-in-time operational conditions: a real technical challenge.



Recovering calories

At the Saint-Auban site, calories from the treatment of water from the PVC unit are currently recovered thanks to an exchanger installed between the stripping stage and the filtering of suspended materials. This system should make it possible to save around 4,100 tons of steam per year (the equivalent of 1.5 months of consumption by the PVC unit) and to avoid the emission of 700 tons of CO₂ per year.



→ Kem One commits to the EcoWatt scheme

The EcoWatt charter encourages companies to adopt the right practices for reducing their electricity consumption, against a background of pressure concerning the security of energy supplies. The signing of this charter by Kem One in December 2022 demonstrates its commitment to contributing to the control of electricity consumption in France.

Although the main challenges for reducing Kem One's energy consumption lie primarily in its production activities, additional actions are being initiated in the buildings (heating, hot water, etc.).

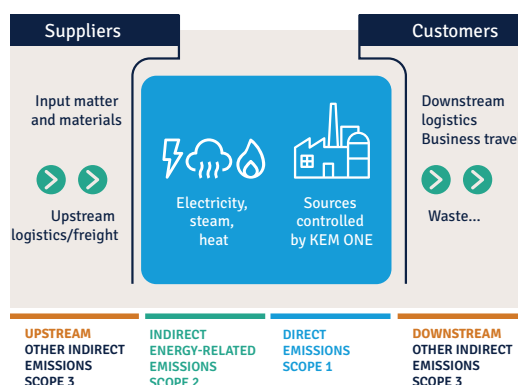
● ● ● Reducing our environmental impact

Our industrial sites, which have been ISO 14001-certified for their environmental management systems for more than 10 years, identify the most significant environmental impacts of their activity, from aqueous discharges and atmospheric or noise emissions, to waste and the consumption of natural resources and of energy. These analyses define the best means of protecting the natural environment and making improvements, with precise and measurable targets that are periodically reviewed.

Improving Kem One's carbon footprint and reducing GHG emissions

The main greenhouse gases emitted by Kem One's production process (scopes 1 and 2) are the carbon dioxide produced by the combustion of natural gas and by refrigerant fluids used in the cold generators. The company initially focused its efforts on scopes 1 and 2, before gradually extending its actions to include the logistics upstream and downstream of its products. At the start of 2023, Kem One signed its first renewable electricity supply contract (PPA) with EDF Renouvelables. The electricity will be supplied, for 10 years, by five solar farms based in France. This agreement forms part of the company's policy to decarbonise its activities.

Kem One's greenhouse gas emissions



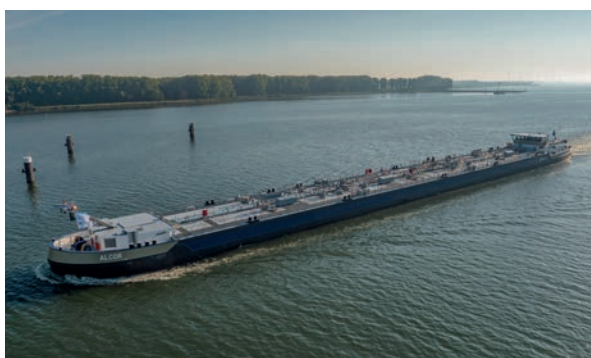
→ Kem One renews its commitment with FRET21

Kem One is committed to reducing the CO₂ linked to transport by 8% by the end of 2023 and has put in place 6 actions validated via the EVE programme (optimisation of river transport and of the loading rate, modal shift if possible, alternative fuels, etc.).

Kem One hopes to renew its commitment by adopting a continual improvement process and is studying the FRET21 label, in particular.

→ Hybrid motorized barges to transport raw materials on the Rhône

In January 2023, Kem One started operating two hybrid diesel and electric-powered barges in compliance with the new polluting emissions standard. These are the first units dedicated to transporting raw materials on the Rhône to comply with the new European standards on polluting emissions in river transport (EMNR stage V). This new engine will reduce fuel consumption and therefore greenhouse gas emissions linked to transport, by avoiding more than 2,000 tons of CO₂ per year.



