

REPORT

SUSTAINABLE DEVELOPMENT 2022





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of our approach

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“ A WORD FROM THE PRESIDENT

5th generation of farmers, our group has developed on the basis of strong values of respect for know-how and traditions, and protection of biodiversity.

Our commitment is a corporate project that I share with all of our employees in order to co-construct, at each stage of the value chain, innovative programs that respect both Human and the Environment: from the plant, on our production lines in France and abroad, to the extracts processed on our sites in France.

In this fifth sustainability report, we present all of our actions and indicators for 2022, as well as the trajectory we are pursuing in terms of sustainable development with our stakeholders.



Cécile Mul





#1

OUR
COMMITMENTS


ABOUT GAZIGNAIRE

Founded in 1865 in the heart of the cradle of the aromatic industry in Grasse, Gazignaire is a family business specializing in the extraction and distillation of natural plant raw materials.

Farmers for 5 generations, the Mul family has developed its activity of production of perfume, aromatic and medicinal plants (PPAM) to integrate the historical know-how of transformation into aromatic extract in the 1970s. Our atypical profile, at the same time farmer and transformer of PPAM allows us to have a unique positioning and a singular approach, upstream of the trades of Aromatics, Perfumery and Cosmetics.

Succeeding her father, Cécile Mul is now developing the Group's activities with the same entrepreneurial family vision and reinforcing the regional and local integration of J. Gazignaire within the Grasse region by offering aromatic extracts that are fully traceable and respectful of people and the environment.

At the heart of Gazignaire's business is the extraction and distillation through a high-performance equipment and an internal analysis laboratory allowing us to meet all the demands of our customers. As an active member of companies committed to the climate, our R&D team is working on eco-extraction techniques to offer aromatic extracts with a reduced environmental impact.



—
FROM THE PLANT
TO THE EXTRACT
—

The desire to reduce our environmental impact is also reflected in the supported programs with our partner producers in France and abroad. The creation in 2020 of an Experimental Garden (JEX) to try out new agricultural techniques for reducing the carbon footprint will provide concrete guidelines and generate agricultural data that will be used for all our aromatic extract productions.



10 %
growth in sales
between
2021 & 2022



29,22 %
of turnover
abroad in 2022
(including 15.88% in Europe)



44
full time employees
at 31/12/2022
(112 FTE in
the Mul Group)



10
existing
certifications



450
references
of aromatic extracts



66
sustainable
sourcing programs





AROMATIC KNOW-HOW

EXTRACTION & DISTILLATION

Upstream of the Aromatics, Perfumery and Cosmetics industries, Gazingaire is specialized in the extraction and distillation of natural plant raw materials. We are thus equipped with an efficient industrial tool for both pilot and production.

Our Research & Development team works on the development of aromatic solutions that meet the different applications of our customers: tailor-made creations adapted to each project and its constraints. Our analysis laboratory allows us to manage a control plan at each step of the transformation from the referencing of our raw materials to the release of our finished products.

