

A close-up, slightly blurred photograph of green leaves, likely from a plant, serves as the background for the cover. The leaves are vibrant green and show some natural texture and slight damage.

Sustainability *Report* **Eurofragrance 2021**

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Message from our CEO

1.1 - A day of reckoning

A day of reckoning

(102-14)

An address from Laurent Mercier to the internal and external friends of Eurofragrance

"I was driving back to Barcelona with my wife one night after a memorable weekend on the Costa Brava, a seaside region just north of Barcelona. As the weather had been pleasant for a couple of days, quite a few people were on the road and we eventually found ourselves stuck in traffic as we approached the city.

As I looked down the road at the taillights of the hundreds of cars ahead of us, four thoughts came to mind:

- Unless "we," as a human community, decide to enforce new, strict rules pertaining to sustainability, meaningful change won't occur. Nor will we have learned the lessons from what happened as early as yesterday.
- We are ALL part of THE solution. While governments can adopt decisions with the hope of correcting fundamental errors of the past and of influencing mass behaviors, we need to start acting at the individual level—in our homes, cities, companies, factories.
- We shouldn't fool ourselves; we need to factor into the equation that transitioning to cleaner energies and a sustainable lifestyle will come at a price, maybe even a substantial one.
- And finally, that we must not hide behind the world's current issues (Covid disruption, war in Europe, energy hikes...) as a pretext for not moving forwards with the implementation of new greener regulations and laws. There is indeed no time to waste, the future is now!

We eventually reached Barcelona, and as I searched for a spot to recharge the company car—for another week of commuting with zero emissions—thoughts of a recent discussion with my two sons came to mind. Both had expressed to me their frustrations, which I feel are shared by many of their university friends, that the environment, as a topic, was pretty much absent of the recent presidential debates in France.

This flashback and my recent realizations on the drive home, triggered the following commitment that I feel that many of you will relate to: "As a responsible manufacturer, I promise our daughters and sons to accept my

fair share and my accountability in carrying out a sustainability agenda."

I woke up the next morning with the required energy to face the massive challenge ahead of us. I was conscious that patience and resilience would be needed, and that sustainability was a long journey. A journey which can best be described as a humbling experience during which we not only give and take, but also one on which we learn, unlearn and relearn together with partners and friends."

Laurent Mercier, CEO





A quick overview of 2021

2.1 - Facts

2.2 - A cross functional team
for an across-the-board
perspective

Facts



People

- Community Week: Eurofragancers raised 4,250 euros and Eurofragrance matched donations for a total of 8,500 euros, which was distributed to different NGOs worldwide.
- Equality plan: A large majority of the Eurofragrance workforce in Spain received training on the following subjects:
 - Workplace and sexual harassment
 - Inclusive language
 - Equality Plan
- Work-from-home: The company's work-from-home policy was extended to Mexico, Singapore, Dubai and Turkey.
- Gender balance: Eurofragrance counts 51% of women in leadership positions globally.
- Professional training: One Junior Perfumer, one Junior Technical Perfumer and two Junior Perfumer Analysts graduated from our very own Perfumery Academy.
- Cultural involvement: Recognized as a Company Committed to Culture (Segell d'Empresa Compromesa amb la Cultura).
- Advancement: Eurofragrance supports research and care in several health areas.
- Project Essencials: In association with a local newspaper and manufacturer, Eurofragrance created scented candles based on different cultural themes.
- Philanthropy: 1.5% of our EBIT is dedicated to supporting NGOs in the greater community.



Value Chain

- Policy Dissemination: Eurofragrance issued its first responsible Sourcing Policy and first Supplier Code of Ethics, which was used to train 100% of Eurofragrance's Buyers.
- Capital Investments: Installation of a Fricke dosing machine at the Rubí manufacturing plant to increase process efficiencies (put into service in early 2022).
- Management Certification: The Spanish sites of Rubí and Vallsolana were both re-certified ISO 9001.

fundació pasqual maragall

“ We thank Eurofragrance for supporting the Pasqual Maragall Foundation for Alzheimer research and prevention. A future without Alzheimer's, or neurodegenerative diseases, is one of the great challenges of today's society and Eurofragrance contributes enormously to reaching this goal—science and research being the only way to achieve it. Thank you very much. ”

Cristina Maragall

President of the Fundació Pasqual Maragall



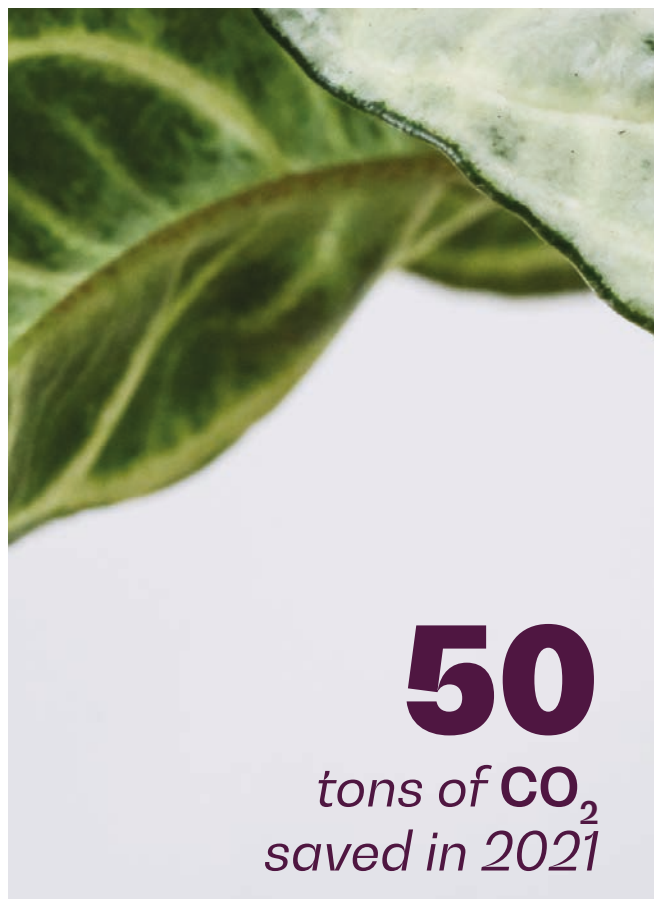
Research & development

- **Ingredient Creation:** In 2021, we developed our first proprietary ingredient, L'Âme du Bois™, our first captive, made from upcycled waste material from the wood industry.



Environment

- **Carbon Reduction:** Solar panels installed on the Rubí plant began producing energy, reducing our CO₂ emissions
- **Climate Impact:** Eurofragrance joined the Voluntary Agreement Programme of the Catalan Office for Climate Change (Programa d'Acords Voluntaris de l'Oficina Catalana pel Canvi Climàtic).
- **Environmental Management:** Eurofragrance ISO 14001 was re-certified for its production plant and Creative Center in Spain.
- **Fuel Reduction:** At headquarters, Eurofragrance began its transition to a fleet of electric and hybrid cars.



50
tons of CO₂
saved in 2021

A cross functional team for an across-the-board perspective

We feel that sustainability is everyone's business, outside the company and, of course, inside our enterprise. And we know that every single individual has a role to play in his or her area of expertise, wherever they might find themselves in the world. It is for these reasons that we have put together a core team of men and women from different professional backgrounds and horizons. Here's what each member of the Eurofragrance Sustainability Team had to say on the subject that is so dear to him or her:

"A sustainable lifestyle is not easy, let's be brave."

Miguel Ángel López

People Operations Specialist & HRBP HQ Operations

"Sustainability has evolved from a movement to a necessity."

Lydia Mendieta

Executive Assistant & Office Services Team Lead

"Being sustainable means taking care of ourselves and the planet; the actions we take today will be reflected in the quality of our lives tomorrow."

Esperanza Salcedo

Global Purchasing Coordinator and Senior Buyer Natural Ingredients

"There is no alternative to sustainability. Now the key focus is on how to accelerate the pace of transformation in our society."

Antoine de Riedmatten

Global Fine Fragrance Business & IMEA General Manager

"The future is now! We need to embrace sustainability as a way of life and doing business."

Diana March

Global Technical Compliance Manager

"Balancing sustainability in one's life means living in harmony."

Anna Olea

Quality Assurance Coordinator

"Change must occur now, let's learn to live with nature in a sustainable manner."

Gabriela Serrano

Human Resources Business Partner LATAM

"Sustainability is not an option. It's a necessity. It's a long process and a commitment. It's about progress, not perfection."

Glòria Rosique

Corporate Communication Manager

"Sustainability is not a challenge... it's a lifestyle—join it!"

Jorge Alberto Velázquez

Business Operations Manager LATAM

The background features a soft-focus image of dried baby's breath flowers in shades of cream and light orange. Overlaid on the left side is a large, semi-transparent orange number '30'. The text 'Thirty years and counting' is written in a dark purple, elegant script font, positioned to the right of the '30' and partially overlapping it.

Thirty years and counting

3.1 - Key landmarks

Key landmarks

When *ambition* is met **with success**

(102-1) (102-7) (102-8)

The story of Eurofragrance begins in 1990, in Terrassa. Santiago Sabatés, a young entrepreneur, with the help of friends and relatives founded a company around his passion—fragrances. The first ten years were filled with hard work (everything was done by hand), humbling challenges and rewarding revelations. The most notable of which was the discovery of the Middle East's perfume culture. Santiago quickly realized the importance of this region in terms of what it could bring to the perfume industry and the business potential it represented. Early on, important relationships—that still last today—were forged between Eurofragrance and key stakeholders in the Arabic Peninsula.

Fast forward to the year 2000, when Eurofragrance inaugurated its first manufacturing facility in Rubí. This new factory was able to produce 500 tons of fragrance; that same year, the company counted only 38 employees. By 2010, fragrance output had risen to 1,200 tons and headcount to 113 Eurofragrancers. Both figures would continue their steady increase into 2020.



As for numerous industries around the world—and perfumery being no exception—the Covid-19 pandemic proved a real challenge in 2020. While sales dipped that year, all Eurofragrance employees adjusted their way of working, while still managing to keep the company steady in such turbulent times. By the end of 2021, Eurofragrance had made up its lost ground and surpassed its sales results of the previous year, at 94 Mio euros and nearly 400 employees.



400
women and men
work at Eurofragrance

Supply and Planning team

The year 2021 also saw an important strategic shift, as the company moved to a dual business unit model—one focused on Fine Fragrance and the other on Home and Personal Care (Note: in this report, Home Care, includes Air Care). With the idea of maintaining a leadership position in Fine Fragrances, the company decided to formally allocate resources to functional perfumery. The objective being to grow its Home and Personal Care business and broaden its geographical presence, all the while penetrating new product categories and segments. This strategic refocus required an important rebranding exercise. Accordingly, Eurofragrance refreshed its visual identity (logo, type, colors) and launched a new website in line with its new ambitions.



4 Eurofragrance

4.1 - From local to global

4.2 - Governance

4.3 - Organization strategy

4.4 - Business ethics

4.5 - Associations,
certifications, and initiatives

From local to global

The importance of expanding **strategically**

(102-2)(102-5)(102-6)

While important relationships were established in the Middle East early on in the Eurofragrance adventure, the first office to open outside of Spain, was in Turkey in 2006. This proved to be a visionary move and actually served as the perfect gateway to the Middle East, where Eurofragrance opened its second office in Dubai, in 2009, followed shortly after by Mexico, the same year. Over the same period, key partnerships were initiated with partners in Asia, namely in Taiwan and the Philippines. Still in Asia, Eurofragrance inaugurated its affiliate office in Singapore in 2013.

In the period between 2015 and today, Eurofragrance expanded rapidly, opening offices, and cementing official cooperation in strategic markets. Thanks also to an exclusive distribution network, comprised of agents located in 14 markets, Eurofragrance is present in over 70 countries, covering five continents. Eurofragrance's stated strategy has always revolved around client proximity. The company wants to be present where its customers are. Not only does this allow for more customer intimacy, but it also positively reduces delivery times and the organization's carbon footprint when shipping goods.



Official Partner since 2018

Eurofragrance business model

(102-3)(102-4)

Eurofragrance does not sell fragrances directly to consumers. Because it creates and markets scents for companies that own brands or manufacture them—who in turn sell to end user—we are a typical example of a B2B (B2B2C) business. We are, however, active in virtually all categories of products that are formulated with a perfume: fine fragrance, personal care, home care and air care.

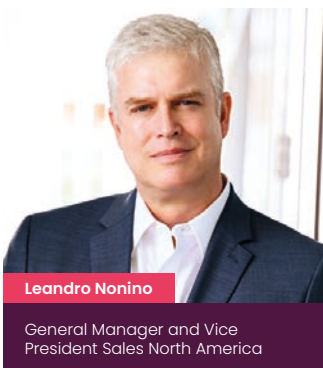
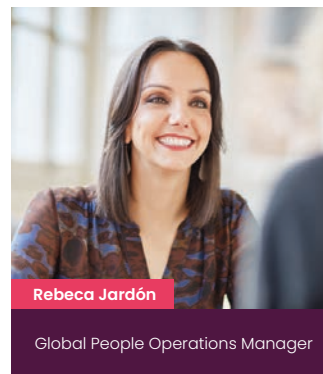
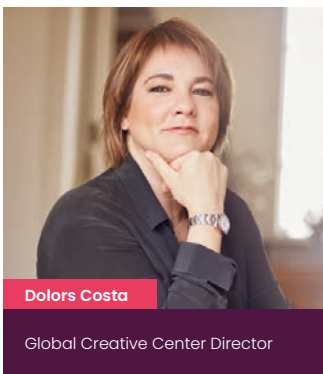
From a legal standpoint, Eurofragrance reports its financial information as a group established by the union of our different legal entities: Eurofragrance, S.L.U., Eurofragrance ESANS VE AROMA TIC. LTD. STI, Eurofragrance MÉXICO S.A. DE C.V., Eurofragrance ASIA PACIFIC PTE. LTD., Eurofragrance DUBAI FZ LLC, Eurofragrance India Pvt. Ltd., and Eurofragrance (Shanghai) Co., Ltd.