Monitoring and reducing emissions of volatile organic compounds (VOC)

The question of monitoring emissions of volatile organic compounds into the air is important at Kem One, due to its activities in the chemical industry. In 2018, an official order was issued to limit these emissions from the Fos-sur-Mer and Lavéra sites, and from all the other industrial sites around the Etang de Berre.

This order demands more measurements close to the sources and actions to reduce emissions, which have already borne fruit. Actions have also been taken to reduce emissions from the Saint-Fons site since 2016.

Optimising water consumption without affecting the quality of the PVC: the example of Balan

Recent periods of drought have led the Balan site to adopt a **long-term water consumption reduction approach**, in addition to measures in the event of a drought warning.

The PVC manufacturing processes at the Balan plant already used the best techniques available and the project therefore consisted in identifying sources for reducing the use of water and defining short- and medium term actions. The first, carried out between January and November 2023, made it possible to reduce groundwater abstraction by 15 to 20%, for a total investment of €400,000. The second consists of an internal recycling of process or waste water through a technological innovation whose development requires filtration and polymerization tests. The initial results are promising, with an additional gain of 20%.

Improving the environmental footprint of our products: PVCs or bio-attributed CMS

Kem One is starting to market bio-circular attributed PVC. This PVC, obtained from bio-circular* ethylene, meets a growing demand for products made from **plant-based raw materials or recycled materials**. By September 2023, Kem One aims to obtain certifications for all its industrial sites, enabling it to offer its customers PVC and chloromethanes with a better environmental footprint.

*Bio-circular ethylene and methanol: products manufactured using alternatives to fossil fuels such as plant based or circular feedstock, not competing with food chain.

→ 100% locally produced salt

In the course of converting its electrolysis at Fos-sur-Mer, Kem One has redesigned the supply scheme for its raw material: salt. Half of the brine used in its manufacturing process will come from its Vauvert salt mine in the Gard and half from seawater (250,000 tons/year), from the company Salins (Salin-de-Giraud, Bouches du Rhône). This combination, unique in Europe, will minimise energy consumption linked to salt production and will help position the site at Fos-sur-Mer as one of the best European producers in its sector in terms of energy efficiency and CO₂ emissions.

→ Developing multi-modal rail-road flows

At the end of 2020, 68,000 tons of products were transported each year by Kem One by rail. In 2021, in partnership with Geodis, Kem One developed a rail-road system for 14,000 tons of additional products between the Lavéra industrial site and Kem One's caustic soda customers located in south-west France. As such, Geodis Martigues provides bulk liquid containers suitable for transporting caustic soda on several lines. These containers replace tank trucks. Setting up these multi-modal rail-road flows has reduced the carbon footprint of the South-Est – South-West route by around 80%. This represents a reduction estimated at around 1,300kg of CO₂ emissions per year from 2022.



●●● Sustainable development through innovation

Improving Kem One's performance demands innovation and investment in R&D to imagine the industrial solutions of the future. Kem One is investing in several fields of research, from the recycling of PVC to low-carbon hydrogen and support for innovative start-ups.

Developing PVC recycling solutions

R&D's mission at Kem One is perfectly clear: to drive sustainable development through innovation by creating new products and solutions for our customers. PVC waste products are currently recycled using mechanical means: crushing, micronisation, then reintroduction into a new formulation. Most of this waste consists of rejects from the production lines or PVC off-cuts and materials recovered from demolitions.

Kem One's goal is to **purify PVC approaching its end of life**, which was often produced 20 to 30 years earlier, by removing inherited additives now banned or heavily regulated (short-chain phthalates, heavy metal salts), and to **market a new range of recycled PVC**. Kem One has launched several research projects and in June 2022 filed a patent for PVC recycling by selective dissolution.

→ REVIEN: a collaborative project to reuse PVC in floor coverings and composite textiles

More than €2 million have been set aside for this research project involving Kem One, the floor coverings manufacturer Gerflor, Serge Ferrari, which makes composite textiles, and the polymer materials engineering laboratory at the University of Lyon. This project, which has been labelled by the Plastipolis, Techtera and Axelera centres of excellence, aims to incorporate recycled PVC in products that are currently made exclusively with virgin PVC for textile and floor covering applications.

