

SUSTAINABILITY

POLICY

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1. INTRODUCTION

Eurofragrance manufactures and markets the highest quality fragrances for worldwide brands in fine perfumery, home, personal and air care. The company is a privately held B2B enterprise founded on family values in Barcelona in 1990 and currently counts nearly 400 employees.

Driven by a passion for perfume and the entrepreneurial spirit of its founders, Eurofragrance first grew in Europe and the Middle East, before taking on the Far East and the Americas. The midsize company is now represented on five continents; runs its own plants in Spain, Singapore and Mexico; and works with manufacturing partners in the United States, China and India.

Eurofragrance's international network of Creative Centers and outstanding manufacturing capabilities enable it to create and deliver fragrances around the world. Over the years, Eurofragrance has cultivated lasting relationships and has grown hand in hand with its partners.

In order to continuously improve all our processes and the management of environmental, social, economic and ethical challenges, Eurofragrance has issued this Sustainability Policy. We recognize the importance of sustainability, and we have always worked hard towards achieving best practices throughout the organization. Now, Eurofragrance aims to promote sustainable development through this policy, ratifying the commitment with the environment and society, by decreasing our footprint to the minimum and, when and where possible.

This policy establishes the foundation for the creation and implementation of present and future programs and actions, on the basis that they are oriented towards sustainable production that cares for the environment, society, while protecting its economic viability.

2. REFERENCE

Eurofragrance aims to cover the environmental, economic, social and business dimensions of sustainable development, which are both material for our stakeholders, and part of international commitments or initiatives. Therefore, this policy follows international standards, such as the following:

- Sustainable Development Goals (SDGs)
- The Paris Agreement
- The 10 Principles of the United Nations Global Compact
- The United Nations Guiding Principles on Business and Human Rights
- The United Nations Principles for Social Investment
- OECD Guidelines for Multinational Enterprises (OECD)
- Carbon Disclosure project – CDP
- The International Labor Organization (ILO) Tripartite Declaration of Principles on Multinational Enterprises and Social Policy

- Convention on International Trade in Endangered Species of Wild Fauna and Flora (cites)

In addition, it takes into account recommendations required by the ISO Management System Standards in which the company has certifications related to sustainability in areas such as quality, health and safety and environmental management. Our objective is further increase the scope and coverage of these certifications.

Eurofragrance's Sustainability Policy reflects the values of the company, its culture, and ambitions to generate value for its stakeholders over a long-term perspective.

3. SCOPE AND GOVERNANCE

Sustainability and its balance in the value chain is a transversal commitment for Eurofragrance; our business model fully encompasses sustainability as a strategic priority. Hence, all actions, programs and processes will be reinforced by committing to the actions established in this policy.

Sustainability at Eurofragrance implies the search for a balance between profitability, innovation, social development and the reduction of adverse environmental impacts from our operations and our supply chain. In order to achieve these goals, the company has created a Sustainability Committee that is charged with of the deployment and monitoring of the actions and processes outlined in this policy. The Sustainability Committee is chaired by the Chief Financial Officer (CFO), with the participation of the Chief Sales Officer & General Manager IMEA, the Executive Assistant & Office Services Team Lead, the Global Technical Compliance Manager and the

The Policy must be interpreted in conjunction with other existing internal management policies such as the Quality and Environmental Policy, Responsible Sourcing Policy and The Compliance Delegate, as well as our different codes: Code of Ethics and Behaviour and Protocol of Good Practices for Suppliers. They all strive for excellence and respect of the environment and society throughout the value chain, with the objective of becoming a global leader in the manufacturing and marketing of fragrances that surpass the expectations of our customers, and, in turn, fulfills their consumers.

The principles and commitments established in this Policy are of general application and must be taken into account by all areas in the businesses and activities carried out by the company.