EXPERTISE IN PLANTS

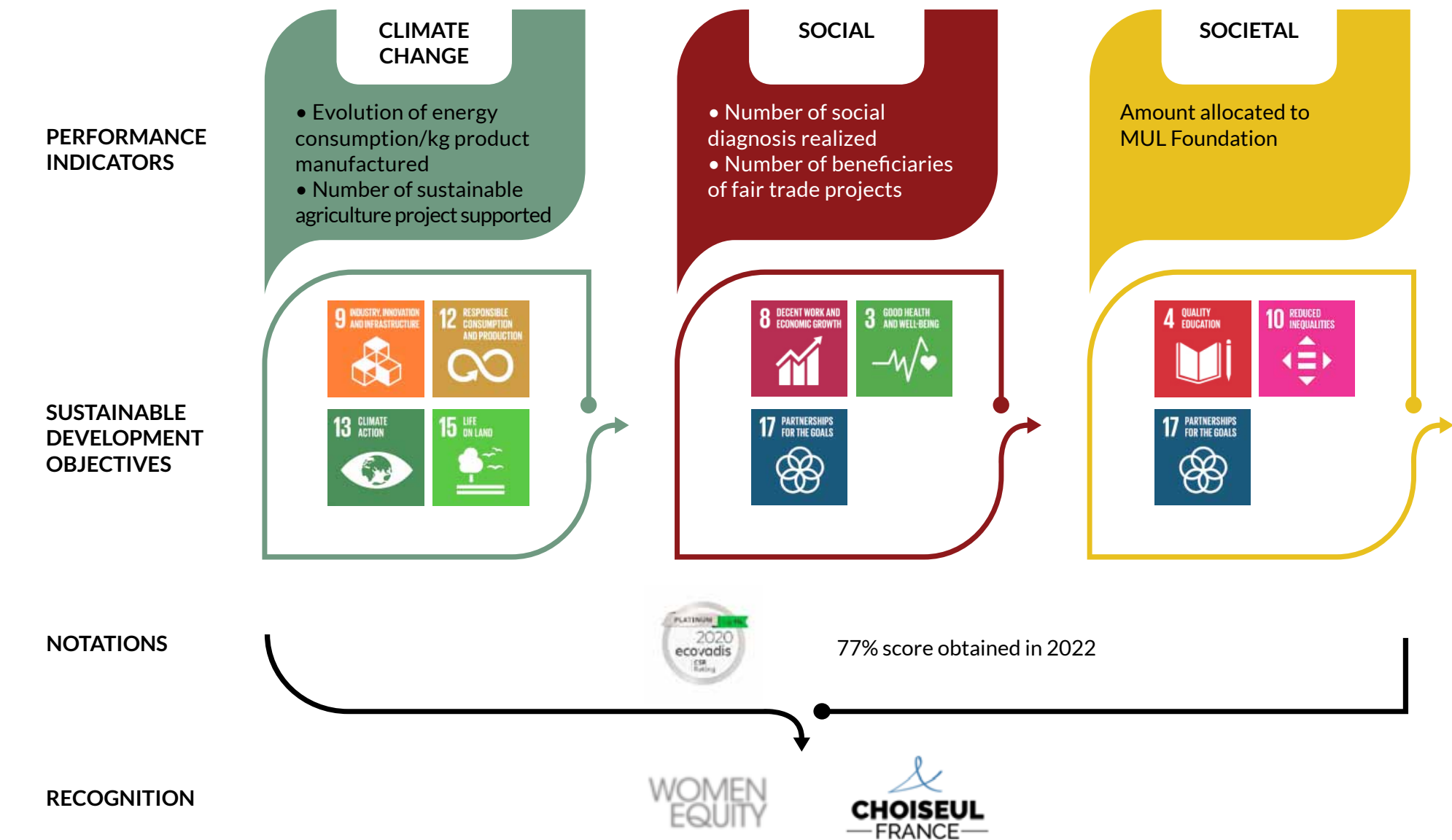
PLANT TREATMENTS

Specialized in sourcing plants for the production of our natural ingredients, we have a production site dedicated to the processing of plants.

- Drying
- Grinding
- Screening
- Debacterization: sterilization by autoclave without altering the products, maintaining all their characteristics (appearance, taste, essence content, etc.).



PERFORMANCE 2022



OUR SUSTAINABLE DEVELOPMENT APPROACH

Our Sustainable Development approach is based on our guiding principles since the creation of the company in 1865, namely

Respect and maintenance of tradition

Mastery of the entire supply chain

Work on natural raw materials that respect Human and Environment

Since 2018 we have created a department dedicated to Corporate Social Responsibility (CSR) and sustainable development. This has enabled us to structure the approach and set short and medium-term sustainable development objectives. Our CSR policy has always been at the heart of our development strategy. Indeed, it integrates all the strategic axes of the company, namely:

**RESPONSIBLE
PURCHASING**

**ENVIRONMENTAL
IMPACT**

**DECENT WORKING
CONDITIONS**

**TRANSFERRING
OF KNOW-HOW**

Our sustainable development approach provides a global framework for action in the following areas

- Promoting the integration of vulnerable people in all our value chains;
- Improving the well-being of employees by working on the quality of life at work;
- Reducing the environmental impact of our aromatic extracts;
- Engaging our stakeholders in eco-design processes;
- Developing Biodiversity protection programs;
- Transmitting our know-how in the Pays de Grasse through educational actions with local schools and institutions;
- Developing programs with our endowment fund, MUL Foundation.

REGULATION & EUROPEAN FRAMEWORK

Sustainable development is now a social issue, which since the 1990s has been the subject of conferences and forums around the world. We are now facing a climate emergency that requires us to accelerate our efforts to reduce the harmful effects of climate change. Climate change is already having a major impact on our activity in terms of agricultural production, the fragility of vulnerable populations in our sectors and of course in terms of production methods. The implementation of the ISO 26000 and ISO 20400 standards was a first step in structuring our approach and providing a guideline for our relations with our stakeholders.

The implementation of the Duty of Care Law in France in 2017 for ordering companies has made it possible to integrate social and environmental issues into the company's risk mapping. Today, the implementation of the Duty of Care Law at the European level, integrated into the European Green Deal, allows for a wider application of the law and the sensitization of a larger number of companies to respect decent working conditions and the implementation of plans to reduce the environmental impact of companies.

Our activity of extraction and distillation of natural raw materials implies an expertise not only on the quality of the raw materials but also on the working conditions and the associated environmental practices. For several years, we have been conducting various projects in our supply chains to address social and environmental issues and we have now consolidated a risk map for our stakeholders.

In a desire for transparency and in anticipation of the applicable European regulations, we use the Global Reporting Initiative (GRI) methodology for our performance indicators. Global Compact France and participation in the 17 Sustainable Development Goals is also a major focus of our annual reporting.

Finally, since 2020, we have been participating in the IFRA-IOFI Sustainable Development Charter, a sectoral initiative of companies in the Flavors and Fragrances industry to highlight the major changes in the sector in the face of the 2030 objectives for reducing global warming to 1.5°C.

