Sudarshan' s guiding star: Respect, Trust, Commitment and Passion

A conversation with Matthias Lergenmüller, Vice President Cosmetics at Sudarshan

> Dr. Matthias Lergenmüller started his career in the Cosmetic Industry after a University Education at the Technical University Darmstadt in Organic Chemistry and a 2-years PostDoc at the renowned RIKEN Institute, Tokyo. Having joined ROVI in 1998 (today Evonik) as a Global Sales Manager for Active Ingredients and Delivery Systems, he continued his career at Merck KGaA from 2001 in various positions, such as Business Development for Microfine Titanium Dioxides (collaboration with Sachtleben GmbH, today Venator), Head of Global Cosmetic Business and Head of the Global Technology Application Network for Applications in Cosmetics, Pharma, Plastics and Coatings. In March 2019, he joined Sudarshan Chemicals International Ltd. as Vice President Cosmetics.

EURO COSMETICS: Mr. Lergenmüller, since March of this year you have been the Vice President Cosmetics at Sudarshan, the leading manufacturer of color and effect pigments, which is headquartered in India. What were your initial goals in your new position?

Dr. Matthias Lergenmüller: The initial goal of my newly created position is clearly to deliver significant growth in the strategic field of Cosmetic Raw Materials. This being driven by a strong project pipeline, which has been created by our dedicated international team in R&D and the Cosmetic Application Lab. In addition, we are further optimizing internal processes, which help in delivering the right products at the right time to our broad customer base worldwide.

Furthermore, it is my goal to strengthen the team with regards to expertise and manpower. We had identified an improvement potential in the area of the application. Therefore, we have taken experienced formulators on board. They bring expertise from various areas, being relevant to formulating with pigments and similar raw materials.

EURO COSMETICS: *Previously, you worked for the Darmstadt chemical company Merck for nearly 20 years. How did this change of job come about?*

Dr. Matthias Lergenmüller: At Merck, I had the pleasure to work in various fields such as business development, sales, technology application and CSR-related topics. This was not only for the cosmetic segment, but lately also for industrial and coating applications. The strategy of Sudarshan to focus more in the area of cosmetics, coincided very nicely with my

personal wish to re-focus onto the Cosmetic Business. The quality approach of Sudarshan combined with strong CSR activities make very much sense in supporting customers with performing products and a meaningful product philosophy. Sometimes, it is simply good to be at the right time at the right place!

EURO COSMETICS: What in the pigment business is currently changing the most?

Dr. Matthias Lergenmüller: Primarily due to the "blue sky" policy of China and recent incidents in China, the strategic access to the key raw materials will be key to controlling cost and securing supply. Sudarshan has short reaction time to make necessary changes in the supply chain and backward integration plays a role in that. This continuity in supply is an advantage, our customers experience in phases of fast



Cosmetic Application Team at R&D center of Sudarshan.

growing business with pigments. On top of that, our mica supply chain activities of the past years pay off and we can provide to our customer base the transparency and traceability, which is requested to support a socially compliant procurement of natural mica.

EURO COSMETICS: Decorative cosmetics are booming like never before and the market is expanding worldwide. What growth opportunities do you see here for Sudarsban?

Dr. Matthias Lergenmüller: Considering the plant setup at Sudarshan for effect pigments and iron oxides, Sudarshan is well positioned to a booming industry. The exclusive Sumicos plant helps in keeping the production environment flexible enough to address short-term peaks. Nevertheless, we always carefully assess also needs for de-bottlenecking and expansions to meet growing customer demand.

EURO COSMETICS: With an extensive line of effect pigments you offer with Sumicos[™] and Prestige[™] a broad spectrum of possible uses. What are some of these and what

can you tell us about the special qualifies of these pearl-glow pigments?

Dr. Matthias Lergenmüller: Sudarshan Effect pigments as well as SumicosTM Iron Oxides meet the strict specifications of any Sumicos[™] and Prestige[™] product with minimal variations in color values. They can be incorporated in any cosmetic color formulation such as eyeshadows in a variety of formulation styles. Lipstick prototypes, lipglosses, as well as BB and CC creams are typical application requested by customers. Skin correction is possible with fine particle size interference colors. Last but not least: In personal care formulations like shampoos and showergels, Sumicos[™] and Prestige[™] effect pigments provide the right "pop" to allow for efficient differentiation at the PoS.

EURO COSMETICS: Which tools and technologies do you make available to your customers?

