

UN Global Compact Communication on Progress (COP)

Period covered by Communication on Progress:
From 14th July 2022 to 14th July 2023



United Nations
Global Compact

This is our Communication on Progress in implementing the principles of the United Nations Global Compact and supporting broader UN goals.

We welcome feedback on its contents



UNGC Ten Principles

Human Rights

- Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights;
- Principle 2:** Make sure that they are not complicit in human rights abuses.

Labour

- Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4:** The elimination of all forms of forced and compulsory labour;
- Principle 5:** The effective abolition of child labour;
- Principle 6:** The elimination of discrimination in respect of employment and occupation.

Environment

- Principle 7:** Businesses should support a precautionary approach to environmental challenges;
- Principle 8:** Undertake initiatives to promote greater environmental responsibility; and
- Principle 9:** Encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

- Principle 10:** Businesses should work against all forms of corruption, including extortion and bribery.



Statement of Support for the UNGC Phillip Gibbons, Chief Executive Officer

To our stakeholders,

2021 year was my first full year as CEO of the business and I am extremely proud of what the whole team have achieved. As we all know the external environment continues to be one of uncertainty and difficulties, particularly around supply chain and material availability. The team have continued to demonstrate their resilience and effectiveness in a broadly remote operating environment. Across our scorecard I am very pleased with the progress on Health & Safety, our dedication to the Well Being programme for our teams and indeed our ongoing support to developing the skills and talents in our work force.

On a forward looking basis we continue to follow our strategy of “true and sustainable differentiation” in everything we do across our Distribution and Manufacturing businesses, bringing insight, excitement and value to our business partners. We are investing in our capabilities and capacity at our manufacturing plant, we are investing in a new marketing communications programme that will enhance our reach and presence in our key markets and we have started a deeper focus on our “E” credentials within ESG. All this sits alongside the ongoing programmes for Health & Safety and the development and well being of our teams.

Sincerely yours

Phillip Gibbons,
Chief Executive Officer

Our Vision

To be a leading international manufacturer and distributor of inspiring products and exceptional services for the life sciences and performance chemicals markets.

Our Mission

We will achieve our vision by continuing to value our strong, caring relationships with our key stakeholders – our employees, customers, suppliers, industry bodies and communities. We have an enviable past and will deliver a sustainable future by delivering expertise, innovation and excellence in everything we do.

Our Values



We lead

Be innovative and ambitious
 Be nimble and flexible
 Be insightful and proactive



We care

Be passionate and have fun
 Be collaborative and connect
 Be helpful and supportive



We deliver

Communicate openly and honestly
 Focus on customers first
 Take initiative and deliver



Manufacturer & Distributor:

Our core business competency is in distribution; we serve the needs of our Principals with sales, technical and supply excellence. We also recognise that a vertically integrated manufacturing business model, for specialist, high value products adds value for our customers. We will selectively invest to grow in manufacturing own brand solutions, where it makes strategic sense to offer a complete solution.

Inspiring Products:

We are committed to innovation and continuous improvement. We source fresh thinking solutions from the highest quality raw materials and ingredients partners around the world and intimately understand our suppliers' and customers' needs to stay ahead of market trends.

Exceptional Service:

We truly care about our customers and deliver excellence in technical and regulatory support, backed by first class customer support and logistics. Our Customer Care Teams are responsible, accountable and committed, and ensure our customers are front of mind in everything we do.

Performance Chemicals:

Focussed on technical excellence, we use our expert knowledge and commercial experience to research new additives, products and raw materials to support our customers' new product development needs in the Paints & Coatings, Plastics & Rubber, Construction Chemicals and Performance Materials sectors.



Life Sciences:

The Cornelius Life Sciences team delivers innovative and inspiring ingredients and additives for today's personal care, food and beverage and ocular and dental markets. Working closely with leading manufacturers, Cornelius is in touch with the latest nutrition, taste, texture, colour, aroma, visual and technical trends across all these industries to deliver exciting new product development innovation to the highest standards. Additionally, state-of-the-art creative and laboratory facilities enhance new product development processes further, providing manufacturers with unrivalled service and support.



