



## **Integrated Corporate Policy of CLR**

CLR is an independent, privately owned company that was founded in 1926 and is based in Berlin, Germany.

The company's objective is dedicated to research & development, manufacturing, sale and marketing of cosmetic actives that are used in personal care products around the world.

In the early 1950s, as the cosmetics industry became more sophisticated, CLR began to focus on the manufacture of biologically active cosmetic ingredients. Over the past 60 years, CLR has enriched beauty and personal care with many novel actives and pioneering concepts.

The company has the legal form of GmbH (Gesellschaft mit beschränkter Haftung). The Chief Executive Officer Dr. Stefan Borchert is the sole shareholder. Currently, CLR's staff consists of approximately 110 employees. Most of them have a long professional and operating experience, and the major part of the technical and commercial employees are skilled workers and professionals.

It is our mission and challenge to supply the cosmetics industry with high-quality actives; we have a focus on the development of new products with scientifically proven effect and innovative concepts for their use. As a sign of our expertise we enjoy worldwide reputation, maintain a good market position, and hold numerous international patents and protective rights.

It is our goal to extend this position on the basis of the development and production of quality products which are produced according to GMP standards and the continued growth of our company with secure employment for our current and future staff. Further to that, the responsible use of natural resources is an essential constituent of our activities. Sustainable management and growing our company responsibly are at the very center of our self-conception and future aims. The use and application of natural and sustainable raw materials and production processes are the basis of our new product development and are important components of our products.

For CLR, sustainable management includes assuming social and environmental responsibility for its actions. Additionally, CLR supports the United Nations in the implementation of its Sustainable Development Goals. As an integral goal of the German federal government's 2030 climate protection program, CLR commits itself to reducing emissions which are hazardous to the climate.

In accordance with these corporate principles, the management of CLR has defined the company's integrated corporate policy which is mandatory for its entrepreneurial actions.

### **Relationship with our customers, business partners and other interested parties**

We believe that long-term economic success in our business is built on approved quality products, customer satisfaction and continued successful introduction of new products with innovative applications and great benefits for our customers.



Our product development takes into account state-of-the-art science and technology as well as legal and other mandatory requirements, and looks to the specific needs of our customers. Intensive technical cooperation with our clients is also emphasized by formulating guidance offered by our technical department.

We serve our customers according to their needs through a worldwide network of agents and sales representatives, using a distribution structure which is close to the market. In April 2005 our company founded a subsidiary in France and in 2013 a subsidiary in USA. In Germany, customer service is provided by our own well-trained field staff that can easily deal with any technical questions from our customers and help them find solutions on site.

Our company is ready to respond quickly to demand. Swift quotation and professional order management in our sales department is combined with reliable distribution logistics, thereby ensuring prompt and flexible execution of customer orders.

We use high-quality raw materials that have been tested for their suitability; external suppliers and their products are regularly evaluated. We constantly strive to develop and improve our cooperation with our suppliers.

In order to be able to meet the demand of our numerous non-European customers, for shorter reaction channels in view of increased safety requirements, CLR has held a certificate as "Authorized Economic Operator (AEO)" of the European Union since 2016.

Property of our customers is treated with utmost confidence and care and is in no way released or sold to third parties without the consent of our customers.

CLR always considers the requirements of interested parties resulting from legal, technical, environmental, competitive, market, cultural, social or economic aspects.

### **Responsibility of our employees**

Implementation of customer requirements at all the operating levels concerned, including our distribution system, is what shapes our daily business conduct.

Our ability to consistently supply high-grade products which meet our customers' needs and to comply with the environmental protection standards set for our business depends on the expertise and practical experience of each employee. We can meet quality and environmental requirements only if all employees are aware of the significance of their time spent on product supply and environmental protection.

All employees are required to observe the principles formulated in our integrated corporate policy. For improvement of both our performance and environmental protection measures, our company is dependent on commitment and initiative of every individual employee. For this reason, we require all employees to address any quality and/or environmental problems identified and invite them to make proposals on how to resolve such problems and make suggestions for improvement.



## **Responsibility of the management**

We are aware that company survival is closely related to permanent development and perfection of performance and innovation capability.

To ensure high-quality performance and create a stable foundation for future improvements, a quality management system based on DIN EN ISO 9001 standards was established in 1997. Since then it has been under constant review to match current requirements. To reflect the growing importance of environmental protection, our quality management system was expanded in 2011 to develop into a system that integrates both quality and environmental aspects in accordance with DIN EN ISO 9001 and 14001 standards and this system has been further advanced by EFfCI GMP in 2018. In addition, requirements and principles for production of Halal products were introduced in 2012 and since then form an integral part of CLR's Corporate Policy.

We take responsibility along the entire value chain. In accordance with our self-conception as a socially responsible company, since 2014, we have met the Social Accountability 8000 (SA8000) standards for social and responsible corporate governance. CLR participates in Responsible Care as well as the sustainable initiative of the chemical industry in Germany, Initiative Chemie<sup>3</sup>.

The management is responsible for implementation and effectiveness of all the processes described by this integrated management system, thus ensuring compliance with existing regulations and other mandatory requirements for our company. In particular, this includes giving proactive support to the staff in implementing all the actions provided by the management system and to consistently monitor the workflow specified. In doing so, management and staff work closely to maintain the high quality of our products, prevent pollution and reduce consumption of energy and other resources as well as respecting our employees' needs and protection requirements of the employees hired by our suppliers and subcontractors.

In order to identify potential risks for CLR and our business processes and to take advantage of improvement opportunities, a risk management system was put in place. In addition to emergency preparedness procedures and security for our company, this also includes a process for assessing and evaluating potential risks in individual areas, as well as production processes and their evaluation.

The management believes that its commitment to quality, GMP, environmental protection and socially relevant issues also translates in continuous efforts to further develop and fine-tune the system. To this end, the integrated corporate management system of CLR will be subject to continuous improvement and simplification.

As a key part of our managerial functions, we shall foster quality as well as environmental and social awareness, motivate our staff at all operational levels and train them for new or modified tasks as required.

Berlin – 31 March, 2020

Dr. Stefan Borchert  
CEO