An introduction to the sustainable development approach

Extract from the DEFP 2018

Serge Ferrari

Interview with

Romain Ferrari
CSR CEO of Serge Ferrari

The expectations of customers and specifiers and more generally stakeholders, are changing. How does Serge Ferrari meet those expectations?
The particularity of our company is to address very different customers depending on the markets. All our targets are concerned by CSR themes, but they are to varying degrees. As an example, the furniture and design markets will be sensitive to health issues, the architecture community to what can be called globally sustainable construction, particularly through the issue of the economy of resources and thermal performance of buildings. We therefore provide a specific response to each of our market segments, while deploying a comprehensive approach that includes the entire CSR spectrum, namely social, societal and environmental issues.

How does this approach find its translation in the product offer?
With Précontraint® technology, we took a very early lead.
This technology has an excellent weight / performance ratio and dimensional stability over time.
For a long time now, we have been in sync with the challenge of natural resources: to do better, with less, for longer time. But we consider that these intrinsic qualities are a bare minimum. This is why we have created a device called S+ which establishes the health and environmental profile of each product.

What is the role of S+?
We have three objectives:
1/ To systematically go beyond the regulations in force when it is useful and possible, to have a competitive advantage and to anticipate changes
2/ To orientate our research and development efforts
3/ To act on the end customer and all the actors in the value chain.

These advances translate into safer and more environmentally friendly products. Depending on the use of a product, this profile can validate specific performance, but also guide future efforts. Finally, it is an effort of pedagogy and popularization, in conformity with the norm of environmental communication ISO 14021 (exact, verifiable, relevant and not misleading) to strengthen our support to the clients by giving them information to make educated choice and have responsible behavior and more generally for all the players in the field. By doing so we fully play our role of market leader.

S+: To guarantee health and environmental excellence,

Serge Ferrari not only complies with the standards and regulations in force but systematically, goes further and sets more ambitious goals.

To measure these efforts, but also to value them with your customers, Serge Ferrari has created S+, a tool that allows to establish the SANITARY AND ENVIRONMENTAL PROFILE of each of its composite materials.

S+ represents Serge Ferrari's voluntary advances in the field of health and environmental performance: in fact it is what the company does «in addition» to its obligations. The level "S" represents the regulation.

The areas covered are: **sanitary precaution, indoor air quality, environmental footprint, circular economy, renewable content.**

S+ complies with the environmental communication standard ISO 14021: exact, verifiable, relevant, not misleading.

Anticipate health and environmental regulations

Protect against endocrine disruptors

Line of work

Since 2013, Serge Ferrari has been engaged in a substantial amount of background work on endocrine disruptors, the toxicity of which is complex to understand.
It incorporates many mechanisms that cover the areas of hormone biosynthesis and metabolism at different stages of development of living organisms. Serge Ferrari has called on specialists to conduct a study on substances used in this category (phthalates) to obtain scientific information on the limit value of exposure of different phthalates. A classification of the most used phthalates at Serge Ferrari allowed to establish a ranking from 1 to 7 on the toxicity of the products. Phthalates with a grade superior to 5 will be removed from the formulations in the short term.
We currently prefer phthalates with a grade between 3 and 5, while focusing our developments to formulations using phthalate with grades < 3. All of this work is monitored and validated by the Vigi-Alert Committee.

Our initiatives

As a follow up of the study that was conducted on endocrine disruptors, Serge Ferrari decided to take part in 2018 in the study conducted by the National Institute for Research and Safety (INRS) on the exposure to DINP (diisononyl phthalate - phthalate used as plasticizer). This nation wide study targets DINP industrial users on a voluntary basis. This substance is widely used in the industrial world today, especially as a substitute for DEHP. This phthalate is known to be toxic to reproduction and has endocrine disrupting properties.

The study was conducted during a week with a population of men exposed to DINP under different conditions.

The INRS has planned the delivery of the overall results (including all the participating companies anonymously) at the end of 2019.

Other substances such as titanium dioxide or antimony have been included in the Community Rolling Action Plan (CoRAP) by the European Chemicals Agency (ECHA). These substances are investigated and evaluated to determine if they represent a known risk, in which case their labeling may need to evolve, to be classified as Substance of Very High Concern (SVHC) substances. This permanent watch is directly integrated at the level of the R & D department which takes into account the different studies and regulations in the development of new formulations.

Integrate health-environment issues into project modes

A long-term vision

Our position

R & D and innovation play an important role in the Group's strategy. In 2018, the Group invested 4.73% of its turnover in R & D. Serge Ferrari offers highly technical products, innovative in terms of design and functionality (aesthetics, fire resistance), thanks to a team of 40 researchers in its french and swiss production sites. Health and environmental issues are integrated upstream, from the design of a new product or process. *"We work in a project approach. From the first reflections on the development phases of a new product, we choose the product compounds in view of the presumed impact on the end customer. The products we implement must not generate a risk to the health of the end consumer. In addition, eco-design guides all the formulations that we develop,"* explains the Group's R & D Director. The verification of their compliance with the standards and regulations of the targeted countries is checked during test phases (emissions of VOCs, aldehydes) directly by Serge Ferrari teams or by external approved laboratories.

