

# **SUSTAINABLE DEVELOPMENT STRATEGY**

*PASSAGE COSMETICS LABORATORY S.A.*

# I. AIM OF THE REPORT

The aim of this report is to present objectives and results of the politics of the PASSAGE COSMETICS LABORATORY S.A. (a joint-stock company) as far as sustainable development is concerned.

We shall present our achievements in the field of Corporate Social Responsibility, where being responsible means not only complying with all the formal and legal requirement, but also and primarily, investing in human resources and taking care of the environment as well as building and maintaining good public and business relations.

# II. COMPANY PROFILE AND CHARACTERISTICS

Passage Cosmetics Laboratory is a company with long-term traditions in the field of cosmetics. We have existed in the market since 1988, which makes us one of the most experienced companies in the industry.

We specialize in contractual services and contract manufacturing. The main area of our activity includes research and development, laboratory work, manufacturing and packaging. Our team is a group of qualified, competent and experienced specialists who have comprehensive knowledge of up-to-date technology, current trends and cosmetic product safety. Every year we have been certified by independent certification bodies, which enables us to guarantee that our products and services meet the highest standards possible.

We have PN-EN ISO 9001:2015 Certificate as far as the production of cosmetics preparations is concerned. We also hold certificates of conformity to PN-EN ISO 22176:2009 (Good Manufacturing Practice).

# III. VISION AND MISSION IN ACCORDANCE WITH THE IDEAS OF SUSTAINABLE DEVELOPMENT

„A good company ought to be a well-organised form of friendship”.  
Herbert N. Casson

All of us, making the team of Passage Cosmetics Laboratory and constantly working on the development of our company, are aware of the fact that success stems from people.

Our people – our greatest asset

‘We all live in the same cause, are borne through life on the same planet, form the crew of the same ship.’ Antoine de Saint-Exupéry

From the very beginning of Passage Cosmetics Laboratory, we have acted boldly, as a team, with passion and in favour of science, technology and production, to make the quality of other people's lives better. We have implemented values that underlie our identity and are crucial to accomplish the vision.

What we expect from everyone is commitment and high efficiency at work, for which our employees are decently remunerated. Honest and constructive approach to each other is the basis of internal communication and a fundamental prerequisite for understanding our common goals and giving the right meaning to what we do. All members of our staff, regardless of sex, race or religious beliefs, have equal chances to develop their professional careers. Everybody makes a personal contribution to successes of the company through their initiative, creativity and the feeling of responsibility.

Being part of the world economy is our aim

‘If priorities are not our Customers priorities, we have no priorities.’ Roger Dow

Our priority is to generate significant benefits for our customers, business partners and society. We want to extend our offer through effective initiatives concerning research, development and production of cosmetic preparations. To achieve this goal we concentrate our efforts on the fields where we can gain competitive advantage owing to really high quality of our services, products, systems and service.

Any business activity we undertake is compliant with the idea of taking responsibility for the natural environment and safety at workplace, securing the safety to employees, customers, suppliers and local community and respecting the rules of sustainable development at the same time.

## Vission

- 1 Achieve the highest possible satisfaction of customers with reference to those who commission development of products as well as those who use the final products.
- 2 Timely accomplishment of the work schedule.
- 3 Maintaining the quality of products at a stable level.
- 4 Extensive use of machinery as well as automation of the production processes.

# IV. CORPORATE SOCIAL RESPONSIBILITY

## IV.I Pro-social initiatives and influence on local communities

We are aware that, as a company with a significant position on the market, we cannot exist in isolation from the community within which we operate. We perceive development of positive relations with local communities as a mutual advantage. On one hand, our initiatives result in a long term and prospective cooperation with suppliers, business and social partners as well as customers. On the other hand, they are vitally important for the support of the whole range of our activities and have a great influence on building brand awareness, company's reputation and sales promotion.

Our social activities obtain business character thanks to social investments which are directly linked to interests and strategy of our company. The programmes which we carry out result from analysis of needs of both our company and the local community and from the beginning envisage the balance between benefits for the particular social group and the company.

Actively participates in the life of local community by organising apprenticeships and internships for students and graduates, supporting local education, sport activities, artistic initiatives as well as social actions of the local government.

It should be highlighted here that the domain of social investments is growing rapidly in our company. We constantly analyse various possibilities to implement new types of such commitment. We carry out research on business-local community partnership and its influence on our inventiveness.

## IV.II Equal opportunities policy in relation to employment and respect for employee rights

Our company is fully aware that our employees are our greatest asset and a driving force for the whole organization.

We do realise that job satisfaction results in direct proportion in the company's performance and development. The high level of job

satisfaction makes employees become deeply committed to the tasks they perform, they identify with the company and thus are less likely to resign from their job. Stronger engagement in work increases employee productivity and it boosts the level of services provided by our company. This in turn affects customer loyalty, which is extremely important nowadays. All of the above mentioned factors contribute to the company's development.

Our concern for employees is multi-dimensional.

## I Equal employment opportunities

At present 110 people are employed by our company, 34% of which are men. Among our employees there is a person who was born in Algeria, there are also people who have disability certificates. Both men and women have managerial positions. When hiring people, we take into consideration their qualifications, not their age.

Our aim is to operate in compliance with applicable laws, regulations and universally accepted standards of equal employment opportunities, also with those concerning diversity and prohibition of harassment. All the employees in the company are equal – regardless of sex, age, race, sexual orientation, religion, beliefs, skin colour, ethnic origin or disability, all of them have equal opportunities to create their own career paths. The thing that matters is a professional and responsible approach to the duties they perform. We cooperate with employment offices and universities, making it possible to have an apprenticeship or an internship in any of the departments of our company.