→ RECYKEM – A project to recycle PVC by selective dissolution at Saint-Fons

Kem One is working with partners specialised in process development on the RECYKEM R&D project to develop PVC recycling solutions.

A patent for PVC recycling by selective dissolution was filed in June 2022. A pilot facility is in the process of being set up at the Saint-Fons site. It should be operational by the end of 2023. The establishment of an industrial demonstrator is planned by 2027.

→ A second life for our raw materials

Kem One aims to use its waste materials from production processes as recycled products in applications. In June 2023, Kem One received validation of the approach to market a product in its Lacovyl range reusing rejects from the production lines.



Kem One is France's leading producer of low-carbon hydrogen

With an annual production capacity of 16,000 tons at its Fos and Lavéra sites, Kem One is France's top producer of low-carbon hydrogen by electrolysis. Our goal consists of supplying hydrogen for uses that create more value, **in particular as part of the energy transition**. Kem One is taking part in numerous projects with players in the sector (gas producers, energy utilities, grid operators, industry).

→ A partnership with Air Liquide to develop a new form of mobility for its fleet of trucks

Kem One is a partner in Air Liquide's "Hyammed" project, which aims to supply hydrogen for a fleet of 13 Iveco trucks that make local deliveries around Marseilles, thanks to a recharging station in Fos-sur-Mer. The goal is to develop a new mobility solution that can consume several hundreds of tons of hydrogen per year within 5 years as part of the development of low-emission zones.

In 2022, the project entered its 2nd phase (Rhyse project), which is expected to increase the fleet to 100 trucks powered by hydrogen.

→ Reusing hydrogen in a circular way

The Fos-sur-Mer site is modifying some of its equipment and the process in its monomer vinyl chloride unit to be able to use the hydrogen produced in another unit on the site. The hydrogen is therefore reused directly on site.

This involves installing a dual-fuel burner that runs on both natural gas and hydrogen in the vent processing process in the unit.

This new equipment has been operational since summer 2023.



Supporting local initiatives

As partners of the local initiatives taken by the Piicto industrial innovation platform in Fos-sur-Mer, or in the “Vallée de la Chimie” south of Lyon, Kem One’s sites regularly host innovative initiatives in support of the energy transition or the circular economy.

Since 2017, the Saint-Fons site has been supporting the Deltalys start-up, which specialises in biogas filtration solutions that use bio-sourced materials. This young start-up has benefited from Kem One’s expertise to facilitate its establishment in a Seveso-classified environment and to launch its industrial production phase.

Kem One supports the production of renewable energies by hosting infrastructures on its available land. The Saint-Fons site is also a stakeholder in the solar plant in the “Vallée de la Chimie”. The site’s car park is equipped with photovoltaic canopies.



Kem One helped us to become established in Saint-Fons in order to facilitate our integration in a complex industrial environment, especially with regard to safety-related issues, risk prevention and the regulatory aspects. These joint efforts are still ongoing in order to support the growth of our business. We work together on numerous industrial questions on a daily basis and in platform mode, in order to generate synergies (weighing the trucks, fire safety, utilities, etc.) that produce joint benefits. Our respective teams enjoy working together. The differences in size and activities are a source of shared inspiration!

Charly Germain, co-founder and chairman of Deltalys





2

A COMPANY COMMITTED TO SAFETY, WELL-BEING AND DIVERSITY

Consideration of employees lies at the heart of the human values of our company. It contributes fully to the growth and performance of Kem One, an inclusive company committed to ensuring the well-being of its employees.

Ensuring the well-being of its employees means first and foremost ensuring safety at work. Kem One is also committed to guaranteeing each employee a good level of social protection, developing their skills throughout their career, engaging in constructive dialogue with the employee representatives and communicating regularly and with transparency regarding the company's situation.

Key figures at 31/12/2022



● ● ● Cultivating diversity

Kem One is convinced that diversity in its teams is a source of collective enrichment and performance.