4. PRINCIPLES AND OBJECTIVES

This policy creates a balance between generating profitability and considering social and environmental development. It also promotes the generation of sustained value in the short, medium and long-term for all stakeholders. by following basic principles of action, our policy will help guide how we address sustainability and the company's actions in the fight against climate deregulation, unethical practices and the loss of biodiversity among other burning topics:

- In all areas and departments of the company, we are creative by design; this is part of intrinsic DNA.
- Adopt and promote best practices and continuous improvement for sustainability management.
- Ensure quality, safety, as well as innovation, design and lifecycle management in our products.
- Responsible management of risks and opportunities in the areas of sustainability.
- Promote ethical, responsible and transparent behaviors in our operations and supply chain, ensuring an ethical Sourcing and Supply chain management.
- Pay particular attention to issues relating to: respect for human rights and protection of the environment. Promote and ensure diversity, equal opportunities and inclusion.
- Maximize the positive impact of the business and the projects we carry out, with a firm commitment to meet expectations of customers and stakeholders.
- Minimize the eventual negative impacts the company's operations might have on the environment and society.

5. COMMITMENTS

Eurofragrance assumes a commitment to sustainability and presents through this policy the general actions and objectives of the company grouped around the three dimensions of sustainability: people, planet and profit.

5.1 Ethics and governance



The generation of sustained value in the short, medium and long-term are a strategic priority for the company. Eurofragrance, since its inception, has demonstrated this commitment through responsible business management, in which its premise is to generate value by always acting in an ethical, transparent and responsible manner in all the company's businesses and projects. To guarantee this way of acting, the following commitments have been established:

Ethics and transparency

- Establish communication channels with the main stakeholders.
- Guarantee transparency in information and communication.
- Implement mechanisms to receive complaints of possible breaches of the principles established in the different policies, guaranteeing the confidentiality of individuals and protecting whistleblowers against retaliation.
- Efficiently and effectively manage communication with the media.
- Communicate publicly and transparently the programs, progress and actions carried out within the framework of compliance with this policy.
- Be part of international associations to push forward the sector innovation and development, such as IFRA (The International Fragrance Association) through the National Associations of fragrance and flavor manufacturers.

Legal compliance and taxation

- Guarantee compliance with the law in all places where Eurofragrance has a presence.
- Comply with the tax regulations applicable in markets where the projects are developed.
- Identify, prevent and avoid assuming tax risks, derived from a misinterpretation of tax laws applicable in the countries in which we are present.
- Provide sufficient financial and tax information, while always complying with the provisions of tax regulations.
- Fight against corruption, and put in place mechanisms to prevent practices, such as bribery, fraud or extortion.

Economic results

- Always seek to create value and its redistribution.
- Ensure the continuous and sustainable organic and economic growth of the company.
- Continue promoting innovation and the adoption of the best technologies for the development of projects, always aiming for the long-term development of the company.

Risk and opportunity management

- Ensure proper risk management, financial and non-financial, at all levels of the company.
- Identify in a timely manner the risks that could affect the proper development of projects.

5.2 Sustainability in the value chain



Value chains include a broad range of topics from product conception, production to distribution, which involves the management of the Supply Chain. The procurement of both materials and services, and all actions and processes related to sourcing, selection, contracting, payment and any relation with suppliers or service providers. The value chain includes the distribution, logistics and sales of Eurofragrance products.

Value chain and alliances

- Promote the responsible commercial practices to guarantee ethical and socio-environmental standards in each link of the value chain, from the product elaboration with raw materials to its delivery and final consumption.
- Identify critical issues and areas of improvement in the value chain.
- Request and support suppliers and customers to follow principles relating to sustainability in their own business activity and to guarantee compliance with the provisions of Human Rights, labor practices, ethics and environmental care.
- Adoption of measures to avoid having a negative social impact in the development of suppliers' business activity.