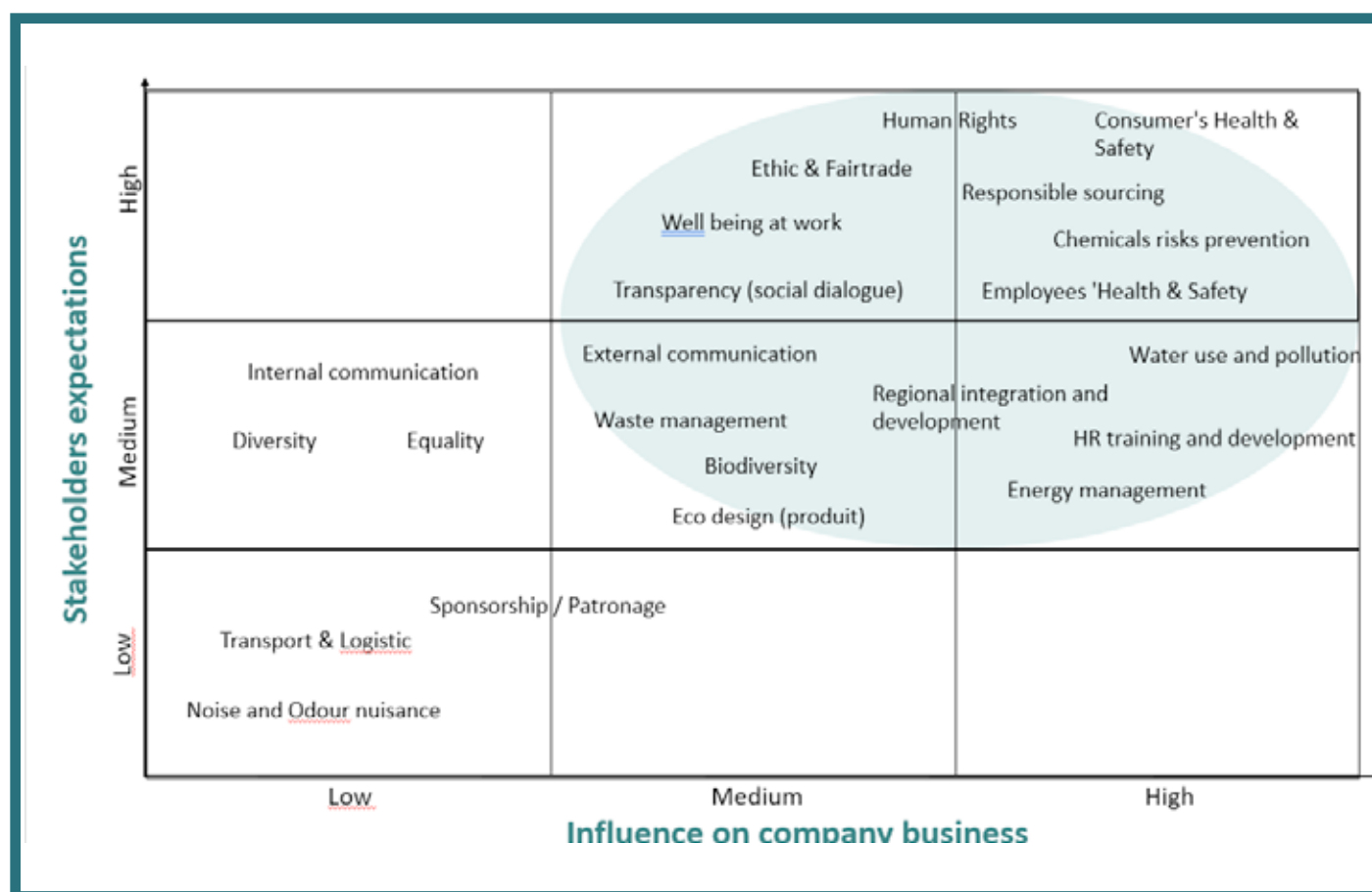
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OUR STAKEHOLDERS

Our sustainable development policy is based on the analysis and study of our stakeholders. The formalization of our corporate raison d'être in 2021 has enabled us to respond to the global expectations of our stakeholders. Every year we renew the analysis of our stakeholders and their expectations of our activity.

The period after COVID 19 has enabled to plan an open day for the families of the company's employees in 2022. This day allowed us to respond to a growing demand on the part of employees to make their jobs known to their relatives and also to discover internally the various activities of the Mul Group.

The analysis of our stakeholders reveals that in 2022 expectations are increasingly high in terms of energy transition and climate change. Indeed, our aromatic extract manufacturing activity consumes energy and we have been implementing for several years a plan to reduce our energy consumption per kilo of extract manufactured. The energy crisis that the European Union is going through is also an issue that we are facing and our priority is to reduce our gas and electricity consumption in order to respond to the public authorities' demand for energy sobriety but also and above all to respond to our desire to be part of a sustainable ecological transition with aromatic extracts that have less impact on Human and the Environment.



OUR MEMBERSHIPS & PARTNERS

Our local and national integration is part of our desire to develop partnerships in our value chain but also with local stakeholders and organizations specialized in each of our activities. In 2022, we joined the ITEPMAI (Technical Institute for Aromatic, Medicinal and Perfume Plants) to monitor and contribute to the structuring of the supply chains in France and more specifically in the Pays de Grasse.



EXPERTISE



National Industry Union of Ingredient and Food Processors compositions intended for perfumery.



National Syndicate of Aromatic and Food Ingredients.



Competitiveness cluster at the service of naturalness.



International Federation of Essential and Aroma Trades.



SOCIAL



Global Compact, France network (Côte d'Azur circle)



ENVIRONMENT & BIODIVERSITY



EXTERNAL EVALUATIONS



#2

HUMAN
RIGHTS



OUR SOCIAL POLICY

HUMAN RIGHTS AT THE HEART OF OUR APPROACH

At the heart of our sustainable development approach, our social policy is a major focus of work and action for our internal employees as well as for our partners in the sectors in France and abroad. This policy includes all our commitments in terms of decent working conditions, compensation, health & safety and well-being at work.

care in France and in Europe, we have also worked on a risk map for vulnerable people in our supply chain. This risk mapping is based on international human rights conventions, but also on specific texts depending on the political, economic and religious contexts of the countries in which we buy our raw materials.

Our social policy is based on all the national and international conventions for the protection of human rights, namely:

- Respect international human rights obligations and principles and never to be complicit in violations of these rights;
- Eliminate all forms of forced or concealed labor and respect the fundamental conventions of the ILO n° 138 and 182 concerning child labor;
- Respect the freedom to form and organize trade unions to defend employees and to recognize the right to collective bargaining.

As part of our compliance with the law on duty of



80%
maturity score
during our annual
assessment by EcoVadis.



AN ACTIVITY IN THE HEART OF THE PAYS DE GRASSE

The Pays de Grasse is the historical cradle of the cultivation and transformation of perfume, aromatic and medicinal plants (PPAM) and today is a territory with a rich know-how. We support local supply chains by offering long-term supply contracts (over 5 years). Our processing site, located in Pégomas, is in the heart of the region, allowing us to reduce transportation between the agricultural production plots and processing. We work with several categories of raw materials in the Pays de Grasse:



19
sourcing programs
in the Pays de Grasse





FRUITS IN SHORT CIRCUITS WITH LOCAL PRODUCERS

In collaboration with local producers, we promote short circuits and enhance the value of fruits that are not used in the food trade. In season, boxes and paloxes of apricots, peaches, plums, raspberries, or cherries feed our extractors and stills. This palette of senses and flavors is enriched by the different technologies used on the site such as hydro-alcoholic maceration, fruit water, distillation or ultra-sound extraction, that are some of the creative possibilities available to our R&D department and our flavour manufacturer customers.