Promoting gender equality in the workplace and attracting more women to our business

In industrial and technical activities, the proportion of women in the overall workforce is traditionally low. It is 18% at Kem One. Attracting more women, especially into technical jobs where they are underrepresented, is a clearly identified path of progress. Since 2020 and the renewal of the company agreement seeking to promote and guarantee gender equality in the workplace, Kem One has made great

progress and in 2023 obtained a score of 82/100 on the gender equality index. Our goal: to obtain an average score of 85/100. To facilitate parenthood, Kem One offers a dozen or so places in inter-company nurseries. Agreements regarding flexible working hours ("remote working", "part-time" and "variable hours" agreements) also help to promote gender equality in the workplace.

To the end, the agreement provides, among other things:

- **training** for employees involved in the recruitment process, in order to **prevent any form of discrimination** linked to sex and gender, as well as awareness-raising actions to prevent sexist behaviour in the workplace,
- **targeted actions for schools** preparing students for jobs in the chemical industry, in order to **reach out to women** and make them want to come and work for Kem One,
- an **increase in the length of paternity leave** (from 14 to 21 calendar days),
- **coverage of childcare costs** where the employee has to travel for work involving a night away from home,
- the creation of an **internal network of diversity ambassadors** within the company.

Committed to the professional integration of people with disabilities

Kem One has been proactive for 10 years now **in order to keep people with disabilities in work and encourage their professional integration**. Three collective agreements have been signed including actions to raise awareness among staff, adapted working conditions to help keep people in work, welcoming interns and work-study students with disabilities, the recruitment of workers with disabilities and use of the sheltered sector. As a result, the rate of employment of people with disabilities has risen from 4.15% in 2012 to 6.87% in 2022.

To extend and support the progress already achieved, a new agreement was signed with all the trade unions represented in 2020.

This seeks to maintain the employment rate of people with disabilities through concrete actions: recruitment of 10 people (permanent, fixed-term, temporary or work study contracts), at least 8 people given internships, expenditure of at least €200,000 in the sheltered sector, support (grant) for a disability charity, contribution to healthcare costs, development of awareness-raising actions.

Hence, in 2022, Kem One acquired 12 virtual reality headsets, as well as awareness-raising and training modules. The aim is to offer employees a new experience, immersing them in the day-to-day lives of people with disabilities at work.

Contributing to the development of our employees

Developing employees' skills throughout their career within the company is a key aspect of Kem One's human resources policy. Each person has the possibility of continuous training to master the techniques used and prepare for changes within their profession.

Apart from regulatory training courses, which naturally concern a large part of our training actions each year, technical or business training is also offered to employees in cross-functional positions (HSE, sales, purchasing, HR, finance, IT).

Since 2018, Kem One has run an ambitious **training programme** over several months for managers, leading to **certification by the prestigious Ecole Polytechnique**. 150 managers have benefited from this training so far.

In 2022, as part of the new Kem One Safety commitment (see p.15), all managers also took part in a **two-day training course dedicated to safety**. The first day was dedicated to the basics of safety management and the second to managerial safety visits on the ground. Workshops were also offered to employees, with a view to raising awareness about the environment and our carbon footprint.



These are my colleagues: Jean-François, Bastien and Christophe. We have been working together every day for 10 years now! They are an integral part of the team. We don't see the disability any more. We have set up certain rules between us, we are a tight-knit team and we get on really well together.

Véronique Cardinal, an accountant at Kem One who welcomes sheltered employees in her department

●●● A reinforced safety culture

The safety of Kem One employees and other people working on our sites is a day-to-day concern and an inherent condition for carrying out our industrial activities. Kem One is also responsible for controlling its main industrial risks. In June 2022, Kem One formally adopted a new safety commitment with the aim of halving the number of accidents involving people and process over two years.