Governance

An *aligned and cohesive* **Management Team**

(102-18)



Eurofragrance's Board of Directors sets the general guidelines of good governance and best practices, which in turn permeate the entire organization. Not only does the Board of Directors and the Management Team expect that Eurofragrance employees behave in an irreproachable manner, but they also count on our external stakeholders (e.g., suppliers) to do so as well.

Where appropriate, different departments will produce and disseminate specific policies pertaining to their area of business. In certain instances, such documents must be formally assimilated (i.e., signed off on) by employees and/or partners. These documents are readily available on the company's website. To complete the picture, Eurofragrance issues an Employee Handbook.

Most affiliates have already undergone some form of ISO certification and it is expected that all Eurofragrance manufacturing sites will have achieved ISO 9001, ISO 14001 and ISO 45001 certification by 2027. In addition, internal and external audits are conducted by the departments with the support of the Technical Compliance Department. Furthermore, every year a full financial audit is submitted and conducted by the Finance Department.



In addition to the Sustainability Team, which is a working group that addresses key initiatives, we also have in place a Sustainability Committee that is responsible for setting policies; leading the way on questions relating to ethics, the environment and social issues; and addressing complaints. The Committee is constituted of the following Eurofragrance employees:

Juan Ramón López Gil – Chief Financial Officer
& Chief Compliance Officer

Diana March – Global Technical Compliance Manager

Lydia Mendieta – Executive Assistant & Office Services
Team Lead

Antoine de Riedmatten – Global Business Unit Director,
Fine Fragrance & IMEA General Manager

Esperanza Salcedo – Global Purchasing Coordinator and
Senior Buyer Natural Ingredients

Organization strategy

When everyone is **onboard**,
things change

All strategic decisions at Eurofragrance are considered from a sustainability angle. Our sustainable development philosophy has been naturally and fully embraced by our entire workforce. In many instances, our very own external partners share the same sustainability values; for those who are not yet aboard, we strongly encourage them to join the movement as soon as possible.

We balance our efforts and resources across the three pillars of sustainability: ethics, environment and economics, and do so wherever we are present around the world. At Eurofragrance, these three pillars are tied to the notion of respect. Respect is truly important to us. We respect people of all horizons; we respect the planet and all its life forms; and we respect the fact that people should earn enough to live in dignity. Toward this end—outside of pure business dealings—Eurofragrance financially supports a range of organizations active in the cultural world, medical field or the social well-being of others.



From top to bottom, employees in our global network appreciate that sustainability is not a single project, but a series of actions and a continuous process spread out over time, stretching into the future. We have already accomplished some of our goals, but we have a long way to go. In our sustainability strategy, we have set out short, medium and long-term goals.

Short-term (2021)

- Participation in the UN Global Compact
- Production of one third of our own energy used globally in our factories
- Publication and dissemination of our Global Sourcing Policy and Supplier's Code of Ethics
- Creation of a new ingredient by upcycling waste material
- Implementation of the Gender Equality Plan in Spain
- Adoption of new company car policy, allowing only electric/hybrid cars
- Reduction of CO₂ emissions of 50 tons, halfway to our expected objective
- Implementation of the Gender Equality Plan to all sites beyond Spain
- Construction of a water treatment plant on our Mexico site
- Introduction of a global work-from-home policy (achieved in: Spain, Mexico, Singapore, Dubai and Turkey; pending in China and India).
- Installation of a more efficient Fricke dosing machine in Rubí plant
- Evaluation of our workspace to better adapt to current trends
- Communication and training on Office 365, new work protocols and governance
- Installation of a storm tank to recycle water for cleaning purposes (cancelled because not viable)

Medium-term (2024)

- Obtention of ISO 14001 certification for our production plants
- Certification (RSPO) of 100% of the palm oil we use
- Reduction of our global carbon footprint
- Reduction by 20% of the paper we use in our plants and laboratories
- Reduction by 5% of our water consumption by tons produced
- Implementation of new recycling processes at headquarters
- Promotion of charging stations for employee electric cars
- Cooperation with our suppliers to help local farming communities
- Production of biodegradable fragrance encapsulation technologies
- Creation of a portfolio of compact fragrances, resulting in lighter shipment for our customers
- Implementation of a new manufacturing layout at Rubí based on sustainability requirements
- Adoption at the global level of the new company car policy, allowing only electric/hybrid cars
- Implementation at the global level, where applicable, of the Gender Equality Plan

Long-term (2027)

- Obtention of ISO 45001 certification for our production sites
- Production of renewable energy at all our sites (where possible)
- Reduction of our waste to zero
- Reduction of our global emissions to align with the global 2050 zero emissions strategy

- Achieved
- Partially achieved
- Ongoing or new set goals
- Abandoned or cancelled

Business ethics

(102-16)



Our vision

At Eurofragrance, we summarize our sustainability philosophy in the guiding principle: "Making scents, caring for people and planet." As a fragrance house, we care about perfume, but people and planet come first. Our vision is that this tenant will spread through all levels of the company on all sites where we are present around the globe. At every opportunity we get, we drive this message of care and respect home.



Our values

Our values hold in three words: "Passion, Performance and Entrepreneurship."

Passion means that we:

- Love perfume and the world of scents
- Are passionate about our work
- Appreciate the emotions surrounding perfumery
- Are dedicated to our partners

Performance means that we:

- Know that success is 5% luck, 95% perspiration
- Set big goals for ourselves—and often reach them
- Rejoice with our partners when they win
- Are on a roll and not stopping soon

Entrepreneurship means that we:

- Appreciate that courage and audacity fuel our dreams
- Are creative by nature and innovative by design
- See opportunities where others don't
- Know that perfumery is an inventive enterprise



Our purpose

We live to create great fragrances that can transform ordinary moments into extraordinary experiences. By "great fragrances," we mean a perfume that perfectly fits the expectations of our customers and their consumers. While we are a midsize company, we have the talent, the resources and the equipment to produce such fragrances and make them accessible to a broad audience.



Our Code of Ethics

The Eurofragrance Code of Ethics states the values we live by, the principles we follow and the behaviors we expect from all employees across the organization, regardless of location. Where applicable, the Code of Ethics extends to external partners who interact with Eurofragrance. The document, which serves as moral compass, outlines the following principles:

1. Commitment to legality

Eurofragrance professionals are expected to fully comply with the applicable legislation of the country in which they operate.

2. Commitment to good practices

Eurofragrance does not tolerate unethical practices and behaviors lacking in integrity. Each and every employee is responsible for carrying out his, or her, professional tasks in a manner that is ethical and honest.

3. Commitment to human rights

Eurofragrance fully respects human rights and civil liberties. Discrimination, in any form, is not tolerated and we vigorously reprimand those who partake in such acts.

4. Commitment to environmental and social causes

Eurofragrance places a high value on environmental and social projects. It does its utmost to protect natural habitats and support local communities in the countries in which it operates.



“Doing business ethically does not guarantee a company will have success, but a non-ethical behavior guarantees its failure.”

Juan Ramón López Gil
*Chief Financial Officer and
Compliance Officer*

Driving home a message of ethics

It's one thing to say that good business ethics is paramount, it is another to drive the message home to an entire professional community. To ensure that everyone at Eurofragrance understands what is included in the subject of ethics and what it entails for each Eurofragancer, we rolled out a training program that addresses subjects such as: “commitments to our code of ethics,” “anti-fraud policy” and “protocol against harassment.” Training began at the managerial level in 2020 and was extended to the entire workforce in 2021.

By the end of 2021, every Eurofragrance employee, throughout our network, had received the appropriate training on ethics. This training has also become mandatory for any new hire joining the company.

During this training, all individuals are informed about the Whistleblower Channel, an anonymous communication channel, external to Eurofragrance and that allows employees to raise concerns. It enables the Compliance Committee to hear about issues and to take actions to mitigate, manage or repair any abuse committed. The complaints received via this channel are treated confidentially and where appropriate, corrective measures are implemented.

During the 2021 reporting period, The Compliance Committee did not receive any complaints relating to the violation of human rights.

Training course crime prevention model					
Year	2021	2020	2019	2018	Total
Number of employees	71	48	239	7	365

In order for all employees to be aware of their rights, our rules and expected behaviors, the Compliance Committee communicates them in the Eurofragrance Employee Handbook. This document is issued to all Eurofragrancers, and it is the role of the Compliance Committee to keep it up-to-date and ensure that best practices are indeed applied at all levels throughout the organization.

One of our best practices is the introduction of equal pay for equal work. No form of discrimination is tolerated at Eurofragrance. Every individual, regardless of gender, age, race or sexual orientation deserves the same respect and recognition for his or her work. We firmly oppose exploitation and forced labor within our company, and we insist on our external partners behaving likewise. Furthermore, no one under the age of 18 is employed by the company.

Eurofragrance is completely aligned with the United Nations' Universal Declaration of Human Rights. In addition to the points mentioned above, and in keeping with the Declaration of Human Rights, the multinational:

- Complies with legislation and regulations relating to labor
- Respects differences of opinion and will not prohibit free speech
- Prohibits any form of harassment, intimidation and inappropriate behavior that could harm a person's dignity
- Safeguards employees and the workplace through protective equipment, systems and procedures
- Promotes work-life balance along with professional and personal development
- Invites employees to participate in the company's strategic decision making
- Guarantees the right to exercise freedom of association

Associations, certifications and initiatives

(102-12)(102-13)



EcoVadis

In 2021, we ranked in the top 18% of most sustainable companies in the perfumery industry. This ranking was based on 21 criteria, covering four key areas: ethics, sustainable practices, environment and human rights.

WE SUPPORT



UN Global Compact

In 2021, Eurofragrance adhered to the United Nations Global Compact and has aligned its operations with the Ten Principles of the charter that relate to: human rights, work, environment and anti-corruption. The Global Compact is reflected in our corporate strategy, culture and in our daily projects. We participate actively in cooperative projects that contribute to the United Nations Sustainable Development Goals set for 2030.



IFRA and IOFI Charter

Eurofragrance is a signatory of the Sustainability Charter issued by IFRA and IOFI. This voluntary adhesion shows our collective commitment to be agents of change with regards to the planet, people and the perfumery industry on five specific fronts: responsible sourcing, reduction of environmental footprint, employee well-being, product safety and business transparency.



Catalan Office for Climate Change

In 2021, Eurofragrance joined the Voluntary Agreement Programme for the reduction of greenhouse gas (GHG) emissions, which is a tool promoted by the Government of Catalonia.



Fundació Catalunya Cultura

Eurofragrance was recognized as a company committed to culture by Fundació Catalunya Cultura in collaboration with the chair of the University for Social Responsibility from the University of Girona.

5 *People*

5.1 - Fully engaged

5.2 - Occupational health
and safety

5.3 - Equality, equity
and diversity

5.4 - Community



Fully engaged

Everyone can make a difference

(102-41)(102-8)

At Eurofragrance, the Human Resources department is named People & Organization (P&O) because we put people first. Eurofragrancers, as they are known in our organization, benefit from all the needed resources and attention to thrive and reach their full professional potential in a safe and supportive work environment. Every company has its own corporate culture and Eurofragrance is no exception. Ours has largely been shaped by the fact that we are a family business with shared values. These values are: passion, performance and entrepreneurship. Our typical company culture is also based on other characteristics, or factors, such as collaboration and communication.

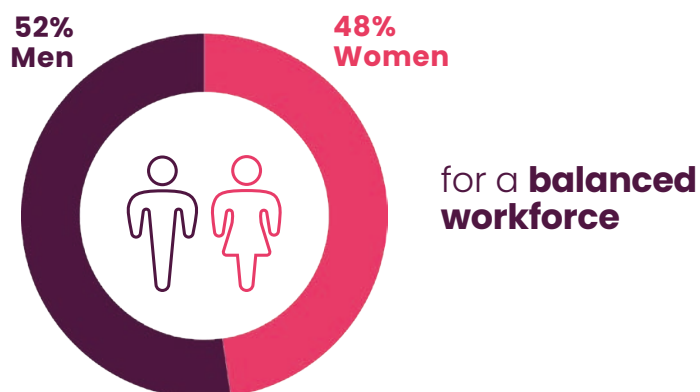
Whether it is in our offices, plants or warehouses, Eurofragrancers exhibit a natural willingness to work together and to help one another out. Yes, we consider ourselves competitive from a business standpoint, but internally, we value teamwork, collaboration and co-creation. To many outsiders, a perfume company relies solely on the skills and creativity of Perfumers.

In reality though, companies such as ours are filled with women and men with very different backgrounds and competencies, working in different departments. And in order for the organization to run smoothly, everyone has a job to do and a role to play; we are like a chain—only as strong as our weakest link.

To keep Eurofragrancers informed and up to speed, we have been using the SAP JAM channel for the past three years. This intranet of sorts, or social network, allows stakeholders internal to the company to stay abreast of the latest news from other offices, or to find out the status on a particular project. Separately, the company is relying on newsfeeds to get messages out across the organization. Such corporate-wide presentations can be followed live or viewed at a later date.

From left to right: *Consuelo Perez*, Fragrance Development Manager; *Marco Lombardi*, ITM Scientist; *Myriam Terés*, Senior ITM Scientist; *Gabrielle Andreys*, Junior Marketing Manager; *Anna Vilaseca*, Senior ITM Scientist.