Dr. Matthias Lergenmüller: We have recently launched new elements for the "Glow"-product line, individually designed to optimize pigment performance. Those mica-based pigments provide an extraordinary reflectivity, make them appear actually larger, than they actually are. They are ideal, when the formulators want to achieve the performance of synthetic substrate based pigments, but at the same time requires the use of a natural substrate to address "naturality" or ISO 16128 requirements of customers.

EURO COSMETICS: The manufacturing of your products is done in-house at the production plants in Roha and Mahad. To what extent do you pay special attention in order to keep the standard of quality high? Dr. Matthias Lergenmüller: First of all, we have strong production teams in our plants, producing according to international norms and supported by experts with Six Sigma expertise to ensure product consistency and quality standards acc. to 4.000 specifications. International certifications are ISO 9001 for quality and consistency, ISO 14001 for environmental excellence. The Oliver Wight Class I Certification honors operational excellence in our operational teams.

In recognition of the company's efforts towards strengthening the safety of workers



R&D Center of Sudarshan in Sutarwadi / Pune

at both plants in Roha and Mahad, the company has been awarded with a 5 star rating and the "Sword of Honour" by the British Safety Council.

EURO COSMETICS: What philosophy stands behind Sudarshan's decades of success?

Dr. Matthias Lergenmüller: It is excellence in the making of pigments: We have strong production teams in our plants, producing according to international norms and supported by experts with Six Sigma expertise to ensure product consistency and quality standards. This understanding of continuous improvement is embedded in the company culture with a defined larger purpose: "Growing together by being spiritually fulfilled, socially just and environmentally sustainable". This is executed through a defined vision, mission and strategy. Our values of SCCRT-SEVA, COURAGE, Commitment and Passion, Respect and Trust are our guiding star which help us to interact with our internal and external customer delivering consistent value. We do not shy away from consistent learning through long term partnering with experts, partners and consultants. This helps us to remain agile and grow at the planned speed which is much above what our competition has been planning. Thus success is a natural outcome because of all these elements.

EURO COSMETICS: Sudarshan received the Global CSR (Corporate Social Responsibility) Award 2019 in the Gold Category for its outstanding achievement in implementing a CSR program for strengthening core business with social commitment. Can you tell us more about this?

Dr. Matthias Lergenmüller: Sudarshan Chemical Ind. Ltd is a leading colour & effect pigment manufacturer with experience of over 60 years. Company has a very active CSR arm, SUDHA [Sudarshan's Holistic Aspiration]. Sudha has been working consistently to create a better living standard and environment for people of the community. The Vision of SUDHA is to grow together in a manner that is spiritually fulfilling, socially just and environmentally sustainable. To pursue this grand vision, SUDHA has made a mission to propagate the wholesome, sustainable growth of women and children in communities in and around Sudarshan plant.

SUDHA has outlined a systematic approach to address the ongoing issues in nearby areas. The organisation collaborates with government authorities at various levels and works in coordination with Gram Panchayats of respective villages to initiate new activities. Apart from identifying the issues in respective villages and working with self-help groups to solve the problem, the company also partners with nearby NGOs and corporates to ensure overall development of area through combined work. With this higher purpose organization exists is because SUDHA want to grow together with all our stakeholders. The communities close to our business are very important stake holders for us, hence we want to serve them through the platform of SUDHA. We want to serve society members through our value of SEVA. Our vision is to empower women and create a healthy and clean environment around us. We want to do this through involvement of all our employees as well. SUDHA will help us move closer to our larger purpose of "Growing together by being spiritually fulfilled socially just and environmentally sustainable". where you serve the society through the platform of SUDHA.

For this SUDHA has been appreciated at state, national as well as global level.

SUDHA has received Global CSR Award 2019 in Gold Category for an outstanding achievement in implementing CSR Programme for strengthening core business with Social Commitment. This is one of the most prestigious Global awards in CSR organized by the Energy and Environment Foundation & supported by the Government of India. This award recognized the company initiatives in the area of corporate social responsibility (CSR) which aims to achieve inclusive growth, inclusive social and sustainable development. Also, aid to recognize the company that have positively impacted both business and society by taking a strategic approach.

EURO COSMETICS: And what are your goals for further expanding the cosmetics branch?

Dr. Matthias Lergenmüller: Aside driving the expansion of the current portfolio based on our in-house technologies, I strive with my team to look out for new technologies, which fit well to Sudarshan's productions network and expertise. We look for quality growth in this field.

EURO COSMETICS: *Thank you for the conversation.*