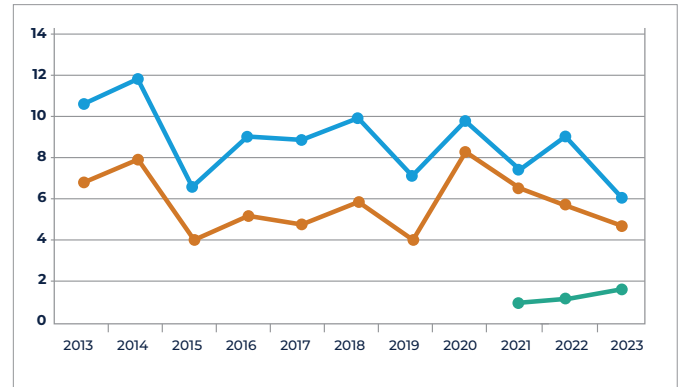
This commitment is based on three objectives:

- **Redefine how safety is managed** within the company,
- **Simplify our practices and upgrade our safety tools** for better effectiveness,
- **Place each employee at the heart of the approach.**

Managerial safety visits lie at the heart of the Kem One approach and now take place in order to reinforce the dialogue on the ground.

At the end of May 2023, 754 such visits had already taken place. Safety governance was also set up, in which all managers take part. This enables managers to strengthen their leadership with regard to safety. Kem One regularly rallies employees through actions inciting each person to act at their own level to ensure their own safety and that of other people:

communications campaign, weekly safety report, sharing of best practices, safety rituals and training. Kem One also continues to develop an innovative behavioural approach to safety, based on neuroscience.



● **TRIR:** Frequency rate of accidents reported at the end of May 2023 (number of accidents / 1,000,000 hours worked): 6.0

● **LTIR:** Frequency rate of accidents reported resulting in sick leave at the end of May 2023: 4.6

● **PSER:** Rate of safety incidents involving processes / 200,000 hours worked at the end of May 2023: 1.7

→ Safety Day – Taking responsibility for our safety, together

The first joint Safety Day for all Kem One sites took place on 1 June 2023. This day was marked by a high level of participation by 1,100 people, who attended workshops on the safety commitment and feedback on good practices and who discovered tools for pausing work. This day also provided an opportunity to reveal Kem One’s new logo and safety signature: “People First. Nobody gets hurt”.



●●● A social and inclusive company

Supporting social dialogue

Dialogue with employee representatives and trade unions takes place at every level of the company: through employee representative bodies (CSE, CSSCT, CSEC), at joint collective bargaining meetings and one a day-to-day basis.

The means employed by Kem One to encourage this dialogue go above and beyond those required by law or the collective bargaining agreement. They are set out in an agreement on the exercising of trade union rights signed in 2014, supplemented by provisions taken unilaterally as part of the reform of employee representative bodies.

As proof of the vitality of this social dialogue, **11 collective bargaining agreements or amendments were concluded** at company level between 1 January 2021 and 31 May 2023 regarding changes to pay schemes, profit sharing, employee savings plans, sustainable transport and mobility and support for employee carers. In addition to these collective bargaining meetings, **at least 11 meetings per year take place involving exchanges with the central employee representative bodies** (CSEC, economic committee, health, safety and working conditions committee, training, employment, gender equality and diversity committee, disability committee, mutual insurance and providence monitoring committee).

→ A solidarity fund to support employee carers

At Kem One, employees who wish can donate days of leave to a solidarity fund in favour of employees who have to care for a child or partner suffering from a serious illness. This fund, which had accumulated 286 days at the end of 2022, has given rise to a new agreement: it can now be used more broadly by our employee carers to care for a dependent relative.

→ Helping the most disadvantaged

Since 2021, Kem One has joined *Entreprise de Possibles*, a group of companies in the Lyon Metropole area supporting organisations on the ground with their actions to help people facing major difficulties. Kem One attaches great importance to the value of solidarity and offers each employee the possibility of taking action, on a voluntary basis, in two ways: by becoming a volunteer (50% in their personal time, 50% in their working time) or by donating days of leave, which are then monetised and increased by 20% by the company.

Kem One also supports communities situated near its subsidiaries in the case of exceptional events, as was the case after the earthquake that shook Turkey in February 2023. Kem One decided to support the Turkish governmental agency responsible for organising rescue services and coordinating local actions, by making a donation worth €20,000 to the Disaster and Emergency Management Presidency (AFAD).