PRUNING WOODS

Cypress, Petitgrain, Violet leaf, are the branches, leaves and pruning wood that we will load into our extractors and stills.

Extracted or distilled with steam, the recovery of pruning wood is a tradition and a historical local know-how of the aromatic industry in the Pays de Grasse. Relaunching these channels allows us to commit ourselves to local environmental initiatives working to recover green waste. The establishment of local partnerships allows us to ensure the traceability and quality of plants in a circular economy.



EMBLEMATIC FLOWERS OF GRASSE

Rose centifolia, Orange blossom, Lavender, Mimosa, these flowers are emblematic of the Pays de Grasse. Cultivated in the plains, on the coastal hillsides or on the plateaus in the high country, if these aromatic and medicinal plants (PPAM) have made the richness of our territory, since the 60s, the cultivated surfaces have strongly reduced, some cultures have even disappeared.

Within the framework of the policy of agricultural revitalization of the territory, in coherence with our approach of Social Responsibility, and with the aim of setting up a reliable, secure and responsible supply, we commit ourselves at the sides of the Communes and Communities of Agglomeration on setting up agricultural programs.

All the new plantations are part of a sustainable development approach and will be certified organic.

POLICY & OBJECTIVES

As part of our social policy, we are working to achieve our short and medium-term objectives. The definition of these objectives is a major axis of our sustainable development trajectory. Indeed, the objectives are set, measured and reviewed each year by the CSR and HR (Human Resources) department.

OUR OBJECTIVES & COMMITMENTS

- **TRAIN & RAISE AWARENESS** all our stakeholders in our supply chain in France and abroad of human rights issues.
- **MAINTAIN GENDER EQUALITY** within the company and particularly within the management team.
- **DEVELOP** employees internally through a process of mobility and skills development.
- **FIGHT CHILD LABOUR** in our supply chains.
- **SUPPORT PROJECTS OF GENERAL INTEREST** through our endowment fund, MUL Foundation, for the protection of human rights in France and abroad.

50% ♀ - 50% ♂

in the management
team at 31/12/2022

36% ♀ - 64% ♂

in total in the company
at 31/12/2022

35 years

average age
of the company

2,22%

of turnover in 2022

0,82%

absenteeism rate in
2022

ACTIONS & RESULTS

TRAINING AND SKILLS DEVELOPMENT

In 2022, we have continued our policy of developing the skills of all our employees in accordance with the training plans approved during annual interviews. Our ambition is to offer internal development to all employees by following an adapted training program that can be linked to partner organizations such as the Innov'Alliance competitiveness cluster or our trade unions (SNIAA and PRODAROM). In 2022, the volume of training hours per person within the company will amount to 32 hours per person compared to 10.8 hours per person in 2021. The end of the COVID 19 crisis is also a factor in the recovery of external training.

QUALITY OF LIFE AT WORK

In 2022, for the first time, we conducted a satisfaction survey on the quality of life at work. The survey was carried out anonymously, with a response rate of 75% of employees. This survey helps to guide our social policy actions in terms of internal communication, training and also the adaptation of practices to improve the working environment. Topics such as the relationship with one's manager, the relationship with one's teams, but also the balance between personal and professional life were addressed. The survey has become a monitoring and reporting tool to encourage social dialogue and feedback. It will be repeated on more specific topics such as health and safety in 2023/2024.



22,22 %
of job changes in 2022
(+26% compared to 2021)



32 Hours
of training per person



89%
of annual interviews
conducted at 31/12/2023



20,45%
of employees promoted

ACTIONS & RESULTS

HEALTH AND SAFETY AT WORK



Health and safety is a major subject of our social responsibility and sustainable development policy. We have an annual objective of zero work-related accidents among our teams. Led by the QHSE (Quality, Health, Safety and Environment) department, one person is dedicated to monitoring the Health & Safety policy on a daily basis. In 2022, we continued our actions in terms of training on chemical risks related to our activity (use of solvents, foreign bodies, etc.). Risks related to gestures and postures are also part of the training given during the induction training.

The development work on the production site, located in Pégomas, allowed to study workstations and flow management in order to limit health and safety risks.

In terms of Personal Protective Equipment (PPE), molded plugs for all employees in the production workshops have been made. This has made it possible to significantly and effectively reduce exposure to noise.

In 2023, a quality of life at work survey will be conducted, including more specific questions on health and safety. This will provide feedback on the actions taken and allow us to plan the trajectory for 2024/2025.

62,72%

frequency rate 2022
(5 lost-time accidents
compared to 2 accidents in 2021)

1,27%

severity rate
(compared to 0.31 in 2021)

34

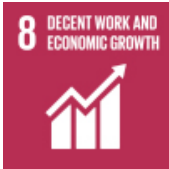
people trained at the time
of taking up their position in
health & safety policy

31

people trained in our annual
occupational health and
safety training

PROTECT HUMAN RIGHTS IN OUR SUPPLY CHAINS

**Working together to ensure the protection of human rights
in our supply chains in France and abroad.**



In terms of human rights, our actions do not only concern the employees of our production sites in the Grasse region. Our social policy also extends to our supply chains abroad. We are working on audit, diagnostic and analysis tools to protect human rights with all our partners.

Human rights issues in our supply chains include the following:

- Worker Visibility;
- Remuneration;
- Working Relationships;
- Health and Safety;
- Education;
- Social security.

In 2022, we continued our social diagnosis of our industry in Bulgaria for Rose Damascena and Fine Lavender. Accompanied by the NGO RHSF (Ressources Humaines Sans Frontières), we were able to study and map the social and societal risks of the supply chain. These risks have led to an action plan and a short and medium term project to improve working conditions and the protection of human rights.