Human Rights

Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights

Principle 2

Make sure that they are not complicit in human rights abuses

- In compliance with global human rights principles, Cornelius ensures all business is conducted to reflect its high ethical standards
- Cornelius is an equal opportunity employer, operating with an impeccable standard of ethics that defines fairness, respect, integrity and trust
- Cornelius remains an advocate of the Universal Declaration of Human Rights and continues to enforce and respect these laws across its global operations

Human Rights – Action & Implementation

- Cornelius continues to support and fully complies with the Human Rights Act
- As proud members of one of the world's largest collaborative platforms on supply chains, SEDEX, Cornelius can leverage responsible sourcing data and identify opportunities to make informed business decisions. By encouraging sustainable business practices in line with SEDEX, Cornelius drives continuous improvements across its value chains
- Cornelius has several policies in place to ensure that it offers a rich environment for all employees, including equal opportunities, ethical trading and modern slavery policies
- The company works with its partners to ensure policies are well communicated throughout the supply chain. As such, Cornelius performs regular reviews to ensure that all supply chain partners are trading with the highest ethical standards and remain in compliance with the Human Rights Act
- The board of directors has adopted a new focus on Environmental, Social and Governance practices (ESG). This year we created a company 'E-Team'. The broad aim of the team is to engage the business with ideas and opportunities to reduce our global impact, and develop an offset plan with targets for the years ahead. As part of an ongoing focus to deliver best governance practices, a full board effectiveness review was carried out during the last year, which was facilitated by an external expert. While the review found the board to be effective, further actions have been identified to deliver further improvements



- Cornelius continues to work closely with its chosen charity, The Sparkle Foundation, as well as a number of local community organisations, and has donated over £50,000 within the last year in corporate donations and through its Giving Fund – a voluntary employee-led initiative to raise funds for the charity. This means the charity has been able to continue its excellent work locally and in Malawi, despite the challenges presented by the pandemic. More details can be found on our work with Sparkle on page 7.

Human Rights – Goals

- Cornelius remains focussed on Social responsibility and ethical strategies through the new ESG focus, reporting on, and ensuring that it accurately describes and measures its performance against key performance indicators
- The actions identified from the board effectiveness review have been implemented and will be ongoing over the next year.
- Cornelius aims to develop the onboarding system for new suppliers to enhance partnerships by asking specific questions related to social responsibility and ethics prior to the approval of any new supply chain partners. We will also continue to monitor our existing supply chain partners.



THE SPARKLE FOUNDATION™



✦✦ *Creating brighter futures*



The Sparkle Foundation

Measurement & Outcomes Supporting Sparkle

Cornelius pledges to make a difference in Africa

Cornelius is a proud supporter of The Sparkle Foundation, a charity that focuses on supporting struggling communities, orphans and vulnerable children in Malawi – one of the world's poorest countries.

To enable the children to shine bright and sparkle every day, Cornelius set up 'The Giving Fund', a voluntary initiative that is led by a small group of committed employees, which aims to raise vital funds for the Foundation, complementing the donations made corporately by the company. Due to the team's fantastic efforts to bring staff, friends, families and communities together, the Cornelius Giving Fund has raised over £3868 in 2020 through the following events:

- The BioGlitter Initiative – Cornelius donated a percentage of all sales of its sustainable bioglitter range, raising **£3476 in 2021**
- **Three staff events raised £1353**, including a 'charity chop' event that was in association with both the Sparkle Foundation and NHS Charities
- Cornelius staff logged a total **65 volunteering hours** for the charity

“Our partnership with The Sparkle Foundation has helped educate more than 800 children, serve 66,000+ meals and treat nearly 5,000 medical cases.”

Dr. Neville Prior, Chairman and Director of Cornelius Group

The Cornelius Giving Fund also launched a new volunteer programme that aims to support two members of staff per year to volunteer for seven days in Malawi when travel conditions allow.

“Cornelius and The Sparkle Foundation have not only supported hard pressed communities during the Covid crisis in Malawi, but have now educated over 1000 children, provided 100,000 meals and treated somewhere in excess of 6000 medical cases. All of us at Cornelius, whoever and wherever we are, are proud to have been able to make such a difference.”