An attractive and protective pay policy for our employees

Kem One's pay policy recognises both **individual and collective performance**, ensuring everyone benefits from an annual pay rise. These provisions guarantee higher levels of pay than the minimum social benefits in force. Kem One thus strives to implement a pay policy that is both attractive and competitive with regard to the practices in effect in other companies in the chemical industry. It also offers employee savings schemes, to which the company contributes.

Apart from recognition through pay, Kem One offers each employee a **good level of social protection through a complementary health insurance plan** covering healthcare costs incurred by employees and a collective providence scheme covering death and disability.

In addition, since 2023, each employee receives an **individual social report** giving them greater visibility over the different components of their pay (fixed and variable salary, bonuses, etc.) and benefits (remote working agreement, mutual insurance agreement, hours of training, etc.) set out in their employment contract with Kem One.



3

COMMITTED TO SUSTAINABLE PURCHASING AND RALLYING SUPPLIERS

The Purchasing Department plays a key role in ensuring compliance with fundamental rights and reducing the social, environmental and ethical impacts of the company’s purchasing. In its policy, Kem One has set out its own commitments and those required from its suppliers, in order to be able to provide competitive, sustainable and innovative solutions.

Kem One has compiled all of its initiatives regarding responsible purchasing in a special report and monitors indicators relating to its responsible purchasing with a view to continuous improvement.

Key figures at 31/12/2022



243

SUPPLIERS have signed the SUPPLIERS’ CHARTER



63

SUPPLIERS investigated by the ANTI-CORRUPTION SYSTEM



More than **90 %**

OF THE TURNOVER allocated to suppliers of goods and services LOCATED IN FRANCE

● ● ● Purchasing differently to improve the company’s energy efficiency and economic performance

A purchasing policy is implemented first and foremost through internal processes and good practices, which is why the Purchasing Department of Kem One has fully integrated the challenges linked to sustainable development.

Anticipating the environmental and social impacts of our purchasing

In our energy-intensive business, the choice of equipment is essential for improving our energy efficiency and reducing our environmental footprint. Under the impetus of Kem One’s energy and climate policy, the Purchasing Department takes the challenges linked to sustainable development into account. It encourages the adoption of technologies that respect

the environment and therefore includes in its selection criteria the performance of suppliers in terms of energy consumption, greenhouse gas reduction and waste recovery. This approach was rewarded in 2022 by a special **“Winning Collaboration” trophy awarded by the Responsible Care initiative**, highlighting the innovative aspect of the Purchasing approach put in place.

In recent years, specific actions have been carried out with regard to:

- **the purchase of energy-efficient technologies:** air compressors, electric engines, energy optimisation during maintenance operations on the lighting systems at our industrial sites and during the thermal renovation of tertiary buildings at our sites;
- **reduction of the environmental impact of refrigerant gases:** optimisation of the maintenance of cold generators, replacement of cold machines by technologies using low GWP fluids;
- **sustainable mobility:** choice of hybrid vehicles when renewing the fleet of vehicles on long-term leases, installation of electric charging stations on sites, replacement of diesel forklifts by electric-powered machinery;
- **The circular economy and responsible consumption:** purchase of reconditioned IT equipment (computers and mobile phones), reuse of pallets, introduction of a recycled share in our plastic packaging, etc.

→ Reducing the use of resources:
Optimisation of consumables for packaged products

Kem One uses plastic packaging and films to package its PVC. In 2021 and 2022, the Purchasing Department of Kem One carried out two investment projects on equipment aimed at reducing the amount of plastic used to package its products. The first project, at Saint-Fons, concerns the installation of a new hooding machine for pallets of packed bags. The second project, at the Balan site, concerns a new automatic bagging system. This makes it possible to reduce the use of plastic by around 10%.



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Right from the start of our cooperation, Kem One showed it was very focused on the circular economy and sustainable development. Together, we have reduced the thickness of our covers. We have also developed the use of recycled polyethylene both for stretchable sleeves and for FFS (form fill seals) sleeves, in order to reduce the CO₂ emissions.