Eurofragrance is an equal opportunity employer with a very balanced workforce made up of 48% women and 52% men. For the 2021 reporting period, 92% of our employees had a permanent work contract, 4% were non-permanent employees and 4% were external staff.



92%
of employees have a
permanent contract

From left to right: Myriam Terés, Senior ITM Scientist; Marco Lombardi, ITM scientist; Anna Vilaseca, Senior ITM Scientist.

Concerning Spain only, the organization of work is regulated by a collective agreement. The applicable agreement is that of Perfumery and Allied Product; it covers all the workers on the sites of Sant Cugat del Vallès and Rubí. This means that 57% of the global workforce is subject to a collective agreement.

In the other countries, where Eurofragrance operates, there are no collective agreements. Therefore, 43% of the global workforce is not organized accordingly, because this form of legal-labor organization does not exist in those countries.

Eurofragrance three-point plan

(103-2)(103-3)(403-6)

At Eurofragrance, employees are “fully engaged, fully responsible.” Eurofragrancers are most often fully engaged in their job and go the extra mile to make the company even more successful. On the individual level, employees are self-starters and team players who are invited to evolve and develop in professional and personal ways. The company’s organization can best be described as horizontal, and to get projects done one must rely on his or her networking skills and consensual collaboration.

To further help employees grow, the People & Organization department has instituted a three-point plan that is now in place across the Eurofragrance network. Each of these points relates to sustainable development practices.

1. Work-from-home

Even before the Covid-19 crisis, we ran a work-from-home pilot at our Spanish headquarters, which could be—and ultimately was—scaled-up. The pandemic further accelerated our transition to telework and flexible working hours. While some professionals need to be physically present on site (e.g., factory workers), we feel that treating employees as responsible professionals works to everyone’s advantage. As on 2021, colleagues in Mexico, Singapore, Turkey and Dubai have the option to work remotely if they so wish to.

While work-from-home can offer certain human benefits, from a sustainability perspective, the obvious benefit of not having to commute to and from work is the reduction in carbon emissions with fewer cars on the road. Collectively, fewer cars on the road also results in fewer accidents.

2. Private health insurance

So that no individual needs to worry about properly taking care of his or her health, Eurofragrance offers its employees full health insurance coverage (for sickness and accidents). In most countries this health plan also extends to ophthalmological and dental coverage. Caring about people is central to a sustainable development philosophy. So, doing everything possible to provide employees with the means to get better if injured or sick, is a foregone conclusion.

3. Salary plan

At Eurofragrance equal work deserves equal pay, men and women with the same qualifications are paid the same salary—there are no ifs and buts. The salary plan in place at Eurofragrance allows all permanent employees to receive further remuneration based on their individual performance. For instance, a personal bonus is offered based on personal achievements and corporate-wide results. Such compensations are distributed if an employee surpasses his or her predetermined

professional objectives while respecting the company’s behavioral values.

The notion of profitability cannot be overlooked when applying a sustainability mindset, but profitability is a two-way street. As a company, we want to remain profitable and financially independent, but we don’t wish to do so at the expense of any of our stakeholders (employees, partners, suppliers).



Every two years, an employee satisfaction survey is carried out throughout the Eurofragrance network. This work climate survey, which was last conducted in 2019, is an opportunity for employees to provide anonymous feedback, improve the workplace environment and provide recommendations to top management. The next work climate survey is already planned for September 2022. In 2021, in keeping with legal requirements, we conducted a psycho-social health survey on our Spanish worksites. This survey revealed the need to launch a wellness program, reinforce training in project management and put in place a digital disconnection policy.

Development plan

(404-1)

In a fast-moving environment where change is constant, we want to remain agile and adaptable. To help our best employees become even better, we have designed a professional training program. Managers who have identified team members with high potential can involve them in special projects and challenging initiatives that will allow individuals to learn and grow, while also learning from exceptional professionals in their area of expertise.

At any point in time, we have over a dozen interns working on our sites. These internships are reserved for students currently attending university or a professional school, and can last between six and twelve months. While we train and coach interns, they are also given their very own projects and are treated as regular employees. Close to one third of these internships result in a full-time job offer.

A perfume house produces perfumes, and it will come as no surprise that these are created, designed by Perfumers. What might be more pertinent is that we train and teach our very own candidates the métier of Perfumer in our Perfumery Academy. This professional training is spread

over a two-year, or longer, period and aspiring Perfumers must really prove their worth before graduating from our academy.

As a multi-cultural company with a global presence, we are firm believers in gaining professional experience abroad. Our freshly graduated Perfumery Academy Junior Perfumers are, for instance, required to spend two years abroad in one of our Creative Centers.

The table below shows the average hours of training per employee by gender and job category.

Total hours of training by gender and professional category	2021	2020	2019
Men	1,278	1,195	1,856
Executives	110.5	35	89
Middle management	224	147	355
Staff	943.5	1,013	1,412
Women	1,199	776	1,455
Executives	12	2	13
Middle management	329.5	83	389
Staff	857.5	691	1,053
Total training hours	2,477	1,971	3,311

Occupational health and safety

(103-2) (103-3) (403-1) (403-2) (403-3) (403-4) (403-5) (403-7) (403-8) (403-9) (403-10)

It's simple, health and safety is our number one concern at Eurofragrance. This is drilled down throughout the organization from top management down to workers on the factory floor. Our concern for safety extends well beyond our four walls. The Health and Safety department ensures that all along the value chain from supplier to consumer, and Eurofragrance employees along the way, safety measures are in place and respected. A safe and healthy workplace is critical for our own viable existence and continued growth.

Various programs relating to health and safety have been developed, promoted and implemented at Eurofragrance. With the highest standards in mind, we have issued global health and safety guidelines, outlining precise measures to follow and behaviors to adopt, to all our employees. Under our Health and Safety System, we believe that these measures have helped to protect our entire workforce. The Health and Safety System is subject to regular internal audits and safety walks, and covers 100% Eurofragrance staff, internal and external.

Due to the nature of our business and the fact that we transform raw materials into fragrances, we care about people's health and the planet's environment. Eurofragrance's Health and Safety (HS) department, which itself is part of the Technical Compliance department, ensures that we follow proper safety procedures, conduct incident investigations and implement appropriate corrective measures if need be. When we say that "we care for people and planet," we mean it. To provide support to the Health and Safety department, Eurofragrance counts on the support of a third-party prevention service.

Following the regulations on the prevention of occupational risk, issued by state authorities, we identify potential hazards and risks in all areas of the company, from office space to loading docks and application labs, just to name a few. Identified potential risks must be analyzed and calculated, and where necessary corrective actions must be adopted in a timely manner.

Staff are informed both about the identified hazard and the new corrective measures that have been put in place. We encourage all employees, in all departments, to report directly to the HS department any issues that they witness. The HS department ensures that proper actions are followed up upon.

The Risk and hazards management within occupational safety, is set out in our Health and Safety guidelines and establishes the following process for the identification and evaluation of risks:

- Development of preventive measures
- Implementation
- Detect, respond and monitor effectively
- Report
- Continuous improvement of the Health and Safety Management System

Joan Fernandez, Production Operator



Special attention is given to the continuous improvement and the engagement of employees to foster a proactive culture of prevention. To promote such engagement, on April 28, the International Day for Health and Safety at Work, the Health and Safety team proposes an online challenge open to all Eurofragancers. It's an opportunity for them to demonstrate their knowledge on the topic of health and safety and win various prizes.

Health and safety is everyone's responsibility

Eurofragrance Managers are instrumental in organizing the safety measures applicable in their area of influence. On all our sites worldwide, they must involve their team members with regards to improving safety, processes and output. Our concern for occupational health and safety requires team leaders—and where applicable Department Heads—to partake in safety walks and meetings that specifically address safety and appropriate corrective measures in that area of work or department.

We motivate our employees to raise concerns in any health and safety topic with their managers or directly to the Health and Safety coordinator. The reporting of concerns is not a reason for giving unfavorable treatment to a worker, but an opportunity to work together on the continuous improvement of safety measures.

To ensure that employees are not exposed to harm or health risks, we conduct mandatory training sessions where potential hazards are exposed and proper behaviors explained. If there are changes in work environment conditions, every two to three years, we conduct a full, top to bottom audit of each Eurofragrance work site, with the goal of incessantly perfecting our safety record.

Julio Uribe, R&D Scientist



In order to further mitigate risks, we have instituted different training courses for all employees. During the 2021 reporting period, 617 hours of training were given to Eurofragancers on the topics of: fire extinction, emergency response, ergonomic working conditions and several others.

Taking care of people in covid times

In the second year of the Covid-19 pandemic (2021), we continued applying and extending measures to provide a safe, Covid-free work environment to our staff. We adapted internal protocols to the reality of the pandemic as it evolved, reinforcing measures of hygiene, social distancing, proper ventilation and the use of masks.

A Covid-19 committee was created in March 2020 to monitor each Covid-19 case on the company's sites, and, more than two years on, it continues to pay close attention to every suspected, or proven case. With the exception of our Mexico Creative Center, there were zero cases of transmission of Covid-19 among our employees on our sites. Two internal transmission cases were reported in our Mexico affiliate, leading to the implementation of additional protective measures. Following these beneficial measures, no other transmission cases were detected on our premises.

Partnerships in safety

Regarding external employees who access our facilities in Spain, we have implemented a system to ensure that they have received appropriate health and safety training by their own companies before accessing Eurofragrance. We plan to implement this procedure in the remainder of our offices, factories and warehouse in the near future.

Work-related injuries

In terms of number of accidents, the incident rate at Eurofragrance continues to remain low. In 2021, we recorded three accidents involving internal staff. Two of these occurred while commuting, resulting in a short medical leave, and one accident with minor injuries that was not commuting-related, resulted in one lost workday. During the same reporting period, one additional accident involved an external staff member who didn't require a medical leave.

	2021	2020
Actual days lost during the year	54	165
Number of planned days during the year	251	251

In the reporting year, we recorded neither a single case of work-related illness, nor a fatality linked to a work-related illness among our employees or external staff.



Equality, equity and diversity

Listening to and respecting **everyone's voice**

(103-2)(103-3)(405-1)

A little over half of the managerial positions at Eurofragrance are held by women. We have nevertheless assigned a People Operations Specialist to lead the company's Equality Committee to ensure that women and men are given the same opportunities when it comes to employment and professional advancement. Despite a gender-balanced workforce, employees have demanded that more top management and C-suite positions be held by women. Eurofragrance's current Management Team is actually reviewing this request.



“As a woman, it has been really special to work on the equality plan. Following this path is one of the ways that will lead us to excellence. I look forward to the day when more women hold jobs in positions that were historically male-dominated, and vice versa. And one key objective, is of course, to achieve a 0% wage gap!”

Marta Jiménez Belmonte
People and Operations Specialist

Work category			
Men	2021	2020	2019
Executives	8	8	9
Middle management	31	31	29
Staff	160	166	164
Women	2021	2020	2019
Executives	1	1	1
Middle management	40	37	37
Staff	144	132	144

In Spain, the majority of the workforce has received training in three important diversity and inclusion topics:

- Psychological, sexual or gender-based harassment and/or physical violence protocol: 96%
- Inclusive language: 97%
- Equality Plan: 95%

These trainings are now mandatory for all new employees working on our Spanish sites.

The Equality Plan was conceived and written in accordance with the Spanish Decree Law 901 of 2020, which came into force in 2021. This decree poses new requirements, including several relating to remuneration. Given the importance and pertinence of these three subject matters to the entire Eurofragrance community, the Management Team is looking to rollout the training module pertaining to sexual or gender-based harassment and physical violence across all affiliates over the next two years.

In the fourth quarter of 2021, Eurofragrance signed a contract with Miton, a company that helps place and integrate individuals with physical or mental disabilities. This partnership allows us to give a helping hand to those at risk of professional and social exclusion. Starting in early 2022, a handful of men from Miton will work in our production facilities under the supervision of a tutor.

Community

(102-13)

The communities that we work and live in are extremely important to us and we have always found ways to eagerly support them through research initiatives, collaborative projects and advancement programs. In every instance, our goal is to help the people around us live a better life. Every year, we distribute 1,5% of EBIT to different NGOs and associations across our network. In addition, we invite Eurofragancers to participate in our annual Community Day.

Family aid

Funds went towards organization helping families and children, such as: Fundació Nuria Garcia, Educo, ASAV, Caritas and Soap Cycling Singapore (support to the latter was given in-kind by offering Soap Cycling warehousing space for their products).



“ At Christmas time, thanks to Eurofragrance donations, we are able to deliver Santa Claus gifts to families in need. For us, the best present is to see happiness and excitement in the eyes of children and their parents. ”

Cristina Almirall

Director and CSR Manager ASAV Rubí

Medical research

As has been the case in previous years, Eurofragance made donations to help advance science and medical research. Benefiting institutions included: Fundació Pasqual Maragall, Oncolliga, the Spanish Association Against Cancer (AECC), Fundació FERO, Fundació Ricardo Fisas i Natura Bissé.



Thanks to donations, such as those made by Eurofragance, we are able to better understand the complexity of cancer and keep dreaming of curing this disease. Research saves lives, and Eurofragance's continued support for cancer research is already impacting thousands of cancer patients who are better diagnosed and have more therapeutic options. Thank you for being part of the FERO community.

Dr Ruben Ventura

Director of the Fundació Fero

Arts and culture

Eurofragance realizes the importance of supporting local cultural institutions in the community, especially in light of the challenges they faced during the Covid lockdown. The company continued to donate to Gran Teatre de Liceu and Fundació Catalunya Cultura.

In an effort to further support culture, we joined forces with a candle manufacturer, Cerabella, and the leading Catalan newspaper, Diari ARA, to launch a collection of candles with scents inspired by different cultural expressions. The sales of these candles enabled us to raise funds that were allocated to cultural entities that have been hurt during the Covid-19 crisis.