Responsible supply chain management

- Implement sustainability criteria in sourcing, purchasing and contract processes.
- Create and implement measurement tools that follow the principles of a sustainable supply chain.
- Strive to implement measures to decrease the carbon footprint and other forms of emissions.
- Complete traceability of the materials in the supply chain to determine the origin of the raw material and their country of production.
- Extend the commitment to sustainability to the supply chain and collaborate with suppliers.
- Prioritize purchasing from local suppliers, when possible, as well as for packaging materials and office supplies.
- Avoid discrimination with respect to the provision of products and services, including suppliers or business partners.
- Assess procurement partners' supply chain in human rights, environmental, social and ethics compliance to guaranty the protection of Human Rights and avoid potential Risks

Sustainable logistics

- Incorporate environmental criteria in subcontracting logistics services, if possible.
- Require the safe shipment of hazardous goods, if applicable.

5.3 People



Eurofragrance is responsible for its business management, which involves integrating and adequately responding to the interests and expectations of stakeholders. There is an inescapable commitment to respect and recognize the dignity of each individual with whom the company interacts. Hence, Eurofragrance is committed to promoting relationships of trust and best practices in the scope of work and relations with third parties, such as: employees, customers, suppliers, and society in general. For this, Eurofragrance follows the following commitments:

Employees

- Respect and comply with international standards regarding Human Rights and good labor practices.
- Promote professional development and growth, facilitating training and professional development processes for our employees.
- Watch over the well-being of employees, nurturing their motivation, allow them to perform at their full potential at work and provide proper health care.
- Guarantee a dignified, safe and healthy work environment, and have the necessary tools and requirements to ensure the health and safety of all employees.
- Guarantee the right to exercise freedom of association.
- Reject all forms of forced labor and child labor.

- Encourage dialogue and internal communication and involve employees with social and community-run programs.
- Promote and ensure diversity, equal opportunity and inclusion.
- Guarantee non-discrimination in access to employment and respect of promotion of current employees.
- Equal participation of women and men as decision-makers in leadership positions and confirm the reviews and reporting on equal wages and promotion rates of women and men.
- Promote and encourage voluntary home office, following the internal Home-office policy guidelines, as well as flexible work hours.
- Set up incentives for public transportation use for employees, by inclusion of public transportation subsidies, reimbursements, partial payments, or pre-tax payroll reductions.

Local community

- Promote social action programs or projects that favor local development through donations and employee participation, such as the promotion of the "Community Day".
- Participate, and promote disease research programs to create value to the scientific community, through donations and support associations.
- Promote childhood development through support for associations in various countries.
- Foster a respectful, two-way and transparent dialogue with all the people, institutions and groups with which Eurofragrance is related.
- Promote communication channels and the necessary mechanisms to facilitate the construction of solid relationships.
- Maintain an attitude of respect, collaboration and participation with private and public organizations and institutions that operate in our proximity.
- Assume a driving role in innovation and entrepreneurship projects, as well as in projects and social initiatives that promote training, integration, or overcoming the digital divide to layers of society at risk of exclusion.

Customers

- Ensure the quality of products and the services performed, complying with the requirements and needs of our customers in order to obtain their greatest satisfaction.
- Implement a secure information system that guarantees the protection of information and personal data.
- Implement and track mechanisms that guarantee the security of the services and products we offer.
- Provide full, accurate and timely disclosure of information.

Relations with shareholders

- Establish a balanced, transparent, and clear relationship with partners and investors.

- Offer clear, complete, and truthful information to partners and investors.

5.4 Responsible environmental management



The company is committed to responsible environmental management and to protect natural ecosystems, as well as to comply with and respect due diligence and to guarantee compliance with environmental legislation. In addition, it promotes efficient energy management and carries out responsible and circular management of resources, while incorporating measures to promote responsible waste management.

Responsible circular and waste management

- Seek responsible management of resources used in the development of our activity.
- Carry out adequate waste management, which includes a process of identification, control and registration.
- Aim, as much as possible, for zero waste targets and expand our own water treatment program.
- Carry out and support the development of circular economy projects.
- Implement solutions to reduce or eliminate the emission of odors in the vicinity of our production sites.