Giuseppe Rossini, Selene – supplier of packaging solutions

●●● Rallying our suppliers

Developing a responsible purchasing approach means involving our suppliers through formal requirements in terms of societal responsibility.

Supporting and evaluating our suppliers to improve together

Kem One supports its suppliers in adopting more responsible practices and encourages them to propose competitive and sustainable solutions. Kem One has set up concrete actions and monitoring indicators to drive its suppliers' progress and encourages them to adopt the same approach: evaluation of CSR performance, monitoring of non-conformities, compliance with payment terms, anti-corruption assessments, etc. Kem One has drawn up a Supplier Charter which defines the requirements to be met by our main suppliers.



Securing commitments from our suppliers regarding health, hygiene and safety

Given its industrial activity, Kem One applies a rigorous HSE policy, not only regarding its employees but also its suppliers.

Each company carrying out work on a site covered by the National Collective Bargaining Agreement for the Chemical Industries must prove it has regulatory accreditation. In order to comply with this legal obligation, external companies are subject to a **safety certificate**, valid for 3 years, issued by the HSE teams at Kem One.

In order to help safely manage the chemical products throughout their life cycle and comply with the European Reach Regulation concerning hazardous substances, Kem One asks its suppliers to complete a **hazardous substances declaration form** every 6 months.

→ A safety seminar for suppliers

In June 2022, Kem One brought together around 30 external companies that work on its industrial sites for a day dedicated to safety. This event provided an opportunity for Kem One to present its new safety policy and, for those companies willing, to share feedback. This led to an exchange and sharing of good practices to implement with regard to safety.





4

PRACTICES IN KEEPING WITH OUR VALUES REGARDING ETHICS AND TRANSPARENCY

As a committed company, Kem One strives to ensure that the practices adopted by its employees comply with the law and with the company's values regarding ethics and transparency.

In this respect and in order to meet the requirements of the 2016 law on transparency, the fight against corruption and the modernisation of the economy, the so-called "Sapin II Law", Kem One has set up an anti-corruption mechanism. Its aim: to prevent the risk of acts of corruption and influence peddling.

Several measures are in place and are subject to internal monitoring and assessment in order to ascertain their effectiveness: code of conduct, internal whistleblowing system, structuring of contractual negotiations, assessment of partners, etc.

●●● An ethical code of conduct

Kem One has adopted an ethical code of conduct, appended to the internal rules of each of its establishments. This code constitutes one of the tools for **guiding the company's employees in their day-to-day activities, in line with Kem One's values regarding ethics and transparency.** This guide is available in a summary version to ensure that these good practices are widely shared and to facilitate the assimilation of rules applicable to all employees.

It presents the **prohibited behaviour and rules** regarding the policy on gifts, donations, sponsoring and patronage, lobbying, relations with public players, conflicts of interest and compliance with accounting control procedures.

For those positions identified as being most exposed to the risk of corruption or influence peddling (mainly purchasing and sales staff), 156 employees completed a training module in e-learning mode.

In February 2023, the company's risk mapping was updated, like the whistleblowing system (end of 2022).

A campaign was also carried out in 2022 to raise awareness among all employees of the whistleblowing system. On the occasion of International Anti-Corruption Day on 9 December, Kem One communicated via its intranet and on its premises (posters) to inform people about changes to the system and encourage employees to use it.



●●● Transparency and dialogue with stakeholders

Kem One prioritises transparency, dialogue and consultation with all its stakeholders.

The environmental performances of its industrial sites are therefore regularly published. **In a spirit of openness, the industrial sites occasionally welcome neighbouring populations** (local residents, associations, elected officials, representatives from the world of education, etc.) in order to present their activities, professions and products.

These meetings also enable the company to maintain a constructive dialogue regarding any questions concerning safety, health and sustainable development.

Apart from its industrial and commercial partners, Kem One maintains relations with a number of professional bodies, French and international governmental organisations and the academic world, in order to maintain a constant capacity for transformation.