Scholarships

For an entrepreneurial company such as Eurofragance, it only makes sense to support young entrepreneurs. Eurofragance offered a scholarship to the graduating Bachelor student of IQS with the best grades during the past academic year, who wishes to pursue a Master's degree in Analytical Chemistry. Eurofragance also collaborates with grupo SIFU and Barcelona Global Association.

Community Day

In 2019, we held our first Community Day. It was imagined as an event to be held at a set date throughout the Eurofragrance network, whereby employees could volunteer their time and effort to do good in their respective communities. The Covid-19 pandemic forced us to rethink our Community Day, which became an online Community Week. This new format was repeated in 2021. During last year's Community Week, we launched a fund-raising campaign under the slogan "Together to Help Our Communities." Eurofragancers collected 4,250 euros that the company matched for a grand total of 8,500 euros to be donated to employee-selected NGOs.

8,500 euros

raised for the
**"Together to Help our
Communities" campaign**

Our dearest wish for the years to come—once the covid crisis is behind us—is to be able to pursue our service to the community in the spirit of our first Community Day.



How raised Community Week funds were allocated

Eurofragrance's global approach to business is matched by its international philanthropic activities. Our affiliates have all joined the cause and representatives from each affiliate not only helped us make Community Week possible, but also assisted us in identifying worthy causes to get involved in at their community level. In each affiliate, where we redistributed raised funds, here are the Eurofragrance Coordinators and the NGOs selected.



Singapore

Vicky Tan, Yanni Zaccaria and Nooris Noorazam

Singapore's Children Society, a charitable organization that protects and nurtures children in need.



Mexico

Gabriela Serrano

La Casa de la Sal, A.C., an association that strives to give hope to individuals of all ages living with HIV/AIDS.



Turkey

Sinem Ates and Tulay Gokce

Foundation for the Support of Women's Work (KEDV), an organization which aims to improve the economic situation of low-income women.



India

Mayur Kapse

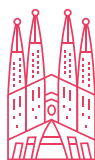
Educo, an NGO that provides food to children in need.



Dubai

Claudia Esteban

SmartLife Foundation, an NGO focused on providing food to people in need.



Spain

Mireia Cuesta

Spanish Red Cross, a project to help families whose lives have been affected by the volcano eruption on La Palma.



Value Chain

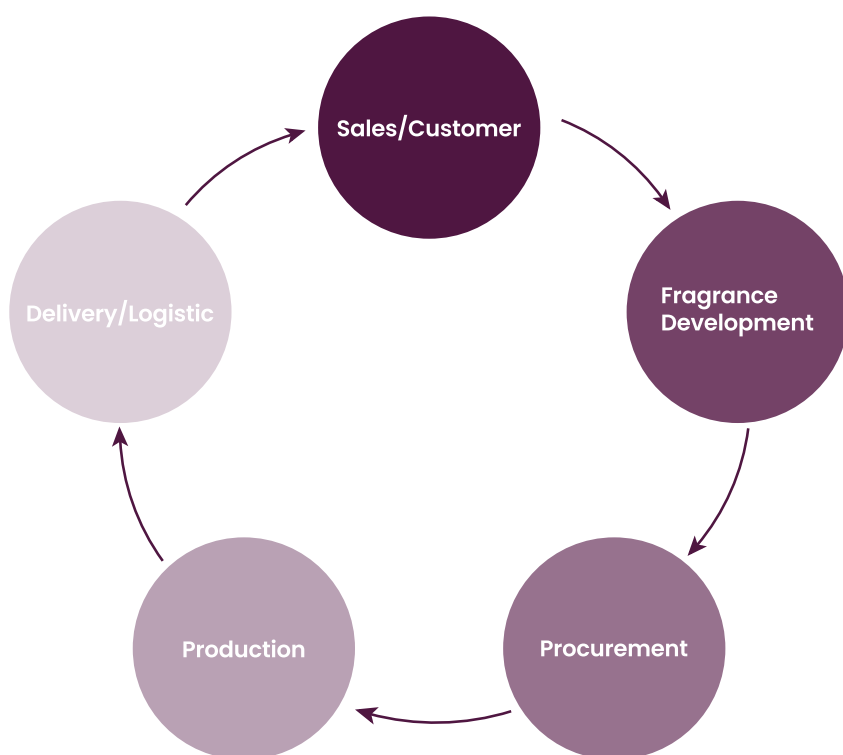
6.1 - Putting the customer first

6.2 - Customer health and safety

6.3 - Responsible sourcing and supply chain management

Putting the customer first

Allocating *resources* in the **right place**



Our value chain begins and ends with our customers. At all the steps that follow, we are intransigent with regards to: safety, sustainability and quality. And, at the final step, we deliver finished products to our customers, who in turn can market them to their consumers.

2021 saw an important strategic shift for Eurofragrance. While we have been developing and marketing fragrances in Home Care, Personal Care and Air Care from day one, we decided to formally establish two distinct business units: one for Fine Fragrances and one for functional perfumery products (Home, Personal and Air Care). In this setup, resources are better allocated; there is a concerted desire to maintain our leadership position in certain categories, while consolidating our business in other areas where there is clearly more room to grow.

Customer health and safety

Checks and balances at *every step*

(103-2) (103-3) (416-1) (416-2)

At Eurofragrance, we don't sell our fragrances directly to consumers, so you won't see our name on the label of products that you buy at retail. The perfumes we produce, be it for a fine fragrance or a powder detergent or any other category of products, are sold to manufacturers and marketers with their own brands. Like other fragrance houses, we are in a B2B2C industry. However, it is not because we are two steps away from the "final" users of our products that we shirk our responsibilities regarding health and safety concerns. Our Regulatory Affairs department is comprised of several teams who ensure that whatever we do, we do it in a manner that won't harm people or planet. This philosophy is actually enforced beyond our company walls. It starts with our external partners who supply us with raw materials and it extends to consumers who purchase our customers' brands. Above all, we want to keep everyone safe.

In order to produce the right fragrances that will perfectly meet the expectations of our customers' consumers, we must access raw materials that can be of natural or synthetic origin. In either case, they represent the needed

building blocks we rely on to create perfumes. Keeping a steady flow of incoming raw materials is critical to us, but so is discovering new sources of ingredients, or even new ingredients altogether. In these situations, the Regulatory Affairs department steps in to ensure that there are no issues linked to health and safety with a particular new ingredient.

The department is responsible for making sure that the fragrances that we produce comply with industry regulations and local legislation. In the event that an ingredient must be removed due to changes in its classification, we inform the concerned parties (usually the customer) and take the necessary steps to replace it with an approved and safe alternative raw material.



We have strong quality and environmental policies in place to ensure that our suppliers, and ourselves, constantly strive to deliver products of the highest quality while having the least possible impact on our environment. To guarantee that these rules are respected, our Quality and Environmental team monitors our actions and will, if need be, take necessary corrective measures. And ultimately, our procedures, our products and our methods are overlooked by independent, external auditors. We are pleased to report that during 2021, there were no occurrences of non-compliance regarding the health and safety of our products. We nevertheless continue to track possible incidents on a monthly basis.

★★★★★★★★☆☆

9,3

is our customer
satisfaction score

Part of our ISO 9001 certification requires us to conduct annual assessments regarding our customer satisfaction. During the 2021 reporting period, we issued a survey to 185 customers, representing our four key geographical areas of business (Europe, the Middle East, Asia and America). The response rate to our survey was just above 38%, and we scored an overall satisfaction score of 9.3 out of ten, with respondents praising us in particular for the quality of our products, our short delivery times and our compliance with their requirements that might include documents relating to quality, safety, marketing, etc.

The following table shows the customer satisfaction surveys sent and answered by regions, on number and rate:

Customer satisfaction global survey	2021		2020	
Description	Number	Rate	Number	Rate
Total number of customers invited	185	100%	130	100%
Total number of answers	71	38%	65	50%
EAT-IMEA	15	8%	17	13%
LATAM	50	27%	36	27%
APAC	6	3%	12	10%

Responsible sourcing and supply chain management

(103-2)(103-3)(102-9)(102-10)

Strengthening our supply chain

The Eurofragrance Supply Chain operations team is comprised of 27 people from four different areas: purchasing, procurement, planning and logistics, all coordinated and aligned globally. In 2021, we faced several challenges such as logistics problems and shortages of raw materials. In order to address these, we strengthened our purchasing and procurement teams through improved communication and teamwork, creating working partnerships between both departments. By making key choices and taking common decisions earlier, we reduced the risk of availability and lack of raw materials and ensured the supply of needed ingredients.

The ratio between the natural and synthetic perfumery ingredients we purchase remains unchanged in 2021, and stands respectively at 75% and 25% in terms of value.

Evaluating our suppliers

(308-1)(414-1)

Over the past year, we have continued to share with all of our suppliers our position and philosophy with regards to sustainability. We want them to know that we take this subject seriously, and we expect them to do so as well. By the end of the reporting period, virtually all of our partners up and down the supply chain understood how vital this subject is to us. Conversely, we have asked them to share information with us. To this end, we issued a survey in order to evaluate them against sustainability criteria such as their: carbon footprint, sustainability policies, shipping records (road, air and sea) and any other processes they have put in place to lessen their impact on the environment. Concerning third party shipping, we asked our suppliers to provide environmental data on their subcontracted carriers.

In the survey issued to suppliers in 2021, on top of the environment-related questions that we posed, we also

fielded a number of social-related questions that we, as a company, feel are of particular relevance. These questions revolved around their: reports (e.g., do they issue a sustainability report), initiatives and policies (e.g., do they have a labor policy).



Results of this survey revealed that for the reporting period, 77% of our production suppliers have put in place sustainability policies and that 40% are certified ISO 14001; 90% of them have policies covering Salary and Benefits, Child Labor and Harassment and Discrimination; and half of our suppliers are evaluated by EcoVadis and have implemented CSR actions.



“Establishing actions in our supply chain processes that reduce our impact on society and the environment represent an important challenge. At Eurofragrance, we are working towards a better planet, involving our business partners and collaborating with them at every step of this journey.”

Esperanza Salcedo
*Global Purchasing Coordinator and
Senior Buyer Natural Ingredients*

Supplier assessment			
Number of suppliers	2021	2020	2019
Screened using environmental criteria	118	117	69
With a sustainable policy	91	86	59
ISO 14001 certified	47	41	15
Screened using social criteria	118		
With social policies implemented	107		
With CSR implemented	59		
ECOVADIS evaluated	60		

Over the past years, we have gradually increased our proportion of local (defined as Catalonia) suppliers. However, with the pandemic crisis in full swing in 2020, which impacted availability and delivery of ingredients, we were forced to consider alternative sources of chemicals beyond Europe. This shift in procurement strategy allowed us to continue serving our customers throughout the Covid ordeal.

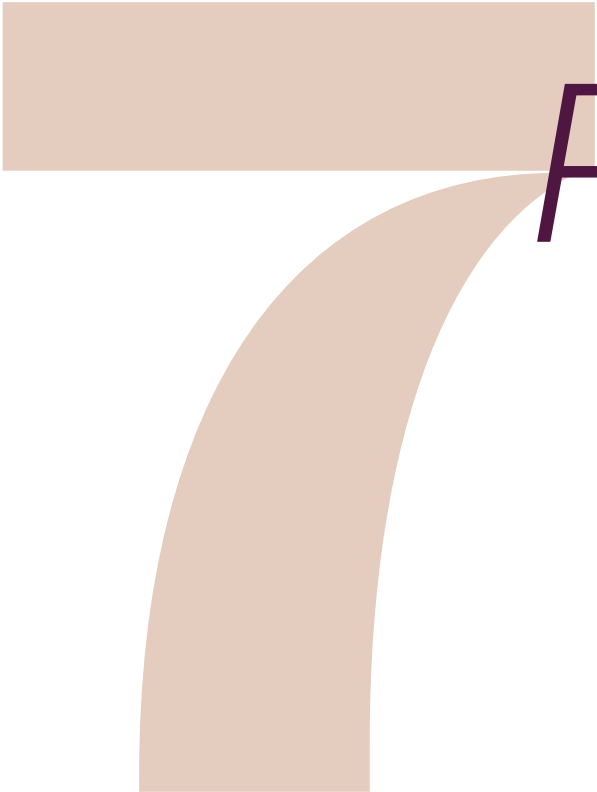
The following table sets out the supplier distribution by origin:

Origin	Number of suppliers			Purchase value (k€)		
	2021	2020	2019	2021	2020	2019
Local suppliers*	85	80	81	11,7945	9,532	12,856
National suppliers	23	29	9	3,352	2,276	2,603
EU suppliers	54	49	49	11,513	9,275	11,753
Suppliers from the rest of the world	63	42	52	18,388	12,968	16,681

* The entire region of Catalonia is considered as local and all of Spain as national, at the supply level we classify by the supplier's location and not by the origin of each ingredient.

Rafael Pérez, Warehouse Coordinator





Products

7.1 - Quality above all

7.2 - Materials

7.3 - Innovation
and technology

7.4 - Product stewardship

7.5 - Packaging



Quality above all

The *constant search* for **quality**

It's no surprise that high quality products can only be created with high quality raw materials. Same goes for fragrances. As customers have come to expect perfumery excellence from us, we are happy to oblige. The ingredients we use come from various origins, but the one constant is that we always look for the highest quality while respecting people and the environment. We do this because it is the right thing to do and because more and more of our clients demand that we embrace sustainability values. In turn, we know that consumers are also pushing marketers and manufacturers to offer more ecological and ethical products.