MUL FOUNDATION : PROJECTS AT THE HEART OF OUR SOCIAL POLICY

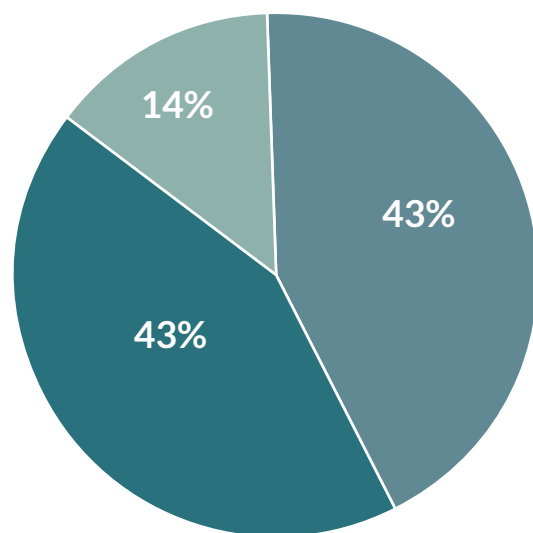


MUL
Foundation

Created in 2018 by the Group, MUL Foundation aims to accompany and support general interest projects in France and abroad.

7

projects supported in 2022



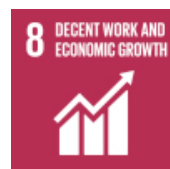
Distribution of projects supported in 2022.

■ Social ■ Societal ■ Environment

Support for the Association for the preservation of fine lavender in the Pays de Grasse.

In 2022, we supported the creation of an association for Lavender producers in the Pays de Grasse and particularly in the Alpes Maritimes. This association aims to preserve the local know-how of Lavender cultivation and to help the producers through a Fair For Life certified program.

The producer can thus benefit through the association of fine lavender of a complementary income in addition to the purchase price to develop projects or improve working conditions on the farm.



#3

ENVIRONMENT



OUR ENVIRONMENT & BIODIVERSITY POLICY

Our environmental policy is based on our historical vision of offering natural aromatic extracts while reducing our environmental impact. Our environmental policy is at the heart of the development of our core business, namely extraction and distillation. Our commitments cover all of our processing activities at our sites in Pégomas and Bar-sur-Loup as well as our supply chains in France and abroad.

Our environmental policy is based on the main legal texts applicable in France and in Europe, in particular

- The national and European directives for industrial sites ICPE with registration;
- European Green deal policies;
- Duty of Care Law;
- The Nagoya Protocol for Sharing Access to Genetic Resources;
- The law on imported deforestation from the European Union.

In terms of the assessment of our environmental policy, we have obtained a 70% maturity score for our environmental management system from the EcoVadis rating agency. Our action plan and trajectory for reducing our carbon footprint is also at the heart of the implementation of ISO 14 001 certification, scheduled for 2024.



OUR CLIMATE & BIODIVERSITY OBJECTIVES

The acceleration of climate change is leading us to evolve our environmental policy towards more ambitious and strict objectives in order to reduce the carbon footprint of our aromatic extracts.

We have thus set the following objectives for 2022:

- Reduction of 5% of our electricity consumption / kg of finished product;
- Reduction of 10% of the quantities of waste / kg of finished product;
- Reduction of 5% of our gas consumption / kg of finished product.

Our goals are integrated into the following action areas:

Optimizing of
waste management
& recovery

Optimization
of energy
consumption

Reducing the carbon
footprint of our
production sites

Protecting of
biodiversity & plant
resources

Improving
environmental
awareness of employees

Improving
continuously of our
production processes

ACTIONS & RESULTS 2022

IMPLEMENTATION OF AN ENERGY SOBRIETY CHARTER

We have formalized and communicated to all our employees an Energy Saving Charter for the company's various activities. This charter is based on 4 pillars, namely

- Encouraging and promote the fight against energy waste;
- Reducing our environmental footprint to promote energy efficiency;
- Promoting sustainable mobility;
- Deploying a shared network of animation within the company and with our stakeholders.

In addition to the implementation of the Energy Saving Charter, we have continued to study our processes at our production site in Pégomas. This study has made it possible to examine the main areas that consume energy in electricity, gas or water, such as steam generation or the cooling process. Actions have been identified to significantly reduce energy consumption.



When we set up our Energy Saving Charter, we joined the «Les Entreprises s'engagent» network for the fight against climate change.



-8%

of electricity consumption / kg of finished product between 2021 & 2022



-18%

of gas consumption / kg of finished product between 2021 & 2022



-2%

of waste generated /kg of finished product between 2021 & 2022

ACTIONS & RESULTS 2022

DEVELOPMENT OF OUR EXPERIMENTAL GARDEN (JEX) IN LA ROQUETTE SUR SIAGNE



Created in 2021 on a 9,000m² area near our processing site in Pégomas, the JEX is a space for experimentation and production of Perfume, Aromatic and Medicinal Plants (PPPAM). This area entirely managed organically is an area for testing new growing methods based on regenerative agriculture and agroecology.

In 2022, JEX has nearly 30 experiments underway. The practices implemented aim to develop the local fauna and flora, reduce tillage (no plowing done), spread organic matter, grow green manures and have a 100% soil cover policy.

Our agronomic team monitors performance indicators and drafts technical itineraries for cultivation that can be proposed to other local producers of the identified PPAM crops. The creation of a database specific to each experiment also enriches the soil regeneration and biodiversity indicators.

JEX Performance Indicators	2021	2022
Soil Organic matter content% Soil Organic matter content% Soil	2,05%	5,3%
Soil Carbon content g/Kg *	11,9	30,7
Soil Microbial biomass/ mg-C/Kg **	283	353
Soil cation exchange capacity***	7,67	11,7
Water useful reserve M3/Ha***	112	373
Soil slaking index*****	0,8	0,4

*Soil carbon is the solid terrestrial matter stored in the soil. This term includes both soil organic matter and all the inorganic carbon constituting carbonate minerals.