As a member of the ECVM, the European Council of Vinyl Manufactures, Kem One plays an active role in its VinylPlus® commitment to sustainable development, to **improve the impact of PVC on health, safety and the environment throughout its life cycle.**

Kem One takes part in several multiplayer working groups on the Responsible Care approach within the France Chimie association and also as a member of AXELERA, a Chemicals and Environment competitive cluster in the AURA region, which brings together players involved in the **controlled management of materials and resources** (water, air, soil, energy) for the sustainable development of local areas. In order to support the development of technical expertise, a member of the Group's industrial division chairs Interfora, the training centre for professions in the chemical and processes industry.

→ A harmonious integration of our activities at the Vauvert site

In the 1970s, Kem One created SCIAP, a non-trading agricultural property company, to manage the 175-hectare land reserve owned by the company around its Vauvert site, bordering the Costières du Gard wine-growing region and the Camargue plain. In this domain:

- **42 hectares** are set aside for the **industrial extraction of brine,**
- **10 hectares of orchards,**
- **30 hectares are lent free of charge** to ranches breeding the AOP protected "Taureau de Camargue" race of bulls, known as "bios",
- **48 hectares of woods, moors and prairies,**
- **45 hectares of vines** are cultivated and exploited, benefiting from the "AOC Costières de Nîmes" label.

The harmonious integration of its activities within this precious natural space is a priority for Kem One. The SCIAP therefore strives to valorise the Camargue culture and participates in the local agricultural economy, in compliance with the AOP and AOC requirements.





5

OUR COMMITMENTS FOR THE FUTURE

Kem One is committed to working every day alongside its employees, suppliers, customers and all its stakeholders to develop its industrial activity in a sustainable, responsible and efficient manner. Our company takes a medium- and long-term view and confirms its commitments in concrete and measurable terms, with a view to continually improving its performance.



ENVIRONMENT COMMITMENTS

Two major goals by 2030:

- Reduction by **33%** of our energy consumption between 2013 and 2030, i.e. **2%** per year.
- Reduction by **50%** of our greenhouse gas emissions between 2013 and 2030, i.e. **4%** per year.

In order to attain these goals and develop a culture of energy efficiency, Kem One is committed to 3 priorities:

- 1 – **Investing in more efficient processes and low-carbon technologies:** conversion of the electrolysis at Fos-sur-Mer to bipolar membrane technology, chlorination by boiling process for the production of monomer vinyl chloride at Lavéra and the elimination of high-GWP refrigerant fluids.
- 2 – **Using technologies for the electrification of uses** and the recycling of thermal flows in its manufacturing processes.
- 3 – **Intensifying employee training** on the importance of energy efficiency and reducing greenhouse gases, raising awareness of good practices and encouraging participatory innovation, by setting up a system of suggestions for improvement.



SOCIAL AND SAFETY COMMITMENTS

- Obtain a **score of 85 out of 100** on the Gender Equality Index by 2024.
- **Train 100% managers** in the management course.
- **Maintain a rate of employment** of people with **disabilities** of more than 6%.
- Raise awareness among employees of the **energy and environmental challenges**.
- Set up negotiations with the trade unions on the **prevention of arduous work**.
- Define and implement the **preventive action plan** on quality of life and working conditions at company level.
- **Halve the number of accidents** involving people and processes every 2 years.



RESPONSIBLE PURCHASING COMMITMENTS

- **Develop a responsible purchasing training course** and train our Purchasing teams by 2024.
- **Continue to roll out our Supplier Charter** to our main partners.
- **Continue the process of evaluating and reducing our** scope 3 carbon footprint linked to the activity of our main suppliers.
- **Extend the CSR assessments of suppliers** to all categories of the company's purchases.



ETHICS AND TRANSPARENCY COMMITMENTS

- **Actively continue to roll out the anti-corruption** and anti-influence peddling scheme within all Kem One entities.
- **Verify each year compliance with and the effectiveness of the measures** and procedures in place and deploy corrective actions where necessary.
- **Provide training in combating the risks of corruption** and influence peddling to 100% of employees in the most exposed positions.



KEM ONE

Committed to sustainable performance

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