One clear way of guaranteeing the quality of our processes and products is to have them certified—so we do so. We have obtained ISO 9001 certification for our Creative Centers and manufacturing plants in Spain and Singapore, as well as for our Creative Center in Dubai. Our future plans include having our Mexico site also certified ISO 9001.

We keep an eye and a nose on things too when it comes to the quality of our products and procedures. We have instituted a quality working group which brings together internal professionals from several departments. The mission of this cross functional team is to follow up on situations of non-conformity, find their root cause, put in place corrective measures and assess their validity.

From left to right: Azzurra Tosi, QC Manager; Joan Marquès, Quality Control Trainee.



Materials

Outstanding *ingredients in*, outstanding **fragrances out**

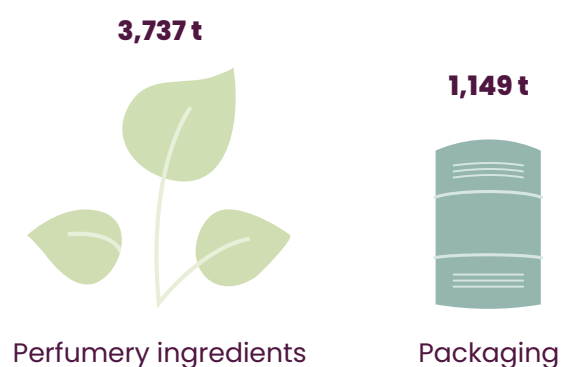
(103-2) (103-3) (301-1)

An overwhelming proportion of our output, in tonnage, is perfume, but some packaging is part of the mix too (see below). In order to create perfumes, we rely on raw materials such as ingredients (natural or synthetic), aroma-chemicals, essential oils and solvents. During the reporting period, to meet our production objectives, we consumed close to five thousand metric tons of raw materials. The suppliers of these raw materials are located in China, Brazil, Germany, France, India, Indonesia, Italy, Spain and Turkey. Different countries are better suited and adapted to produce certain ingredients and not others.

Each year, roughly twelve thousand different references (fragrances) leave our production plants, and about one third of them are considered new formulas. Some formulas were developed years ago; others are new, having been created in the current year.

To ensure our sources of raw materials remain reliable, the Purchasing department has implemented a risk map and developed contingency planning for single source raw materials by region and supplier. Thanks to our 2021 mitigation risk plan, we were able to reduce our number of single source ingredients by 7%, from 29% at the end of 2020 to 22% at the end of the reporting period.

Materials consumed in 2021



With regards to the raw materials that we source for fragrance creation, they can be naturals or synthetics. Naturals are inherently renewable; synthetics can either be renewable or non-renewable. 15% of the perfumery ingredients we source are renewable, and 85% are not. We are currently working to increase the proportion of environmentally friendly materials in our finished products.

Note: packaging is considered an essential raw material that we monitor closely, but separately from materials for perfume creation. And, all together, packaging is considered a non-renewable material.

Use of materials			
Raw materials (kg)	2021	2020	2019
All perfumery ingredients	3,736,867	3,097,603	3,484,432
From non-renewable materials	3,176,796	2,610,097	2,947,536
Synthetics (comes from petrol)	3,176,796	2,610,097	2,947,536
From renewable materials	560,071	487,506	536,896
Synthetics (derivatives of CST/GTO)	387,669	316,693	366,558
Naturals	172,402	170,813	170,338
All packaging	1,149,405	699,785	908,591
From non-renewable materials	1,149,405	699,785	908,591
All raw materials	4,886,272	3,797,388	4,393,023

Doing what's right for biodiversity

In order to properly protect biodiversity, we have established a process of "checks and stops" in the system in order to not improperly import raw materials cataloged as CITES. Regarding palm oil, we have precise criteria in place to avoid homologating palm oil whose origin is non-sustainable. Our mid-term objective (by end of year 2024) is for all raw materials we buy from palm oil to be RSPO (Roundtable on Sustainable Palm Oil) certified. As it stands today, only three raw materials come from unsustainable palm oil, representing less than 0.2% of our palette in terms of absolute references.

During 2021, we published our Responsible Sourcing Policy and Supplier Code of Ethics, which are both available for consultation on our website. These documents reflect Eurofragrance's commitment to the preservation of biodiversity and urge suppliers who operate in natural ecosystems to protect them. For those suppliers who manage land classified as common property and who farm ingredients labeled as public goods, we invite them to develop projects around sustainability themes that engage employees and their community.



Innovation and technology

Research and Development projects

Aside from some rare exceptions for which we require some external help, we conduct our own research and are accountable for nearly all of our innovations. Our financial commitment to innovation is picking up again after more than one year of Covid disruption as shown in the table below.

Innovation investment detail	2021	2020	2019
Innovation investment from Eurofragrance (€)	780,080	709,900	941,096

Three areas of innovation are of particular importance to us: fragrance encapsulation, new ingredient development and malodor counteraction.

1. Biodegradable fragrance microcapsules

Encapsulating perfume in tiny reservoirs of only a few microns in size has been around since the turn of the century, but the technology and materials used to create these capsules have evolved greatly—and continue to do so in positive ways today. Microcapsules are polymeric devices that are designed to deliver fragrance (by controlled leakage or upon breakage). Our objective is to develop a 100% Eurofragrance capsule that is totally eco-friendly. (Fragrance encapsulation is closely regulated by ECHA, the European Chemical Agency.)

In order to develop sustainable capsules, Eurofragrance is pursuing different technical routes:

- Made with chemistry without solvents or byproducts
- Relying on a simple, energy and water responsible production process
- Using compacted fragrances, reducing the dosage of fragrance in the final product
- Developing a green polymer that will be biodegradable and bio sourced

The R&D pipeline on this project is slated as follows:

- 2022: Technology development
- 2023-2024: Fine tuning and scale up
- 2025-2027: Improvement of biodegradability
- 2026-2027: New capsule generation

2. New ingredient development

Innovative, exclusive and sustainable perfumery raw materials are being developed by Eurofragrance. In the course of 2021, we launched our first proprietary ingredient, L'Âme du Bois™, an ingredient that gives a new olfactive expression to woody notes. A specific isolation process was conceived to extract this new ingredient from discarded wood waste. The design and optimization of such a process required pointed research in order to achieve the desired purity and yield. Minute variations in purity could introduce important variations in quality.

The production of this material is done in a sustainable way as our base material is leftover sawdust from the wood industry which we upcycle into a perfumery ingredient. Our production method didn't require that trees be cut. Furthermore, the wood is FSC (Forest Stewardship Council) certified and reforestation policies are in place where the timber is produced.

While in itself, our captive is an upcycled ingredient, we are currently conducting research on the residue generated by the production of L'Âme du Bois™.

This could serve as the starting material to generate other upcycled ingredients, further reducing residue and improving our efficiency in the use of wood industry byproducts.

Aside from the L'Âme du Bois™ project, additional ingredients extracted from byproducts from other industrial processes are being developed. The development of innovative and sustainable perfumery raw materials is a clear priority of Eurofragrance's R&D department.



“ Having contributed to the birth of L'Âme du Bois™ makes me twice proud. First of all, in creating Eurofragrance's first proprietary ingredient, we paved the way for additional meaningful innovations. Second, we participate in creating fragrances that are more respectful of natural resources, therefore, better for our planet. ”

Felipe San Juan
Senior R&D Scientist

3. Malodor counteraction

Certain fragrance ingredients offer interesting properties to actively tackle malodors. They are able to reduce the perception of the molecules responsible for causing unpleasant odors, or at least significantly reduce them.

For instance, during 2021 we worked on a new upcycled ingredient which offers a positive action against malodor molecules and can discernably attenuate foul smells when combined with other fragrance ingredients. Because our odor-fighting ingredient results from the waste material of other industries, we will be able to develop and offer our customers sustainable malodor solutions. Our objective is to introduce such a product on the market in 2023.

From left to right. Manel Giménez, Jr. R&D Scientist; Julio Uribe, R&D Scientist.



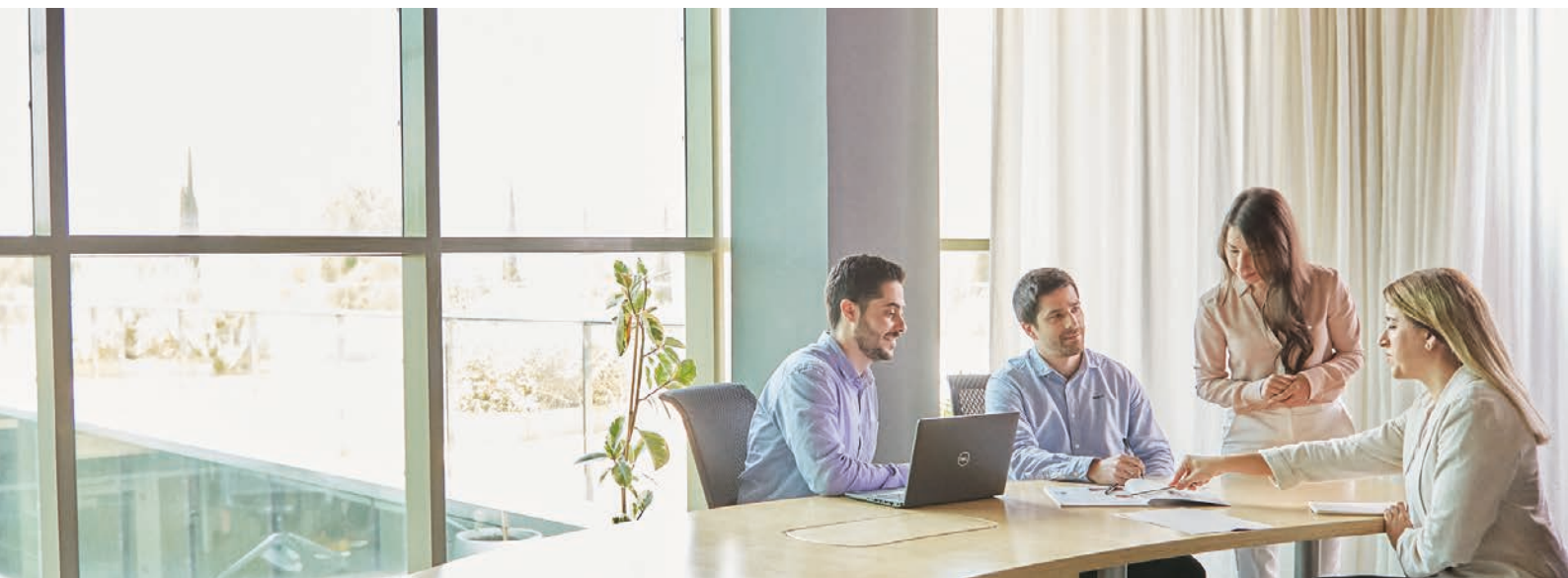
Product stewardship

In everything we do, from our labs to our warehouses and in any other setting, we constantly aim to deliver products and services of the highest quality which are safe and respectful. In particular, in our manufacturing facilities, we respect stringent safety and environmental protocols, regulations and best practices as determined by trusted industry benchmarks. This drive to produce safe and qualitative perfumes is not only an ethical prerequisite, it is also demanded by our customers who appreciate our attention to these matters.

We have stated that our corporate purpose is to “make quality fragrances accessible so that brands are able to surprise with their creations.” And, when we say “surprise,” we mean in a desirable and positive way. We strive to offer our customers the right fragrance for their brands, one that will delight their consumers without any harm to people or planet. As a global player, our concern for quality and for protecting all life forms extends across all countries we are present in. Notwithstanding that in more and more of these markets, there is a demand from consumers, and therefore from our customers, for greener and more eco-friendly products. Hence, we are happy to produce fragrances that appeal to a broad audience and that respect sustainability values. Such an approach is appreciated by our clients who, where appropriate, can obtain certified labels for their brands such as Cosmos and Ecolabel.

Our ability to help our customers obtain specific certifications strengthens our business partnership. On both sides of the relationship there is a pressing desire to secure certain certifications, which don't all carry the same credibility or weight. As a general rule, Eurofragrance works with reputable and regulated certifying organizations that demand full transparency from us on the materials we use and our production methods. This desire to be transparent extends also to our customers who appreciate full disclosure and traceability.

Regulatory Affairs & Formula Management teams



Quality and environmental management systems

(102-11)

In order to guarantee that the products we produce do not harm people or the planet during their entire lifecycle, and that the procedures we deploy are most efficient, we rely on a series of audits that occur at regular intervals.

Two important audits are conducted annually and are done within a quality and environmental management scope. One audit is external and carried out by a certified entity. The other is an internal audit carried out by a consultant specializing in ISO norms. Our Quality Assurance department also supports internal stakeholders to review and modify their current processes, if needed, within the scope of continuous improvement.

In addition, systematic spot audits are performed on a monthly basis, these internal audits, that we call "Quality Walks," are focused on operational processes and cleanliness. During 2021, Quality Assurance conducted 17 "Quality Walks," that resulted in 61 corrective actions being implemented and eleven that are pending completion in 2022.

Internal audits	2021	2020	2019
Number of internal audits carried out	22	17	15
System audit ISO 9001:2015	3	3	2
Environmental and security audit ISO 14001:2015 ISO 45001:2018	2	2	1
Cleanliness and order audit* Quality walks	17	12	12
Contingency plans	7		

*In the case of cleanliness and order, during 2021, we performed follow-up audits, but reports are issued only in the event of an incident.

Packaging

The *opportunity to* **recondition, recycle and reuse**

We all know that a fragrance house produces fragrances, but in order to ship our perfumes to customers around the world, we must also produce packaging materials. This is yet another chance to do the right thing and put in place sustainable solutions. For instance, the shipping pallets we rely on are made of recycled wood and are reusable. We also insist on using only recyclable packaging materials (typically for packaging containers) that can be either plastic, steel or aluminum.