Environmental compliance

- Comply with environmental legislation in each of the countries in which Eurofragrance has a presence. This includes compliance with international declarations, conventions and treaties, as well as national, regional and local regulations.
- Encourage and extend environmental commitment with employees, suppliers and third parties with whom we interact.
- Implement best environmental care and management practices to avoid any negative impact on the environment of our own operations and value chain.
- Properly manage all our facilities in order to minimize any type of environmental impact that affects biodiversity or the natural environment.
- Guarantee compliance with current legislation related to vulnerable protected areas as the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).
- Use energy efficient vehicles for a more sustainable mobility and encourage the use of technologies to avoid unnecessary employee travel.

Energy efficiency

- Promote energy efficiency in processes and procedures, through the implementation of more renewable resources of energy, such as solar panels.

- Evaluate our carbon footprint and design a methodology to reduce it.
- Support the development of initiatives that reduce energy consumption in the company's facilities.
- Guarantee control of energy consumption.
- Sensitize and train staff in good practices for energy saving.
- Develop a carbon footprint analysis of Eurofragrance operations, or evaluate the environmental loads associated with the process.

Natural resources management

- Manage natural resources in a responsible, efficient, reasonable and respectful manner.
- Promote the adoption of best practices and technologies for environmental care
- Have resources to continue innovating and incorporating technologies that are friendly to the environment and that do not compromise the quality of projects.
- Implement improvements and best practices in water management.

Due diligence

- Guarantee the due diligence process in environmental matters.
- Carry out adequate management of environmental risks and opportunities: identify, and periodically evaluate the risks related to the company's activity and the impact it generates on its environment.
- Identify, understand, prevent, mitigate, and compensate the environmental impacts generated by our activity.

5.5 Product and innovation

Eurofragrance recognizes that true value creation is one in which the generation of sustainable and distributed value is promoted throughout development and innovation, and which considers the interests and expectations of all stakeholders. Therefore, innovation and product will be linked to the fulfillment of the following commitments:

Innovation and technology

- Promote the eco-design of products to reduce the negative environmental impact throughout the product's lifecycle.
- Use equipment of the latest technology, guaranteeing quality and efficiency.
- Promote new technologies to build sustainable and innovative products.

Product stewardship

- Promote practices and policies that guarantee the quality and safety of products.
- Design eco products to allow our customers to obtain Ecolabel or Eco certifications.

- Ensure the safety of consumer products worldwide.
- Promote transparency through clear communication on product labels, or any other related product information.

Sustainable packaging

- Use recycled and recyclable packaging in all our operations.
- Ensure that the packaging is not discharged in landfill, but reused, refurbished or recycled.
- Promote the reduction in number of packaging items for shipping orders.

6. CONTROL & IMPROVEMENT PLAN

Among the responsibilities of Eurofragrance and the Sustainability Committee is the approval of the Sustainability Policy and any substantial modification made to it.

To this end, the Eurofragrance Sustainability Committee undertakes to periodically review and monitor this Sustainability Policy, adapting it to new organizational, environmental or market demands that may arise, as well as to communicate and implement it throughout the company and stakeholders.

All Eurofragrance employees have the obligation to know, understand and comply with the provisions contained in this Policy regardless of the country or region in which they are located. In addition, they must report any possible impact or non-compliance in the matter.

Eurofragrance promotes knowledge and compliance with the commitments outlined in this Policy, which will be permanently available on the website.

7. CONTACT

Any questions or suggestions about this Sustainability Policy can be directed to the Eurofragrance Sustainability Committee at the email: *sustainability_alerts@eurofragrance.com*

8. CHANGE LOG

DATE	DOCUMENT VERSION	RESPONSIBLE	STATUS	DESCRIPTION OF THE CHANGE
September 2021	Version 1	Sustainability committee	Approved	New document