** Microbial biomass is the amount of «living carbon» contained in the soil microbes, mainly bacteria and fungi.

*** Cation exchange capacity (CEC) is a measure of a soil's ability to hold and exchange cations. It is a relative indicator of the fertility potential of a soil.

**** The useful water reserve of a soil (UR) is the amount of water that the soil can absorb (soil water retention) and return to the plant.

***** The battance index applies to the surface horizons. The higher the value, the greater the risk of capping.

ACTIONS & RESULTS 2022

PROMOTE BIODIVERSITY & AGROFORESTRY IN OUR BENZOIN PRODUCTION CHAIN IN LAOS

Benzoin is a resin harvested from a tree called *Styrax Tonkinensis* in Laos, in the heart of the mountains of the Luang Prabang region. Our supply chain is structured around several villages of producers who have expertise in gemmage and resin drying that has been passed down from generation to generation. In 2022, we worked with producers from several villages identified for the creation of a nursery of *Styrax Tonkinensis* that can be introduced at the edge of plots or in co-culture of plots of Arabica coffee already present in some regions of Laos. The objective of this project is to carry out crop trials on the same plot, allowing the producer to have a diversity of crops on his plot, a greater biodiversity and a potential additional income.

7
villages
of producers

800
trees in nursery
in 2022



#4

ETHICS



OUR ETHICAL POLICY

In terms of ethical practices in all of our activities in France and abroad, we have formalized several documents to govern our relationships and our working environment. Our corporate ethics charter is communicated to all our partners, suppliers, service providers and subcontractors. It is based on the following regulatory texts

- Law n°2016-1691 on transparency, the fight against corruption and the modernization of economic life;
- Sapin 2 law on anti-corruption;
- The 1997 OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions;
- The 2003 UN Convention;
- Foreign Corrupt Act Practices (FCAP).

Our anti-corruption policy includes a definition of the company's main areas of commitment. We have zero tolerance for corruption within the company and with our stakeholders.



80%
score of our ethical and
corruption policy by EcoVadis



COMMITMENTS & OBJECTIVES

Our ethical and corruption commitments include the following objectives:

Transparency with
all our supply
chain members

Raising awareness
of 100% of our
stakeholders about our
anti-corruption policy

Reducing risks associated
to ethics, social and
environmental practices in
our supply chain

Working together to
reduce corruption risk
in transportation
of raw materials



ACTIONS & RESULTS 2022

In 2022, we carried out several social diagnostics within our strategic supply chains, such as in Bulgaria, Madagascar and Laos. These diagnostics aim to identify the risks and actions to be taken to reduce the risks identified, particularly in terms of corruption.

In Bulgaria, we have worked with our partner producer and processor of Rose damascena and fine Lavender to carry out a social and ethical diagnosis of practices. The latter aims at conducting interviews with all the actors of the supply chain, namely the rose pickers, the employees on the processing site but also the public bodies such as the local municipalities, the mediators with the Rome community in Bulgaria and particularly within the production villages.

In Bulgaria, nearly 90% of the Rose pickers are from the Rome minority. They have always lived in Bulgaria but are victims of social and societal exclusion. Public policies and the European Union are trying to set up programs for the social integration of the communities. We have thus developed, within the framework of our Ethical Charter and good practices, an action program dedicated to the study of working conditions and transparency of information with the Rome communities locally. This program is based on a long-term vision shared with all our stakeholders.



Objective of retaining
40%
of the workforce for the
harvest 2023

100 people
are welcomed
daily to pick the Rose

100%
of workers benefit
of the social security

#5

RESPONSIBLE
PURCHASING:



RESPONSIBLE PURCHASING POLICY & OBJECTIVES

We have developed our sustainable development policy into a specific responsible purchasing policy for all our supply chains. Integrated into the heart of our DNA as a historical company in the Pays de Grasse, our policy has several objectives:

1. Establishing trusting, sustainable and transparent relationships with all suppliers, service providers and subcontractors;
2. Ensuring compliance with the ethical charter of good conduct throughout their supply and production chain, concerning the respect of Human and Labor Rights, the protection of the Environment and Biodiversity, as well as the empowerment of local communities. This is to reduce the likelihood of our suppliers violating social and environmental laws.
3. Favouring local purchase (native growing place or wild collection of the raw material) when it is available in quantity and quality.
4. Collecting information on the entire production chain (intermediary, origin, traceability, fair partnership, place of harvest / collection, respect of the ethical charter, etc.) when the product is not available directly at the origin.
5. Favouring direct purchase from producers (associations, groups, cooperatives, small producers), when the purchase concerns a plant, a fruit or a spice, by proposing, when possible, a long-term partnership agreement, with financial, technical and commercial support.
6. Establishing a price negotiation according to the principles of fair trade with a fixed floor price calculated according to the market price to ensure the definition of a «fair price».



ACTIONS & RESULTS

Our responsible purchasing policy is implemented by our Purchasing and Sustainable Sectors departments. Each department deploys the approach with key performance indicators. In 2022, we have evolved the approach by specifying new indicators to target specific issues.

BUYING STRATEGY DIRECTLY FROM THE PRODUCER

Today, nearly 50% of our raw material purchases are made directly from the producer. This development strategy based on a direct connection with producers has always been an integral part of our sustainable development policy, as we were originally a family of perfume, aromatic and medicinal plants farmers.. All of our direct purchases from producers are made under formalized supply contracts. We have also developed several support programs for producers in France and abroad to help them diversify, convert to organic farming or implement better agronomic practices.