In Spain 46% of the packaging we use in terms of units of packaging, are locally produced in Spain and the remainder in the European Union, in France to be precise. For Singapore, 94% of the packaging is of local origin and 6% from the European Union. And in Mexico, 99% of packaging is made in the country.

Any container or form of packaging that cannot be cleaned or reused is recycled via an accredited waste management service. When and where possible we use detachable pieces that are partially reusable, for instance the exterior and the pallet of the IBC (Intermediate Bulk Container) depending on its previous content and the state of the container.





Environment

8.1 - Respect for people
and planet

8.2 - Energy efficiency

8.3 - Carbon footprint

8.4 - Water management

8.5 - Circular economy

8.6 - Time to face reality

Respect for people and planet

There is a pressing need—at the global level—for all individuals and organizations to do their utmost to address sustainability-related issues. At Eurofragrance, this reality has fueled a desire for action. There is this pervasive wish amongst all employees to make things move and to do what is right from an environmental and ethical view point. For a fragrance house, doing what is right means constantly looking for ways to reduce our environmental impact, while protecting the natural resources that are so precious to us.

At Eurofragrance, we only work with raw material suppliers who respect their land and fragile ecosystems, and protect vulnerable plant and animal species. We are well aware of the effects that climate deregulation can have on the harvests of natural ingredients, which is yet a further incentive to what is right for our planet.

In our production plants, we consistently ask ourselves “can we increase our efficiency and at the same time reduce our ecological footprint?” On all our sites, we are implementing actions to reduce the quantity of raw materials we use, the energy we consume and the waste we produce. Concerning waste, we remain vigilant on the subject of contaminated packaging (metallic, plastic, etc.) and liquid waste. We are also preoccupied by our carbon footprint—which is calculated by independent experts and monitored by us—as well as by how transport impacts the lifecycle of our products.

During the 2021 reporting period, Eurofragrance never received a fine, nor was subject to sanctions for failing to comply with environmental laws or regulations.

In Spain in particular, we run our Production Facility and Creative Center according to ISO 14001 management systems. And, Eurofragrance is also transitioning its corporate fleet of cars to electric or hybrid ones. As a global entity, our environmental strategy is aligned with the following Sustainable Development Goals (SDGs) of the United Nations:

- 12. Responsible consumption and production
- 13. Climate action
- 15. Life on land



Energy efficiency

Taking matters into
our **own hands**



“ Every day, when I see on the monitor, at the entrance of our factory, our reduction in emissions and our photovoltaic energy production, I feel a bit better about the future. I am proud to belong to an organization that is committed to respecting the environment and its resources. ”

Santiago Gimenez
Global Plant Engineering Manager

600m²

*of solar panels installed
on our main factory*

(103-2) (103-3) (302-1)

Energy reduction is a key battleground for Eurofragrance, and part of our global strategy. At present, we have a dedicated line in our budgets to allocate funds to either move to green energies or to produce our own energy. Concurrently, we incessantly look for ways to diminish our energy consumption on all our sites. On the roof of our principal factory in Rubí (Spain) we installed 600 square meters of solar panels, which were put into operation in February 2021. For the reporting year, these solar panels allowed us to save just over 50 tons of CO₂ while enabling us to decrease our consumption of electricity by almost one quarter for that particular factory.

It is the Quality Assurance department that overlooks Eurofragrance’s energy consumption. Since 2020, we source our energy from a certified renewable energy provider. The same year, we also began recording our electricity consumption for our sites in Singapore and Mexico, but these cannot be certified as using renewable energy as it is a utility provided by state owned companies in both countries.

The table below reflects these hikes in electricity usage; by the beginning of this reporting period energy consumption figures covered our three largest sites.

Energy consumption (kWH)*	2021	2020	2019
Electricity	2,103,671	1,785,988	1,317,263
From non-renewable sources	710,278	560,617	1,317,263
From renewable sources	1,393,394	1,225,371	

* The information from 2019 is only for headquarters, during 2020 global KPIs were included.

Solar panels at Eurofragrance manufacturing plant, Rubí, Spain



Carbon footprint

Steps to reduce our footprint

In 2021 Eurofragrance carried out a GHG (Greenhouse Gas) inventory, drawn up in accordance with the GHG protocol to find out the impact of the company's activity on climate change, as well as the evolution of its GHG emissions over time.

Three types of ranges have been calculated:

- Scope 1: direct GHG emissions that are controlled by Eurofragrance S.L.U.
- Scope 2: indirect GHG emissions associated with the consumption of electricity by our own facilities and services.
- Scope 3: indirect GHG emissions that are a consequence of the organization's activities, but that are generated in sources owned or controlled by another organization.

Result of the different scopes:

Business unit	Scope 1 (t CO ₂ e)	Scope 2 (t CO ₂ e)	Scope 3 (t CO ₂ e)	Total (t CO ₂ e)	% of total
United Arab Emirates		31	25,528	25,559	10%
Spain	35	281	110,502	110,817	44%
United States			344	344	0%
Mexico	20	96	20,038	20,154	8%
Singapore		253	91,935	92,188	37%
Turkey	2	3	3,775	3,780	1%
TOTAL	57	663	252,039	252,759	100%

It should be highlighted that Spain coordinates a large part of the logistics that is developed by other countries. Therefore, emissions that are physically located in other territories have been imputed to Spain.

The 2021 carbon footprint amounts to 252,759 t CO₂e and 98% of which comes from the acquisition of goods and services. On the other hand, 44% of all the impact is centered on the activity coordinated from Spain. The next country in importance is Singapore with 37% of the total emissions.

2,692 t
*of CO₂ per millions
of euros invoiced*

656 t
of CO₂ per employee

Based on these results, we're in the midst of defining short and long-term emission targets as well as planning strategies to reach them. In parallel, we have joined the Voluntary Agreement Programme (a tool promoted by the Government of Catalonia and the Catalan Office for Climate Change) with the aim of taking additional measures to reduce our emissions by focusing on those categories that present the biggest opportunity and where, we as an organization, have the greatest influence possible.

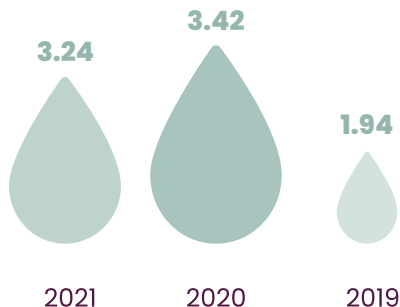
Water management

(303-5)

As far as industrial companies go, Eurofragrance's water consumption remains reasonable—most of the water we use is for cleaning purposes. Even so, we are taking steps to reduce our water consumption. For instance, in 2021, we optimized the use of containers when we switched to a new automation system on our Rubí production line. By eliminating the use of an intermediate dosing container, we eliminated the need to wash additional equipment, improving our water consumption record.

Water consumption

Consumed water (MI)

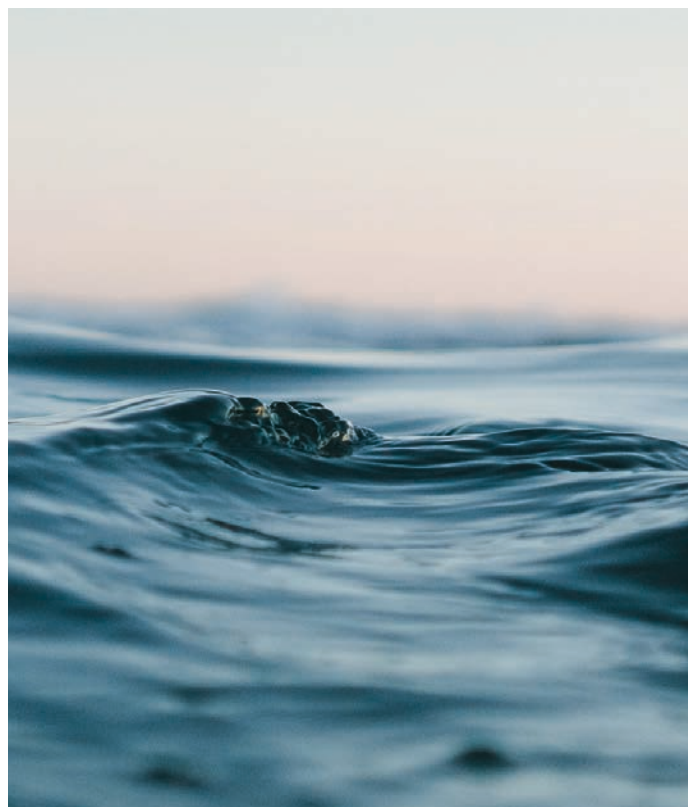


(*) The information from 2019 is only for headquarters, during 2020 global KPIs were included.

During the reporting period, we globally reduced our consumption of water in proportion with manufactured tons. If in 2020 we consumed 52.91 MI of water by ton of product manufactured, in 2021 this ratio was reduced to 42.18 MI by ton.

Still in Spain, we run our own water treatment plant, and water usage and waste water produced are both monitored by ratio of tons produced. As an environmental emergency protocol, we have also installed a retention tank and pipe stoppers in the unlikely event of a spill, in order to avoid the possible contamination of our groundwater table.

On our Mexico site, our plant suffered from recurring floods within the manufacturing plant, generating damages during the rainy season as the public drainage pipes weren't able to manage the sudden increase in water volume. We considered several solutions, including the installation of a storm tank on our premises, which once filled could then be pumped. We were eventually able to work with the local authorities to update the drainage line in our neighborhood. At the same time, in the fourth quarter of the reporting period we began work on the installation of our own water treatment plant. This plant is to be inaugurated in the first quarter of 2022.



Circular economy

(306-3)

The raw materials that we use arrive in different containers made of steel, aluminum or plastic, depending on volume and the chemical properties of the ingredient being shipped. In Spain, rather than dispose of these containers, we have them reconditioned by a certified external partner. When we need to purchase new steel drums, we

systematically opt for drums that are certified to be made of 100% recycled steel. Furthermore, the pallets, which are instrumental to shipping goods, are either reused or made of recycled plastic.

Waste generated*	2021	2020	2019
Total weight of non-hazardous waste (t)	51.19	35.69	21.90
Recovery	41.06	34.77	21.90
Paper	7.28	6.8	4.10
Plastic	9.94	8.15	No data available
Organic	1.44	0.92	No data available
Wood (pallets)	22.4	18.9	17.80
Landfill waste	10.13	0.92(**)	No data available
Landfill waste (Mexico and Singapore)	No data available	No data available	No data available
Total weight of hazardous waste (t)	255.02	191.16	196.81
Oil recovered	10.25	4.34	4.47
Other (sludge (treatment plant))	10.25	4.34	4.47
Others (physicochemical treatment)	38.51	39.52	44.82
Scented candles	0.03	0.07	0.10
Other (liquid and solid waste)	29.78	32.52	44.72
Other (liquid and solid waste) (Mexico and Singapore)	8.72	7.00	No data available
Others (recycling)	200.34	146.37	145.37
Other (contaminated packaging)	144.20	136.29	145.37
Other (contaminated packaging) (Mexico and Singapore)	56.14	10.08	No data available
Others (physicochemical treatment)	5.92	0.93	2.15
Other (absorbents)	3.91	0.89	2.11
Other (aerosols)	2.01	0.04	0.04
Total waste	306.21	226.85	218.71

(*) The information from 2019 is only for headquarters, during 2020 global KPIs were included.

(**) Figures for 2020 are not reflective of reality as we only began properly accounting for waste towards year's end.

Little streams make big rivers

One of the actions that we have carried out over the years to reduce the environmental impact of our manufacturing facility in Spain, is to use and reuse absorbent cloth for cleaning purposes, rather than paper. This cleaning fabric is supplied, managed and washed by an ISO 14001 certified company.

Another important project carried out in Spain in partnership with a supplier is the recycling of adhesive labels. As our partner is able to separate the silicone from its paper support, the different materials can then be recycled separately. Also in Spain, we have been able to reduce our liquid waste by 17% in 2021 versus 2020.

In 2021, we undertook a holistic rebranding in order to better reflect the company's vision and positioning. The refreshed, new brand image not only included a new look, logo, identity and website, but also corporate communication materials and merchandising. For all printed materials, we used certified FSC (Forest Stewardship Council) paper, while we avoided laminates and ultraviolet varnishes and wax finishes. We produced reusable cups made of bamboo fibers, recycled our old blotter holders and gave away old notebooks, pens and outdated stationery goods to ASAV, an NGO we work with that focuses on helping people at risk of social exclusion.



Time to face reality

Closing arguments from Diana March

“Since embarking on this journey, we have accomplished a great number of the goals we had set for ourselves as a company. It wasn’t always easy, but it is our responsibility to achieve our objectives and set new and even more ambitious ones if we want to do our part to preserve the planet and ensure a better future for the generations to come.

These days, we have been witness to scorching temperatures and devastating fires across Europe as well as frigid polar blasts in South America. But what if people in the northern hemisphere were only experiencing the coldest summer of many to come, and inhabitants south of the Equator their hottest winter? Yes, things could get worse if we do nothing. These events underline why individuals and organizations must take sustainability seriously and implement real solutions. More than ever, we have to act now—no excuses.

The time has also come to even further involve our stakeholders, not just inside Eurofragrance, but also our suppliers and customers, so that we can walk down this path together and ensure that we continue making scents while caring for People and Planet.”

Diana March, Global Technical Compliance Manager



A green flower bud is positioned in the upper left corner, and a long, slender green leaf curves across the bottom of the page. The background is a light, neutral color.

