

## ANNUAL REPORT 2010-11-05

Member organization's name:	SILAB
Main address:	Z.I. de la Nau - 19240 Saint Viance - France
Webpage:	<a href="http://www.silab.fr">www.silab.fr</a>



### COMPANY DESCRIPTION

Independent company, founded in 1984, SILAB creates, manufactures and sells to the Cosmetic Industry, efficiency-proved and conformed active ingredients to international regulations. With the most sophisticated research, development and industrial tools, SILAB launches several innovative products yearly.

SILAB devotes to Research more than 25% of its annual sales and one third of its staff.

From the raw material to the finished products each step is rigorously mastered. From natural origin, our products are eco-friendly, patented and they respect the fundamental biologic laws.

Guided by a strong conviction for ecological citizenship and social responsibility, SILAB is committed to its collaborators and the community. The company drew up an CSR Charter - Company Social Responsibility Charter – in 2007 and has undertaken concrete actions in this field, around 3 pillars: economic performance, social responsibility and environmental concern.

Particularly, we take account of Washington Convention on the commerce of endangered species and Convention on Biological Diversity.

We are committing in a sustainable supplying approach, based on supply chains management (traceability, harvesting and production conditions, ...) and on assessment of economic, social and environmental supply chains impacts.

Particularly, we develop farming agreements and partnerships with producers. More, we have a partnership with French Guyana and we are participating in a programme for natural resources valorisation while complying with sustainable principles.

## UEBT MEMBERSHIP OBLIGATIONS

Steps	Dates <i>Historical/expected</i>	Verification Body
UEBT audit 1	2009-06-18 and 19	Bureau Veritas
Provisional Membership, if applicable		
Work-plan approval	2010-03-23	Bureau Veritas
Membership status granted	2010-05-18	
Annual report 1	2010-10-21	
Annual report 2		
Audit 2		
Annual report 3		
Audit 3		

Impact measurement indicators submitted to UEBT?

Yes

No

Implementation indicators submitted to UEBT?

Yes

No

Narrative report submitted to UEBT?

Yes

No

Documents annexed for public use?

Yes

No

If so, number of annexes:

Description of the annexed documents:

## PROGRESS IN IMPLEMENTATION OF UEBT WORK-PLAN

### Percentage of the work-plan implemented

With a great numbers of raw materials and supply chains, we have considered a global approach, developping a management system with 3 main objectives : improvement of data acquisition, suppliers sensitivity and improvement of supply chains management.

We have received approval of our work-plan in April 2010. We have implemented 37 % of workplan if we refer to the actions number. However, this figure is not a good reflection of our implementation. It is advisable to distinguish the implementation of the organizational system, estimated at 70 %, and the operational part, estimated at 20 %.

### Progress in the implementation of the UEBT work-plan

#### Principle 1. Conservation of biodiversity

Management system	<p>Although Silab activities are not concerned directly by farming impacts, we respect the maintain of genetic variability resources and the direct activity of the company make no negative impact on its environment as shown by a ICPE survey and 2 ZNIEF near.</p> <p>In order to assess supply chains impacts, we are developing a management system improving supply chains data acquisition, including data concerning conservation of biodiversity.</p>
Supply chain	<p>We are developping cultivation projects directly with farmers, allowing more transparency and exchanges concerning sustainable pratices.</p> <p>We have organized a seminar of suppliers, whose objective was to present the requirements of our activites, as supply chains traceability and sustainability, and our social, environmental and economic commitments toward differents stakeholders.</p> <p>We have taken into account of the biodiversity conservation requirement in the new version of the binding contract conditions signed with our plants materials suppliers.</p>