DEVELOPMENT OF CERTIFIED FAIR TRADE PROJECTS

In 2022, we also continued to implement our fair trade projects in our supply chains in France and abroad. In France, we have developed a Fair For Life certified fair trade supply chain for organic and fair trade fine Lavender distilled water. After achieving the certification of our Vanilla supply chain in Madagascar with FLO Cert (Fairtrade International) in 2021, we are developing these fair trade and customized programs for new supply chains in 2023 and 2024.

61,6%
of our suppliers
are in France in 2022

including **18,6%**
of suppliers in the
Alpes Maritimes

of which **13%**
were of suppliers in
the Southern Region
(excluding the Alpes
Maritimes)

29,4%
of suppliers
in Europe
(excluding France)

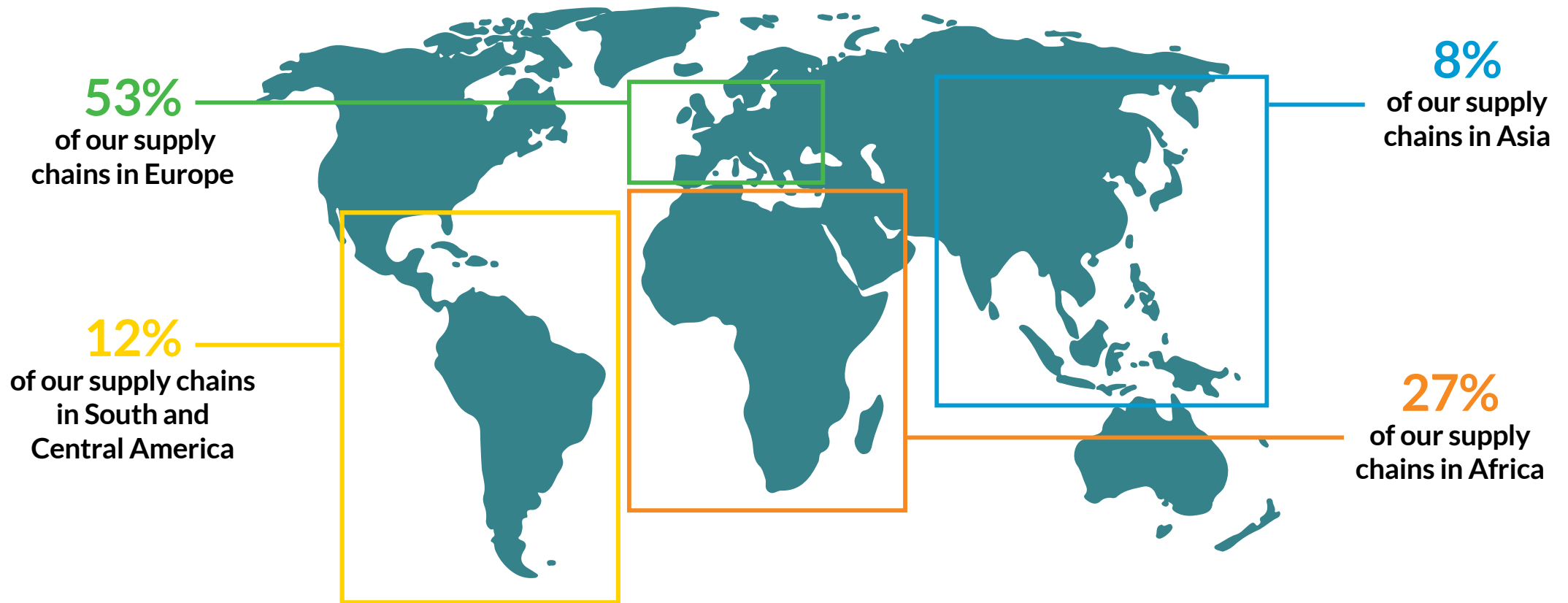
9%
of suppliers
outside Europe

2 Fair For Life sourcing programs certified in 2022



OUR SUSTAINABLE SOURCING PROGRAMS

ETHICS & TRANSPARENCY



OUR SOURCING PROGRAMS IN THE PAYS DE GRASSE

Farmers for 5 generations in the Pays de Grasse, we have expertise in the cultivation and processing of perfume, aromatic and medicinal plants. We support and develop numerous projects in the area by accompanying producers (young producers in the process of setting up, for example) in order to revitalize the various sectors.

ORGANIC LEMON VERBENA

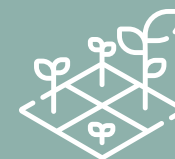
Organic lemon verbena is a crop that for many years has been neglected in the Grasse region. Since 2020, we have planted lemon verbena on several plots of land as a co-culture with bigaradiers. Lemon verbena is a plant that integrates well with existing perennial crops. Our lemon verbena production is conducted entirely in organic agriculture and can be adapted to several itineraries and plots.

ORGANIC ANGELICA

In the heart of our Experimental Garden (JEX), we have set up a production of organic Angelica which is in line with the objective of researching technical itineraries according to the methods of organic and regenerative agriculture to allow a duplication with other small producers.

CENTIFOLIA ROSE

Also cultivated in an experiment of our JEX, the cultivation of the Rose centifolia is historical in the Pays de Grasse. The technical itineraries in organic agriculture are known and shared by the producers of the territory. However, the impacts of climate change on the production of Rose centifolia are more and more important. Thus, we are carrying out experiments to study different techniques that can best develop the roses.



19 sourcing programs
in Pays de Grasse



22 experimentations
in progress in our
experimental garden (JEX)



74% sourcing programs
in the Pays de Grasse are
Organic certified



**90% of our sourcing
programs**
are from cultivated areas
(10% from wild collection)

OUR BOURBON VANILLA SUPPLY CHAIN IN MADAGASCAR

We have been working for more than 15 years in the *Vanilla planifolia* industry in Madagascar. Our sustainable supply chain model is based on a vertical integration of supply chains with complete traceability from the plant to the extract. In Madagascar, we are working to implement sustainable actions with groups of certified organic and fair trade vanilla producers.