Our long-term goals

The perfect control of the development of our products allows us to be proactive during the conception phase. By anticipating the evolution of the regulations in force on controversial substances we can implement as soon as possible their substitution. *"If the substitution is transparent for the user, it represents for Serge Ferrari a real innovation because with different components we must guarantee identical properties to ensure the efficiency of the product in its application context. For example, Serge Ferrari is currently researching components that do not contain controversial substances to continue to guarantee the fire retardency of its products, which is necessary in building-type applications. It is a long and thorough job whose impacts are measured in the long term,"* notes the Group's R & D Director. Our R & D teams are also working prospectively on water-based formulations to replace the organic solvents currently used. In addition, the research works integrate the results of the continuous monitoring of the SVHC carried out within the framework of the Vigi-alert committee.

Innovation budget = % of the total sales turnover

2018
4,73

To measure our environmental impact

Preserve water resources in our territory

Current situation

At the Group level, we measure the water impact of our activity by a ratio of water consumption per sqm of coated material. In 2018, the water performance ratio is 30.05 L /sqm . Our main impact in this area is the consumption of 600,000 to 650,000 m^3 of water per year from the water table of the "Bourbe River" to cool our coating lines (Building A in La-Tour-du-Pin).

Our commitment

In accordance with the objectives communicated to the DREAL, we plan, by 2024, to reduce by 20% the pressure we exert on this natural resource, through the development of a closed cooling circuit in La Tour-du-Pin.

Water performance (in L per m^2 of coated material)

2018

30,05 litres/m^2

→ OBJECTIVE 2024

Reduce our water impact by

20 %

Energy performance of our industrial sites

Current situation

Our margin of progress is guided by the ISO 50 001 and 14 001 certifications obtained by our French production sites in 2015 and whose renewal is ensured by the QSE service within the framework of our Integrated Management System (SMI). In 2015 - a reference year - the energy consumption per sqm of coated material was 1,661 KWh / sqm. In 2018, this consumption, calculated according to the same criteria, is 1,503 KWh / m^2, an improvement of the energy ratio of 10.5% over three years.

Our commitment and the associated actions

By 2024, Serge Ferrari intends to improve its energy performance ratio by 20% across the industrial perimeter.

Several actions at the level of uses and processes are envisaged:

- recovery of the fatal heat,
- optimization of the operation of the machines.

Energy performance (in KWh per sqm of coated material)

2018

2,088 Kwh/m^2

(industrial perimeter)

→ OBJECTIVE 2024

20% reduction of our energy efficiency ratio.

Increase the valuation of our waste

Current situation

Hazardous waste
In 2018, the recovery rate of hazardous waste generated on the industrial perimeter is 87.57%.

Non-hazardous waste (NCW)
In 2018, 48.61% of our Non-hazardous waste were subject to material recovery and 5.23% to energy recovery. The remaining 46.16% went to landfill.

Our action plan

Hazardous waste
By 2024, we want to raise the valuation rate of hazardous waste to 100% by promoting material recovery.

Non-hazardous waste
Material recovery and energy recovery of non-hazardous are being implemented (ex. reuse of PET fibers) to reduce or even eliminate landfill by 2024. Actions are also being tested though agreements with specialized service providers in charge of Non-hazardous waste transformation and recovery of production scraps.

Current waste recovery rate

87,57% Recovered hazardous waste

53,84% Recovered Non-hazardous waste

→ OBJECTIVE 2024

No landill

Assessment of Greenhouse Gas Emissions (AGGE): Our will is to broaden to scope 3 assessment

Our ambition

Our desire to expand the AGGE by considering scope 3 in its entirety is hampered by the difficulty of collecting data. While continuing to make efforts to expand scope 3, we are limiting ourselves this year to CO_2 emissions related to the following fields:

- employee travel by car, train and plane,
- internal shuttles (between our units based in La Tour-du-Pin),
- shuttles between our French and Swiss sites.

Work is underway to collect the emissions from the various scope 3 stations. Once scope 3 has been completed, Serge Ferrari will commit to reducing its GGEA balance sheet.

In 2018, our emissions amounted to 467 Gr eq CO_2 per sqm of coated material.

AGGE by scope

SCOPE 1
11,601 T eq. CO_2

SCOPE 2
2,005 T eq. CO_2

SCOPE 3
2,048 T eq. CO_2

The full Declaration of Extra-Financial Performance (DEFP) is available on request.

Serge Ferrari