## Principle 2. Sustainable use of biodiversity

Management system	<p>Through its CSR Charter, Silab promotes sustainable use of natural resources and commits to reduce their consumption and waste generation. The 2009 report (annual) of corrective actions results are available (level reached concerning ISO 14001 environmental management, water consumption reduction of 11% compared to previous year, 2<sup>nd</sup> green houses gazes assesment).</p> <p>In order to assess impact of supply chains, we are developing a management system improving supply chains data acquisition, including crops and harvesting data.</p>
Supply chain	<p>We are developing cultivation projects directly with farmers, allowing more transparency and exchanges concerning sustainable practices</p> <p>We have organized a seminar of suppliers, whose objective was to present the requirements of our activites, as supply chains traceability and sustainability, and our social, environmental and economic commitments toward differents stakeholders.</p> <p>We have taken into account of biodiversity sustainable use in the new version of the binding contract conditions signed with plants materials suppliers.</p>

## Principle 3. Fair and equitable sharing of benefits

Management system	<p>As Silab is a major economic actor of its area and through its local actions, as CSR Limousin (Limousin is our administrative region), Silab is constantly involved in the local sustainable development.</p> <p>We are taking into account of the just price of raw materials and the fair and equitable benefit-sharing of biodiversity use, particularly concerning the agreements with producers and partners that we are developing, as actually in the French Guyana project.</p>
Supply chain	<p>We have organized a seminar of suppliers, whose objective was to present the requirements of our activities, as supply chains traceability and sustainability, and our social, environmental and economic commitments toward different stakeholders.</p> <p>We have taken into account of the fair and equitable benefit-sharing in the new version of the binding contract conditions signed by plants suppliers.</p>

#### Principle 4. Socio-economic sustainability

Management system	<p>Silab is rentable company and acts to stay at this level of economic growth, by a strong financial management and consequent industrial and research investments, and to respond to its market.</p> <p>In order to assess supply chains sustainability, we are developing a management system improving supply chains data acquisition, including the socio-economic sustainability of our suppliers and supply chain traceability.</p>
Supply chain	<p>We have organized a seminar for our suppliers, whose objective was to present the requirements of our activities, as supply chains traceability and sustainability, and our social, environmental and economic commitments toward different stakeholders.</p>

#### Principle 5. Compliance with national and international legislation

Management system	<p>According to our CSR Charter, we respect labour rights and local and international regulations concerning plants trade.</p> <p>In order to assess supply chains sustainability, we are developing a management system improving supply chains data acquisitionn, particularly to support and check the respect of regulations in supply chains</p>
Supply chain	<p>We have organized a seminar of suppliers, whose objective was to present the requirements of our activities, as supply chains traceability and sustainability, and our social, environmental and economic commitments toward different stakeholders.</p>

#### Principle 6. Respect for the right of actors

Management system	<p>According to our CSR Charter, Silab respects rights of stakeholders. The level of professional training stays hight (5.4% of payroll forlowing the 2009 CSR report).</p> <p>In order to assess supply chains sustainability, we are developing a management system improving supply chains data acquisition, particularly to support and to check the respect of labour rights and safety/hygiene conditions in the supply chains</p>
Supply chain	<p>We have organized a seminar of suppliers, whose objective was to present the requirements of our activities, as supply chains traceability and sustainability, and our social, environmental and economic commitments toward different stakeholders.</p> <p>We have confirmed the requirement of actors rights respect in the new version of the binding contract conditions signed with plants materials suppliers.</p>

**Principle 7. Clarity about land tenure, right of use and access to natural resources**

Management system	<p>Toward its CSR Charter, Silab promotes sustainable use of biodiversity in the development of projects.</p> <p>In order to assess supply chains sustainability, we are developing a management system improving supply chains data acquisition, including the assessment of conflicts in the supply chains.</p>
Supply chain	<p>We are taking into account of this principle as a sourcing requirement in the farming agreements and the partnerships that we are developing, as French Guyana project.</p> <p>We have organized a seminar of suppliers, whose objective was to present the requirements of our activities, as supply chains traceability and sustainability, and our social, environmental and economic commitments toward different stakeholders.</p>

**Changes in UEBT work-plan**

No change.

**ADDITIONAL INFORMATION**