About the report

9.1 - Materiality analysis

9.2 - Material
sustainability topics

9.3 - Profile, scope and
coverage of the report

Materiality analysis

(102-46)

Good practices in sustainability start with understanding what matters to stakeholders, because they have influenced or are affected by Eurofragrance's operations. Eurofragrance completed a materiality assessment which involved all our staff and external stakeholders, to identify the importance of environmental, social and governance (ESG) issues. Topics were identified and prioritized by their relevance and probability of impact that these subjects have and will have on Eurofragrance, both positively and negatively, which at the same time is related to the ability to manage stakeholder expectations and value creation. So, the material topics have been selected to be included in this sustainability report based on the GRI aspects list and other identified matters.

(102-54)

The assessment was carried out in early 2021 and this report was written in accordance with GRI Standards: Core option of the Global Reporting Initiative. The material topics identified represent a snapshot of stakeholder priorities for Eurofragrance's business in 2021. These have been combined in a matrix that will guide Eurofragrance's sustainability strategy over the coming years.

From left to right: Bernd Bersch, Purchasing Director; Olivier Anthony, Ph.D, Global Research and Innovation Director; Diana March, Global Technical Compliance Manager; Alfonso Letosa, Global Talent Manager; Stéphanie Marze, Global Branding Manager.

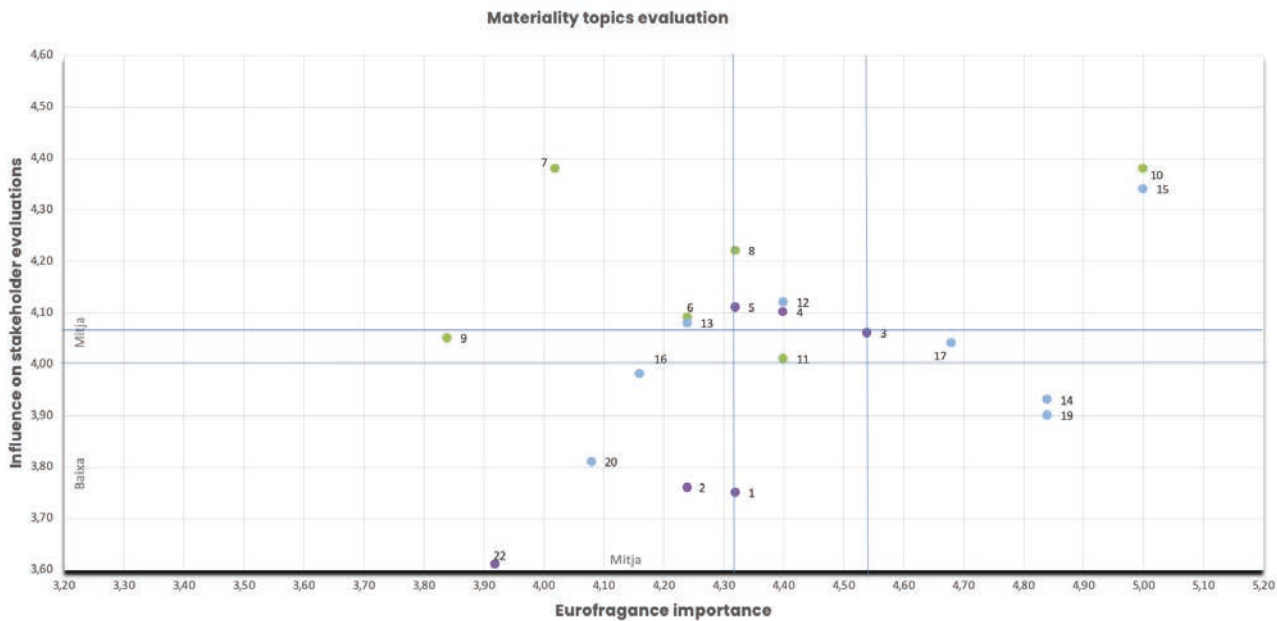


Material sustainability topics

(102-44) (102-47)(103-1)

The subjects raised by stakeholders as potential material topics were analyzed to obtain the most relevant topics while the materiality assessment was being drawn up. Taking as reference the AA1000SES Accountability standard and the GRI Standards of the Global Reporting Initiative, the materiality analysis process was carried out from an internal and external perspective. Prioritization was carried out from a double perspective, including the people who have decision-making power within the company, and through consultation with Eurofragrance stakeholders.

Following the GRI recommendations, Eurofragrance has included the subjects at both extremes: high relevance for Eurofragrance and low for stakeholders and high relevance for stakeholders and low for Eurofragrance, the results of which are reflected in the following matrix.



ENVIRONMENTAL	LABOUR PRACTICES	INNOVATION AND PRODUCTS	ETHICS AND GOVERNANCE
• 3. Materials • 4. Energy • 5. Water • 6. Emissions • 7. Waste • 8. Environmental compliance	• 10. Health & Safety at work • 11. Training, education and talent retention • 12. Diversity and equal opportunities	• 15. Consumer Health & Safety • 16. Innovation • 19. Packaging • 21. Life cycle assessment of the products	• 1. Economic performance • 16. Fight against corruption • 18. Transparency, communication and information
SOCIETY		RESPONSIBLE SUPPLY CHAIN	
• 13. Human rights assessment • 14. Local community		• 9. Socioenvironmental assessment of suppliers • 17. Responsible acquisition and supply chain management • 20. Traceability of raw materials	

The results obtained for the material topics identified for Eurofragrance are the following:

- 3. Materials
- 4. Energy
- 10. Health & Safety at work
- 12. Diversity and equal opportunities
- 15. Consumer Health & Safety
- 17. Responsible acquisition and supply chain management

In this context, to ensure this materiality assessment reflects in a reasonable and balanced manner the objectives and relevant subjects for Eurofragrance, this assessment was verified by the company, as well as the impacts, either direct or indirect, over the value chain. Besides, strategy and targets could be based on these materiality topics, as they reflect the relevance and concerns for Eurofragrance stakeholders.

(102-46) (102-47)

Material Topics	Value Chain				
	Sales (Customer)	Fragrance Development	Procurement	Production	Delivery (Logistics)
Materials	Indirect	Direct	Indirect	Direct	Indirect
Energy	Direct	Direct	Indirect	Direct	Indirect
Health & Safety at work	Direct	Direct	Direct	Direct	Direct
Diversity and equal opportunities	Direct	Direct	Direct	Direct	Direct
Consumer Health & Safety	Direct	Direct	Indirect	Indirect	Indirect
Responsible acquisition and supply chain management	Indirect	Direct	Direct	Indirect	Direct

Profile, scope and coverage of the report

(102-45, 102-50, 102-52)

Eurofragrance has prepared this sustainability report in accordance with Global Reporting Initiative (GRI) standards. This covers the period between January 1, 2021 and December 31, 2021, and the reporting periodicity will be annual.

The scope of the information in the report corresponds to the Group's activity (Eurofragrance, S.L.U., Eurofragrance Esans ve Aroma TIC. LTD. STI, Eurofragrance México S.A. DE C.V., Eurofragrance Asia Pacific PTE. LTD., Eurofragrance Dubai FZ LLC, Eurofragrance India Pvt. Ltd., and Eurofragrance Shanghai Co., Ltd.) and contains transparent, reliable and balanced information on the social, economic and environmental performance of the organization. Both positive aspects and those to be improved are reflected, so that stakeholders can obtain a reasonable assessment of the organization's performance.

(102-53)

Any questions related to the content of this report can be directed to the Eurofragrance Sustainability Committee at: **sustainability_alerts@eurofragrance.com**



This report has been created in collaboration with Anthesis
Lavola an international player in terms of sustainability.





GRI Content Index

10.1. - Appendix

Appendix

(102-55)

The following table presents the index of general and specific basic GRI contents, in accordance with the Core option of the Global Reporting Initiative.

GRI	Reporting criteria	Reference chapter / Direct answer	Omission
102-1	Name of the organization	3. Thirty years and counting	
102-2	Activities, brands, products, and services	4.1. From local to global	
102-3	Location of headquarters	4.1. From local to global CAMI DE CAN CAMPS 17-19, VALLSOLANA BUSINESS PARK, EDIFICI KIBO, 08174 Sant Cugat del Vallès, Barcelona	
102-4	Location of operations	4.1. From local to global	
102-5	Ownership and legal form	4.1. From local to global	
102-6	Markets served	4.1. From local to global Listed by country Europe Bosnia-Herzegovina Bulgaria Czech Republic France Germany Greece Hungary Ireland Italy Lithuania Moldova Poland Portugal Russian Fed. Serbia Spain Turkey United Kingdom America Brazil Colombia Costa Rica Dominican Republic El Salvador Guatemala Honduras Mexico Panama Peru USA Venezuela	

102-6
102-7
102-8

Markets served

- Asia**
Bahrain
Cambodia
China
Hong Kong
India
Indonesia
Iran
Iraq
Israel
Japan
Jordan
Kazakhstan
Kuwait
Lebanon
Malaysia
Oman
Pakistan
Philippines
Qatar
Saudi Arabia
Singapore
South Korea
Taiwan
Thailand
U.A.E
Vietnam
Yemen
- Africa**
Algeria
Egypt
Guinea
Ivory Coast
Kenya
Libya
Mali
Morocco
Nigeria
Senegal
South Africa
Sudan
Tunisia
- Oceania**
Australia
Micronesia

Scale of the organization

3.1. Key landmarks

Total number of employees	2021	2020	2019
Total number of employees (own staff and external staff)	399	418	383

3.1. Key landmarks

Information on employees and other workers	2021	2020	2019
Own staff (on December 31)	384	375	383
External staff (on December 31)	15	43	0

GRI	Reporting criteria	Reference chapter / Direct answer				Omission
102-8	Information on employees and other workers	Own staff (on December 31)				
			2021	2020	2019	
		Total own staff	384	375	383	
		Men	199	206	203	
		% Men	52%	55%	53%	
		Women	185	169	180	
		% Women	48%	45%	47%	
		External staff (on December 31)				
			2021	2020	2019	
		Total external staff	15	43	0	
		Men	8	36	0	
		% Men	53%	84%	%	
		Women	7	7	0	
		% Women	47%	16%	%	
		Contract type per gender				
			2021	2020	2019	
		% Permanent	92%	95%	88%	
		Permanent	352	358	338	
		Men	186	196	177	
		Women	166	162	161	
		Temporary	32	17	45	
		Men	13	10	26	
		Women	19	7	19	
		Total men	199	206	203	
		Total women	185	169	180	
		Total	384	375	383	
		Contract type per region				
			2021	2020		
		% Permanent	92%	95%		Data of contract type per region for the year 2019 not available due to lack of internal data.
		Permanent	352	358		
		APAC	57	58		
		EAT	196	204		
		IMEA	42	40		
		LATAM	49	48		
		North America	1	8		
		% Temporary	8%	5%		
		Temporary	32	17		
		APAC	6	5		
		EAT	32	12		
		IMEA				
		LATAM	1			
		North America				
		Total	384	375		

GRI	Reporting criteria	Reference chapter / Direct answer	Omission																																												
102-8		<table><tr><th>Working hours per gender and permanent contract</th><th>2021</th><th>2020</th><th>2019</th></tr><tr><td>% Full time</td><td>99%</td><td>100%</td><td>100%</td></tr><tr><td>Full time</td><td>350</td><td>357</td><td>337</td></tr><tr><td>Men</td><td>186</td><td>196</td><td>177</td></tr><tr><td>Women</td><td>164</td><td>161</td><td>160</td></tr><tr><td>Part-time</td><td>2</td><td>1</td><td>1</td></tr><tr><td>Men</td><td>0</td><td>0</td><td>0</td></tr><tr><td>Women</td><td>2</td><td>1</td><td>1</td></tr><tr><td>Total men</td><td>186</td><td>196</td><td>177</td></tr><tr><td>Total women</td><td>166</td><td>162</td><td>161</td></tr><tr><td>Total</td><td>352</td><td>358</td><td>338</td></tr></table>	Working hours per gender and permanent contract	2021	2020	2019	% Full time	99%	100%	100%	Full time	350	357	337	Men	186	196	177	Women	164	161	160	Part-time	2	1	1	Men	0	0	0	Women	2	1	1	Total men	186	196	177	Total women	166	162	161	Total	352	358	338	
		Working hours per gender and permanent contract	2021	2020	2019																																										
		% Full time	99%	100%	100%																																										
		Full time	350	357	337																																										
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		Part-time	2	1	1																																										
		Men	0	0	0																																										
		Women	2	1	1																																										
		Total men	186	196	177																																										
Total women	166	162	161																																												
Total	352	358	338																																												
102-9	Supply Chain	6.3 Responsible sourcing and supply chain management																																													
102-10	Significant changes to the organization and its supply chain	6.3 Responsible sourcing and supply chain management																																													
102-11	Precautionary Principle or approach	7.4 Product Stewardship – Quality and environmental management The precautionary approach was introduced by the United Nations in Principle 15 of The Rio Declaration on Environment and Development. It states: "In order to protect the environment, the precautionary approach shall be widely applied by States according to their capabilities. Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation."Eurofragrance has developed processes and policies, addressed to prevent environmental degradation as well as to protect our communities.																																													
102-12	External initiatives	4.5. Associations, certifications, and initiatives																																													
102-13	Membership of associations	4.5 Associations, certifications, and initiatives 5.4. Community																																													
		<table><tr><th>Association</th><th>Type of relationship</th></tr><tr><td>ASAV Rubí</td><td>Social Action Programs</td></tr><tr><td>Educo</td><td>Social Action Programs</td></tr><tr><td>Fundació Nuria García</td><td>Social Action Programs</td></tr><tr><td>Fundació Ricardo Fisas Natura Bissé</td><td>Social Action-Disease Research Programs</td></tr><tr><td>Caritas</td><td>Social Action Programs</td></tr><tr><td>Fundación grupo SIFU</td><td>Social Action Programs</td></tr><tr><td>Fundació Pasqual</td><td>Social Action-Disease Research Programs</td></tr><tr><td>Maragall</td><td>Research Programs</td></tr><tr><td>Oncolliga</td><td>Social Action-Disease Research Programs</td></tr><tr><td>Fundació Fero</td><td>Social Action-Disease Research Programs</td></tr><tr><td>AECC</td><td>Social Action-Disease Research Programs</td></tr><tr><td>Gran Teatre del Liceu</td><td>Patronage Programs</td></tr><tr><td>Fundació Catalunya Cultura</td><td>Members</td></tr><tr><td>IFRA-IOFI Sustainability Charter</td><td>Signatory</td></tr><tr><td>UN Global Compact</td><td>Signatory</td></tr></table>	Association	Type of relationship	ASAV Rubí	Social Action Programs	Educo	Social Action Programs	Fundació Nuria García	Social Action Programs	Fundació Ricardo Fisas Natura Bissé	Social Action-Disease Research Programs	Caritas	Social Action Programs	Fundación grupo SIFU	Social Action Programs	Fundació Pasqual	Social Action-Disease Research Programs	Maragall	Research Programs	Oncolliga	Social Action-Disease Research Programs	Fundació Fero	Social Action-Disease Research Programs	AECC	Social Action-Disease Research Programs	Gran Teatre del Liceu	Patronage Programs	Fundació Catalunya Cultura	Members	IFRA-IOFI Sustainability Charter	Signatory	UN Global Compact	Signatory													
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GRI	Reporting criteria	Reference chapter / Direct answer	Omission
102-13		FEMCAT/BIST Associació Barcelona Global AEFAA ANFPA FFAS COASHIQ Cambra Oficial del Comerç, Indústria i Serveis de Terrassa IESE University IQS University Beauty Cluster Members Members Members Members Members Members Members Collaboration Programs Sponsor Board member	
102-14	Statement from senior decision-maker	1. Message from the CEO	
102-16	Values, principles, standards, and behavior norms	4.4 Business ethics Other guidance and principles about business ethics at Eurofragrance are: • Antifraud and anticorruption policy • Confidentiality policy (which is the guidance for an adequate treatment of confidential documentation) • Whistleblower channel • Compliance policy • Disciplinary system • Security gaps protocol • Data subject service protocol • Awareness manual • Policy applicable to inspections • Policy for management of financial resources • Code for good practices (suppliers) • Equality Plan (Spain only) • Harassment protocol (Spain only) Eurofragrance has its policies and programs available in various languages; the Harassment Protocol and Equality Plan are only available for Spain as required by Spanish legislation.	