Visit the Cornelius website to see
The Giving Fund's latest work
and fundraising activities
www.cornelius.co.uk/csr



Labour

Principle 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle 4

The elimination of all forms of forced and compulsory labour

Principle 5

The effective abolition of child labour

Principle 6

The elimination of discrimination in respect of employment and occupation

- Cornelius has always adopted standards that are consistent with established and globally accepted labour requirements
- As one of the company's core values, Cornelius ensures employees are taken care of, fully appreciated and actively encourage and promote employee engagement and diversity

Labour – Health & Safety

Building from solid foundations in 2020 our Health & Safety performance across the Group has taken a giant step forward in all aspects. During the year we captured 12 accidents/incidents, none of them resulted in lost time and none of them were reportable under RIDDOR. Our ongoing campaign of awareness on near misses allowed us to capture an impressive 164 near misses and we investigated each one which resulted in some very beneficial findings and corrective actions. Whilst one accident is one too many, we have made a step change in our approach and our safety level. The new reporting software platform, Notify, has helped to standardise the information gathering process which in turn has led to better details to learn and improve from for the future. As a result of the near miss reporting, more than 50 out of the 164 items were identified as relevant to our Haverhill site, with changes to numerous systems of work and procedural improvements to the operations there being made as a consequence. Across the Group we had 4 months with no accidents at all. This was the first full year of our new H&S strategy focus, we completed the following steps;

- A dedicated safety resource at Haverhill
- Adoption of Notify and Safetyhub software platforms
- Update and refresh of the Risk Register
- Introduction of Mental Health First Aiders

We have begun to drive a culture change within our teams, trying to drive the safety mindset into our everyday lives. The dedicated training platform, Safetyhub, has helped and we are embarking on a journey for every department to have specific H&S focus as part of their objectives for the year. As we look forward, to continue this cultural change, we will ensure the tools and behaviours become second nature and common place and to evidence our progress we are currently working towards gaining the ISO45001:2018 accreditation.

Labour – Action & Implementation

- Cornelius continues to audit all its suppliers regularly regarding their employment practices
- All salaries exceed minimum wage standards and all employees have signed contracts, confirming these in writing
- The employee handbook has been replaced by refreshed policies that clearly communicate to the company's employees their rights and responsibilities and can now be easily accessed through the online Cornelius Hub. To ensure every employee has a voice, processes are in place that offer equal opportunities, alongside 'whistle blower' provisions within our recently updated Whistle Blowing policy.
- Employment law changes are regularly monitored
- Cornelius has never been involved in any investigations, legal cases or other relevant events in relation to the Global Compact Labour principles

Labour – Measurement & Outcomes

- Cornelius wants to inspire its employees. This year we launched a new employee appraisal programme and rolled our training on this for all UK employee. The new process includes holding performance reviews at least twice a year, which outline objectives and personal growth goals. They also consider how we all work in line with our company values.
- A staff engagement survey was carried out in April 2021, followed by a pulse survey in October 2021 and subsequent survey in 2022. As a result of the latest survey, Cornelius received 'one to watch' accreditation status on the Best Companies index score, further demonstrating that the company has 'good' levels of engagement



best companies™

- Our levels of engagement across the business have gone up over the past year, which is a great achievement. This is an ongoing project and we continue to work with all our employees to ensure they are happy and healthy at work.
- Health and safety committee meetings are held monthly, with representation taken from a cross section of the business. During our committee meetings we discuss employee wellbeing along with physical health and safety, as at Cornelius physical and mental wellbeing is equally important
- Cornelius implemented a digital approach to health and safety reporting and training in early 2021. This was created as part of a new cloud-based reporting and training system process, allowing the business to roll out and standardise its approach across the group locations. This has been a big success for the group with engagement in reporting and training levels increasing dramatically throughout 2021 and continuing in 2022

Labour – Goals

- Cornelius will roll out an employee action plan based on the latest engagement survey results. This plan will have a nuanced approach for each department to ensure actions are meaningful and tangible for local teams.
- Over the coming year, Cornelius will continue to listen to employee feedback through workshops, breakfast meetings with the CEO and various other forums for communication and put in place plans to increase engagement across all sites.