Together with equal treatment of all the employees, we want to promote the culture of diversity – which should be understood as respect for values, beliefs, opinions and experience as well as the right of every employee to have their own point of view.

Our human resources policy aims to secure the highest standards of equal treatment and equal opportunities in relation to all the employees. We have implemented the principle of equality which is reflected in offering equal chances to every employee. There is evident absence of any discrimination during the recruitment process, getting promotions or resignation from the job.

The selection criteria used during the recruitment process are the same for men and women. Women have identical employment opportunities as men and their qualifications and skills are verified by means of universally accepted criteria for a particular position which are the same for all the candidates, regardless of sex, age or other factors.

## II Staff training

The system of trainings begins on the level of a particular company department. We organize internal trainings and training trips in which all the employees take part as well as individual trainings conducted by professional people or institutions. Every employee has equal access to the professional education system. We also finance post-graduate studies undertaken by our employees.

## III Respect for employee rights

There is a low degree of fluctuation as far as employment in our company is concerned. We put strong emphasis on stability and job security because we are aware that the feeling of security has a significant, although indirect, influence on our employees' commitment and their identification with the company. Working hours are determined in respective internal regulations about which an employee is informed at the stage of recruitment. Decision to accept the job offer means accepting the applicable working hours. Any changes occurring during the validity of the contract of employment are individually agreed by the interested parties. The employees are not surprised with any changes of the working hours, which positively affects their personal development and enables them to plan their free time.

In order to ensure transparency, remuneration rules have been set and laid down in applicable rules. Approach to occupational health and safety is an important factor as far as implementation of sustainable development policy is concerned. At the stage of work organization process we take into consideration any risks related to providing services to our customers. This is reflected in the optimization of the preparatory and implementation processes in terms of the above mentioned factors. Issues related to occupational health and safety are also taken into account at the stage of planning investments. Therefore the implemented technologies comply with the highest standards in this respect.

## IV.III Environmental protection

The problem of environmental protection has been an important issue for many years and it also applies to business activity. Being aware of it, PASSAGE COSMETICS LABORATORY S.A. (a joint-stock company) complies with numerous requirements laid down in EU legislation concerning the protection of the environment.

Environmental protection depends, to a large extent, on the technology we use. Having this in mind, we seek to implement constant innovations (in terms of technology, products and processes).

The company takes all appropriate steps concerning product lifecycle management in order to eliminate or minimize the negative impact on the environment at all stages (sales, usage, degradation). In this way we take actions aiming to restrict generation of waste and eliminate waste of resources, energy and human labour resources. Every employee knows how to manage his or her work to avoid results that may have a negative impact on the environment.

In our newly built premises we use a renewable source of energy in the form of a photovoltaic system composed of 12 panels. In addition we have fixed an installation with heat recovery. The mechanical ventilation system in the building uses two types of heat recovery: heat recuperation system and ground heat exchanger.

These solutions enable us to reduce energy consumption during day-to-day functioning of the company, which definitely has a positive influence on the protection of the natural environment.

In addition to the above, both of the aforementioned systems allow substantial savings during the heating season (reduced needs for heating) as well as during the summertime (savings on air conditioning).

We also aim to send invoices to and receive them from most of our customers and suppliers by electronic means, which can minimise the amount of paper invoices. Also a part of documents is stored in an electronic form only.

In conclusion, the environmental policy of the company reflects our obligations to comply with the legal regulations. It is periodically reviewed and adapted to the changes in the environment.

We are aware that all our activities which have a positive impact on the natural environment also have a positive effects in other fields, starting from the social acceptance of our company and its operations, increasing our reputation and trustworthiness among our business partners, raising motivation of the employees, minimising the costs of business activity (e.g. by minimizing the amount and costs of disposal of waste, reduction of pollution etc.), through gaining competitive advantage, facilitating access to capital and obtaining a permit to conduct business activity, increasing occupational safety in the company as well as safety of storage and packaging, and ending with creation of new products and technologies based on environmentally friendly processes.

## VI Summary

On the basis of the above presented information it can be undoubtedly stated that PASSAGE COSMETICS LABORATORY S.A. (a joint-stock company) executes its multifaceted Sustainable Development Strategy.

We think that it is extremely important to fairly and professionally inform our environment about the values adopted by the company. In this way we want to eliminate the quite common phenomenon of not promoting actions taken by companies in that regard. And this leads to a situation when development of responsible business in Poland is hindered – a lot of companies do not inform the wider public about any proecological and socially-oriented actions they undertake.

We take wide-scale initiatives aiming to promote our activities in this field, directing our message to different groups of recipients, such as: the public on the market – company employees, its customers, suppliers, business partners and prospective investors; the public at workplace – employees, local communities, local governments; the public in the local community – particular local institutions and organizations, local authorities, non-governmental organizations; the public interested in the protection of the environment – employees, business partners, public authorities as well as the broader community surrounding the company.

We try to find different ways of taking Corporate Social Responsibility, like having a positive impact on local communities and environmental protection, but also respect for employee rights. We do believe that execution of the aforementioned strategy will enable us not only to increase the level of customer satisfaction with the services and products we offer, which will result in gaining customer loyalty, but it will also lead to maintaining a good reputation of our company and a greater commitment and higher efficiency of our employees as well as development of relationship with the local community and local authorities, which will undoubtedly bring mutual benefits.