GRI	Reporting criteria	Reference chapter / Direct answer		Omission	
102-18	Governance	4.2 Governance			
102-40	List of stakeholder groups	9. About the report			
		Stakeholder			
		External	Shareholders Customers Suppliers Media		
		Internal	Board of directors Employees, managers, subsidiaries		
102-41	Collective bargaining agreements	5.1 Fully engaged			
102-42	Identifying and selecting stakeholders	Eurofragrance has identified its stakeholders based on the following criteria: dependency (those who depend on the company's activities, products or services, or those on whom the company depends to continue its activities), responsibility (either commercial, legal, operational, social, etc.), proximity (those found in the local environment) and influence (those that can generate an impact on the strategy or the business).			
102-43	Approach to stakeholder engagement	The prioritization was carried out from a double perspective. Internal perspective was gathered through interviews with people responsible for departments, focus groups and an online survey. External perspective was collected through stakeholder consultation via online surveys.			
102-44	Key topics and concerns raised	9. About the report			
		Environmental topics			
		GRI	Topic	Definition	
		GRI 301	Materials	Responsibly consume the materials used in Eurofragrance's business activity (raw materials, materials used in the production process or in the office, etc.).	
		GRI 302	Energy	Reduce energy consumption through efficient and reasonable use, as well as the use of renewable energy sources.	

GRI	Reporting criteria	Reference chapter / Direct answer	Omission																					
102-44		<table><tr><th>GRI</th><th>Topic</th><th>Definition</th></tr><tr><td colspan="3">Labor practices topics</td></tr><tr><td>GRI 403</td><td>Health & safety at work</td><td>Prevent occupational hazards and promote the health and safety of employees.</td></tr><tr><td>GRI 405</td><td>Diversity and equal opportunities</td><td>Promote diversity and equal opportunities.</td></tr><tr><td colspan="3">Innovation and products topics</td></tr><tr><td>GRI 416</td><td>Consumer health & safety</td><td>Practices and policies that guarantee quality and safe of the product.</td></tr><tr><td colspan="3">Responsible supply chain topics</td></tr></table>	GRI	Topic	Definition	Labor practices topics			GRI 403	Health & safety at work	Prevent occupational hazards and promote the health and safety of employees.	GRI 405	Diversity and equal opportunities	Promote diversity and equal opportunities.	Innovation and products topics			GRI 416	Consumer health & safety	Practices and policies that guarantee quality and safe of the product.	Responsible supply chain topics			
		GRI	Topic	Definition																				
		Labor practices topics																						
		GRI 403	Health & safety at work	Prevent occupational hazards and promote the health and safety of employees.																				
		GRI 405	Diversity and equal opportunities	Promote diversity and equal opportunities.																				
		Innovation and products topics																						
		GRI 416	Consumer health & safety	Practices and policies that guarantee quality and safe of the product.																				
Responsible supply chain topics																								
102-45	Entities included in the consolidated financial statement	9. About the report Profile, scope and coverage of the report																						
102-46	Defining report content and topic Boundaries	9. About the report																						
102-47	List of material topics	9. About the report																						
102-48	Restatements of information	From the report 2020, we would like to mention the following corrections: 4.4. Business ethics; GRI 102-16; table with people trained on Crime prevention model rectified from las report and included in the body of the text. 5.1. Fully engaged; we have corrected the information on the collective bargaining agreements. Although all employees are regulated under the existing agreements in each country, only in Spain does there exist a collective agreement, therefore, the KPI just reflects Spanish employees and not the 100% as we stated in the last report. 6.3. Responsible sourcing and supply chain management; table Origin of Suppliers, data of turnover of supplier by origin rounded for 2019. 8.4. Water management; table 303-5 was corrected, as the proper units were m3 instead of ml. There was also a typo mistake in water consumption in 2020, already rectified. 7.4. Product stewardship – Quality and environmental management systems; table with internal audits for 2020 and 2019 corrected. 8.5. Circular economy (in 2020 waste management); data in table 306-3, which reflects the waste generated (tons) has been corrected; figures related to scented candles residue, contaminated packaging and landfill waste in 2020 have been rectified. Data informed as 0 in 2019 has been updated to “no data available” when applicable.																						

GRI	Reporting criteria	Reference chapter / Direct answer	Omission
102-49	Changes in reporting	There are not significant changes with respect to the reporting period, the list of materiality topics or their coverage.	
102-50	Reporting period		
102-51	Date of most recent report		
102-52	Reporting cycle	9. About the report	
102-53	Contact point for questions regarding the report	9. About the report	
102-54	Claims of reporting in accordance with the GRI Standards	9. About the report	
102-55	GRI content index	10. GRI content index	
102-56	External assurance	The sustainability report has not been subject to any external verification.	
Environmental topics			
GRI 301	Materials		
103-1	Explanation of the material topic and its Boundary	9. About the report Materiality analysis	
103-2	The management approach and its components	7.2. Materials	
103-3	Evaluation of the management approach	7.2. Materials	
301-1	Materials used by weight or volume	7.2. Materials	
GRI 302	Energy		
103-1	Explanation of the material topic and its Boundary	9. About the report Materiality analysis	
103-2	The management approach and its components	8.2. Energy efficiency	
103-3	Evaluation of the management approach	8.2. Energy efficiency	

GRI	Reporting criteria	Reference chapter / Direct answer	Omission
GRI 302	Energy		

302-1	Energy consumption within the organization	8.2. Energy efficiency
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Labor practices topics

GRI 403	Health & Safety at work
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103-1	Explanation of the material topic and its Boundary	9. About the report Materiality analysis
103-2	The management approach and its components	5. People Eurofragrance three-point plan for people
103-3	Evaluation of the management approach	5. People Eurofragrance three-point plan for people
403-1	Occupational health and safety management	5.2. Occupational health and safety
403-2	Hazard identification, risk assessment, and incident investigation	5.2. Occupational health and safety
403-3	Occupational health services	5.2. Occupational health and safety
403-4	Worker participation, consultation, and communication on occupational health and safety	5.2. Occupational health and safety
403-5	Worker training on occupational health and safety	5.2. Occupational health and safety
403-6	Promotion of worker health	5. People Eurofragrance three-point plan for people
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.2. Occupational health and safety

GRI	Reporting criteria	Reference chapter / Direct answer	Omission
GRI 403	Health & Safety at work		

403-8	Health and safety management system coverage in the job	5.2. Occupational health and safety
403-9	Work-related injuries	5.2. Occupational health and safety

Own staff	2021	2020
Number of fatalities as a result of work-related injury	0	0
Rate of fatalities as a result of work-related injury based on 1,000,000 hours worked	0	0
Number of high-consequence work-related injuries (excluding fatalities)	0	0
Rate of high-consequence work-related injuries (excluding fatalities) based on 1,000,000 hours worked	0	0
Number of recordable work-related injuries	3	1
Rate of recordable work-related injuries based on 1,000,000 hours worked	1578.95	526.32
The main types of work-related injury	Commuting	Commuting
<i>Any accident involving medical care is counted as an accident.</i>		
Number of hours worked	1,900	1,900
Men	1,900	1,900
Women	1,900	1,900

Data of work-related injuries for the year 2019 not available due to lack of internal data.

GRI	Reporting criteria	Reference chapter / Direct answer	Omission
GRI 403	Health & Safety at work		

403-9

External staff	2021	2020
Number of fatalities as a result of work-related injury	0	0
Rate of fatalities as a result of work-related injury based on 1,000,000 hours worked	0	0
Number of high-consequence work-related injuries (excluding fatalities)	0	0
Rate of high-consequence work-related injuries (excluding fatalities) based on 1,000,000 hours worked	0	0
Number of recordable work-related injuries	1	0
Rate of recordable work-related injuries based on 1,000,000 hours worked	263.16	0
The main types of work-related injury	Minor cuts	0
<i>Any incident involving medical care is counted as an accident.</i>		
Number of hours worked (*)		
Men	1,900	1,900
Women	1,900	1,900

(*) The number of hours worked is an approximate average for all sites.

403-10

Work-related ill health

5.2. Occupational health and safety

GRI	Reporting criteria	Reference chapter / Direct answer	Omission
GRI 405	Diversity and equal opportunities		

103-1	Explanation of the material topic and its Boundary	9. About the report Materiality analysis
103-2	The management approach and its components	5.3 Equality, equity and diversity
103-3	Evaluation of the management approach	5.3 Equality, equity and diversity
405-1	Diversity of governance bodies and employees	5.3 Equality, equity and diversity

Labour category by age	2021		2020		2019	
	N°	Rate	N°	Rate	N°	Rate
Executives	9	100%	9	100%	10	100%
Aged ≤ 30	0	0%	0	0%	0	0%
Aged 30 – 50	3	33.3%	3	33.3%	3	30%
Aged +50	6	66.7%	6	66.7%	7	70%
Middle Management	71	100%	68	100%	66	100%
Aged ≤ 30	5	7%	5	7%	4	6%
Aged 30 – 50	52	73%	47	70%	44	67%
Aged +50	14	20%	16	23%	18	27%
Other staff	304	100%	298	100%	308	100%
Aged ≤ 30	58	19%	57	19%	58	19%
Aged 30 – 50	201	66%	185	62%	212	69%
Aged +50	45	15%	56	19%	38	12%

GRI	Reporting criteria	Reference chapter / Direct answer				Omission
405-1		Own staff	2021	2020	2019	
		Aged ≤ 30	58	22	41	
		Men	32	11	21	
		Women	26	11	20	
		Aged 30 - 50	42	33	43	
		Men	23	18	21	
		Women	19	15	22	
		Aged +50	6	2	2	
		Men	2	2	2	
		Women	4	0	0	

Value chain

GRI 416	Consumer Health & Safety				
103-1	Explanation of the material topic and its Boundary	9. About the report Materiality analysis			
103-2	The management approach and its components	6.2. Customer Health and Safety			
103-3	Evaluation of the management approach	6.2. Customer Health and Safety			
416-1	Assessment of the health and safety impacts of product and service categories	6.2. Customer Health and Safety			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	6.2. Customer Health and Safety			

GRI	Reporting criteria	Reference chapter / Direct answer	Omission
GRI 308	Responsible Sourcing and supply chain management New suppliers that were screened using environmental criteria		
103-1	Explanation of the material topic and its Boundary	9. About the report Materiality analysis	
103-2	The management approach and its components	6.3. Responsible sourcing and supply chain management	
103-3	Evaluation of the management approach	6.3. Responsible sourcing and supply chain management	
308-1	New suppliers that were screened using environmental criteria	6.3. Responsible sourcing and supply chain management	
GRI 414-1	Responsible Sourcing and supply chain management New suppliers that were screened using social criteria		
103-1	Explanation of the material topic and its Boundary	9. About the report Materiality analysis	
103-2	The management approach and its components	6.3. Responsible sourcing and supply chain management	
103-3	Evaluation of the management approach	6.3. Responsible sourcing and supply chain management	
414-1	New suppliers that were screened using social criteria	6.3. Responsible sourcing and supply chain management	