Environmental

Principle 7

Businesses should support a precautionary approach to environmental challenges

Principle 8

Undertake initiatives to promote greater environmental responsibility

Principle 9

Encourage the development and diffusion of environmentally friendly technologies

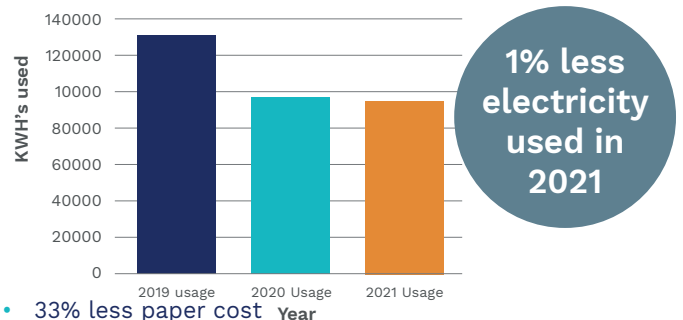
Environmental – Action & Implementation

- Cornelius is committed to promoting a sustainable environment, taking responsibility for its global actions and implementing environmentally friendly processes where possible.
- In the coming months, the company will form Environmental, Social and Governance (ESG) criteria to deliver a set of standards that considers all environmental aspects, encouraging both the business and its employees to take ownership of actions
- The company is aiming to minimise its environmental impact year-on-year by spearheading opportunities to deliver product distribution in the most efficient and effective way
- The company aligns its business processes with all relevant environmental legislation, best practice and guidelines
- To ensure that the company does not source from areas or species known to be at environmental risk, Cornelius operates a policy of sustainable sourcing from its partners and has incorporated checks into supplier audits
- More than 150 individual process assessments have been completed throughout the company's operation to understand environmental impacts
- To ensure responsible energy consumption, Cornelius actively encourages an environmentally conscious business culture. Actions that have been taken are as follows:
 - Paper waste is recycled as packaging material
 - Successful implementation of new ERP platform allows digitalisation of processes to promote a paperless supply chain process wherever possible
 - Energy efficient lighting is implemented throughout the business
- In April, Cornelius successfully retained the ISO14001:2015 accreditation with Lloyds register. The audit took place remotely over two days and was split between activities in both UK distribution and UK manufacturing

Environmental – Measurement & Outcomes

- Achieved zero minor non-conformances during ISO14001:2015, leaving the company in a great position to progress its efforts further in environmental management
- 54% less fuel used in company travel compared to 2019, mainly owing to COVID

Total Woodside electricity usage



- 33% less paper cost
- Two new digital platforms implemented across the group to deliver a safer environment:
 - Notify – an accident & near miss reporting platform
 - Safetyhub – a dedicated HS&E training platform, providing foundation learning for all staff across the group whether based in an office, warehouse or factory



Environmental – Goals

- Following the COVID pandemic, Cornelius understands that many of its employees would like to reduce their time commuting to offices and embrace the flexibility of smart working to benefit the environment. The company will continue to monitor the benefits of smart working throughout the year and will assess its impact on the environment and business periodically
- Continue to generate improvements based on activity from our 'E-Team' initiative
- The E strategy focus components are;
 - Controlling our own waste, packaging, energy usage – Analysing our CO2 footprint
 - Our impact relative to climate change through our business activities
 - Delivering a product portfolio that is Sustainable – our offering and principal selection, our recyclable, reusable packaging initiative

“Recognising that as a business we have current employees, along with future recruits, who have a passion for sustainability and reducing our environmental impact, we have channelled this enthusiasm with the creation of our E-Team. The aim of the team is to engage the business with ideas and opportunities to reduce our global impact, along with identifying a meaningful C02 measure for 2022 and develop an offset plan with targets for the years ahead. Sustainability and Environmental impact are becoming a big agenda item, with all organisations looking to understand what can be done to lessen their impact. Currently we see a number of 1% reduction ideas, resulting in a significantly larger overall reduction. We continue to look for a global standard that we can gain compliance too that will add real momentum to our journey.”