100% CERTIFIED & TRACED VANILLA

Our Vanilla chain is fully traced and certified in all production regions where we have developed our chain with a local partner. The complete traceability of the chain allows us to set up analyses and field diagnoses of social and environmental issues in order to develop our programs. The direct relationship with the producers also allows us to co-construct sustainable and significant partnership actions.

A FAIR & SUSTAINABLE APPROACH

For several years, we have been conducting a certification process for the agricultural production chain. The Fairtrade International, Rainforest Alliance and UEBT certifications have thus been implemented. The development of Fairtrade programs allows us to provide additional guarantees to producers. Indeed, the group of producers receives a Fairtrade premium of 5% of the selling price of the vanilla pods. This premium can be used to create social or environmental actions and programs in the production villages. The access to infrastructures for the development and the improvement of living conditions such as the construction of a road, a school or a health dispensary are actions carried out and voted by the majority of the Vanilla producers in the villages.



100%

of the supply chain
is organic certified

50%

of producers are
Fairtrade certified

OUR ORANGE BLOSSOM SOURCING PROGRAM IN TUNISIA

Orange blossom is a historical product at Gazignaire. Since the creation of the company, our range of orange blossom extracts has continued to develop and evolve to improve its environmental and social footprint. The Bigaradier (bitter orange tree at the origin of the production of orange blossoms) is cultivated in the region of Cap Bon, near the city of Nabeul. Our partner cultivates and transforms the orange flowers from generation to generation.

CONVERSION TO ORGANIC FARMING

Our orange blossom sector is composed today of several small producers who cultivate Bigaradiers in a traditional and historical way in Tunisia. In order to guarantee a complete traceability of the sector, we are developing an Organic certification allowing us to have a traceability to the tree on each production plot. The development of this certification implies a follow-up of each producer integrated in the program with trainings dedicated to the formalization of a notebook cultivation as well as to the respect of the European regulation of the organic agriculture.

A FAIR & SUSTAINABLE APPROACH

The organic certification process is also accompanied by additional certification on working conditions, reduction of the environmental footprint and the sustainability of relations in the sector. For this purpose, the For Life certification has been set up and allows to formalize the sustainable development approach of the sector.



20 producers
in organic conversion



#6

TRAJECTORY
2023





2022-2023 OVERVIEW

The year 2022 has seen the development and finalization of many projects that were started during the COVID 19 period. The recovery in global economic activity is creating major challenges in terms of transportation, climate change and access to natural resources such as water and energy. In 2022, we have mobilized a growing number of employees on the subject of energy sobriety in connection with the reduction of our electricity and gas consumption. Our production processes are subject to a research and innovation process to reduce the environmental impact of our aromatic extracts.

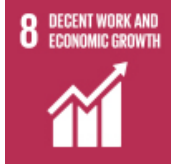

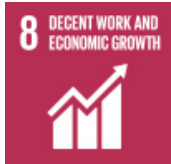


In terms of social responsibility, we had the opportunity in 2022 to continue the development of our policy of well-being at work with the realization of an open day for the families of employees. This event was an opportunity to discover our business as an aromatic extract manufacturer and our expertise in natural plant-based raw materials. We also conducted our first quality of life at work survey in 2022. The latter was part of our CEDRE (Southern Region Integration Program) objectives, which we completed in July 2022, and enabled us to structure our action plan around our fundamental pillars for sustainable development.

We have set up a strategic and priority action plan to reduce our energy consumption with the implementation of our Energy Saving Charter. This is part of our overall commitment to reduce our greenhouse gas emissions. We are continuing these priority actions in 2023 with the launch of our carbon footprint on the scope 1 and 2 of our activity. In parallel to the calculation of our carbon footprint, we are working on the realization of Life Cycle Analyses (LCA) for our aromatic extracts. These are integrated in a process of study of energy consumption on the agricultural production upstream and on the transformation phase. The LCA allows us to provide our customers and stakeholders with a trajectory on the current carbon impact of our products.

Our sustainable development policy is enriched and developed year after year, to integrate the new challenges we face in our business in France but also in our supply chains. Indeed, the development of our activity also implies the search for new talents within the production teams but also in the support functions. Our actions for 2023 in terms of social responsibility will also focus on recruitment and on the desire to promote our Flavors and Fragrances business in France and nationally.





CONCLUSION

TRAJECTORY 2023/2024

ODD	OBJECTIVE	2020	2021	2022	OBJECTIVE 2023
 	GUARANTEE the health and safety of our employees	4 AT	2 AT	5 AT	0 Workplace accident with sick leave
		0,1%	0,1%	0,81%	Maintain a 0 % absenteeism rate
 	TRAINING & DEVELOPMENT our staff	27 400 €	73 300 €	8 000 €	Maintain a zero absenteeism rate
		31 %	18 %	32,56 %	Reduce turnover to 0
		4,44 %	4,26 %	2,33 %	Reduce turnover to 0%.
	DEVELOP social projects & societal issues with our stakeholders	7 projects	7 projects	7 projects	Maintain the 7 ongoing projects with MUL Foundation

CONCLUSION

TRAJECTORY 2023/2024

ODD	OBJECTIVE	2020	2021	2022	OBJECTIVE 2023
	Eco-extraction & environmental footprint reduction	3	0	2	Realization of 3 additional LCAs
		0.30 kWh of electricity /kg finished product	0.30 kWh of electricity /kg finished product	0.24 kWh of electricity /kg finished product	10% reduction in consumption of electricity / kg finished product
		1,22 kg waste / kg finished product	0.68 kg waste / kg finished product	0.73 kg waste / kg finished product	10% reduction of waste quantities / kg finished product
	Developing our sectors sustainable procurement	45	51	66	Reaching 70 sustainable supply chains



THE NATURE, OUR CULTURE

Find out more about our Communication
on Progress in a digital version

www.gazignaire.com