David Croxford, Operations Director

Anti-Corruption

Principle 10

Businesses should work against corruption in all its forms, including extortion and bribery

- Cornelius has a zero-tolerance policy to corruption and enforces rigorous methods to ensure employees adhere to these standards at all times



Anti-corruption – Action & Implementation

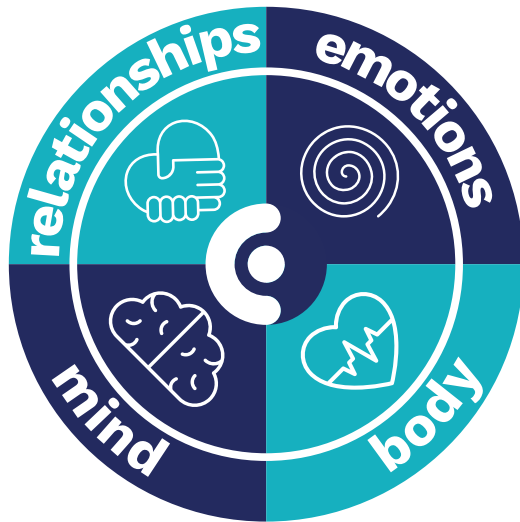
- When conducting business with partners and acquiring new business, Cornelius assesses the risk of corruption and follows the anti-corruption and bribery policies in place. These policies are discussed at employee inductions and are available to be accessed on demand via the online Cornelius Hub
- The company prides itself on professional integrity and has a zero-tolerance approach to bribery and corruption, ensuring transparency in all trade deals and business relationships
- Business partners and suppliers understand the company's stance on anti-corruption and ethical behaviours, with policies clearly communicated in legally-binding contracts
- This year, Cornelius has launched mandatory training for all employees, across all locations, on anti-bribery, competition law, equality, diversity and inclusion, GDPR (UK, EU), sexual harassment awareness and whistleblowing. This ensures our message of anti-corruption is reinforced throughout our organisation.

Anti-corruption – Measurement & Outcomes

- Cornelius has never been involved in any legal cases, ruling or other events related to corruption and bribery
- 100% of the company's business and supplier contracts include anti-corruption clauses in legally-binding contracts

Anti-corruption – Goals

- Cornelius continues to work ethically, transparently and without violating the ten principles of the United Nations Global Compact. In addition, the company will seek to retain the utmost level of responsibility, reliability, and anticorruption now and in the future



Wellbeing Programme

Cornelius recognises that employee wellbeing is vitally important in the workplace. To be healthy and feel healthy is to look after one's whole self. As a company that cares, it is important for us to acknowledge the health and wellbeing of our employees to create strength, resilience, and support where it is needed the most.

This means we must take time for our wellbeing by making it a part of our life and work. It is why Cornelius has created a holistic approach to wellbeing, encouraging a healthy lifestyle for all in four key areas; emotions, body, mind and relationships. Activities focusing on these core areas are implemented throughout the year and are available to all employees.

Smart Working

With the introduction of Smart Working, Cornelius gives its employees the opportunity and responsibility to work with their managers and agree changes to their week that help them be more efficient and productive.

Where possible, employees can choose to work in different locations for 2 days per week, supporting them to be happier and more productive in their roles, while reducing their impact on the environment with less commutes. This enables our employees to take ownership and decide the best way to find their work-life balance, making Cornelius an even better place to work.



Learning and Development

Cornelius has developed a holistic approach to learning and development, and recognises that effective opportunities to learn take different forms for different people. Cornelius has partnered with a number of learning providers to help employees advance their careers by offering training that comes in the form of; online videos, long and short virtual and in person courses, podcasts, micro-learning challenges and more.

Whether its by learning to become a committed ally in Pride Month, advancing our critical thinking and problem solving, or by discovering how to create a positive customer experience, Cornelius is committed to developing its employees at every opportunity.



Cornelius Group Plc

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