



THE WORD OF THE PRESIDENT

In the 70's, our group started a diversification strategy towards extraction and distillation activity in order to ensure an outlet for our historical agricultural activity.

Historically, the farmer was obligated to become industrial to survive, but nowadays, it is the industrial, that we have became, that needs his agricultural roots to answer our client expectations in terms of product quality, certified origin, traceability from the plant to aromatic extract.

On this day, the Quality, doesn't only mean the product quality, but it is also about the Quality of working conditions around the production, social and environmental conditions, with human beings at the heart of it.

The development of our activities is organized around these pillars, at the territorial level, in France, and through partners abroad included in our value chain.

In this second Communication On Progress, actions carried out in 2019 are reported, together with the trajectory in terms of sustainable and responsible growth, in which Gazignaire is committed by renewing its full support to the United Nation 10 principles.

More than a Reason for Being, it must be our Way of Doing, Producing and Committing to a sustainable development.

— Cécile MUL











OUR APPROACH

Positioning et Sustainable Development



PRESENTATION

This report is our COP (Communication On Progress), published within the scope of our Global Compact France commitment. It is about describing and analyzing our commitments in terms of Social Responsibility (CSR).

This COP draws up a report on our achievement from February 28th 2019 to March 1st 2020. It is our second COP regarding our actions, our goals and trajectory in our sustainable approach.

All the action presented in this report are part of the United Nations 17 Sustainable Development Goals.







Created in 1865, in the heart of the French aromatic industry, Gazignaire has been specialized in the extraction and distillation of natural raw materials to produce essence for aromatic and perfumery sector.

Farmers for five generation, Marius Mul decided in the 70's to give value to its natural raw material by mastering extraction and distillation, putting effort into building a whole project of raw material traceability: from the natural raw material cultivated locally in Pégomas to aromatic extracts such as Basil, Mimosa, Raspberry, Peach, Apple, etc. That is how, in 1990, he took over the management of the company Gazignaire.

Making use of its acquisition in 2008 of the Etablissements Ernest Cavasse specialized in the extraction activities for spices and herb, Gazignaire expands its range of aromatic extracts with oleoresins and Vanilla extract for 65% of its activity.

While taking over the top management of the company, Cécile Mul keeps the same entrepreneurship vision associating the historical farming know-how with the natural ingredient expertise to develop the activity through sustainable and responsible commitments.



HISTORY OF THE COMPANY

The nature, our culture







SUSTAINABLE APPROACH

Principles & Organization



OUR FOUNDING PRINCIPLES

In Gazignaire, the sustainable approach is based on the founding principles of the company since 1865:

- Respecting and maintaining the tradition;
- Managing the whole production chain;
- Working on natural raw materials that respect Human and Environment.

Gazignaire upstream positioning in the aromatic sector, involves a very high level of competences and a specific expertise on natural raw materials. Therefore, the creation of a sister company, MUL Aromatiques in 2016, specialized in the sourcing of natural raw materials and the implementation of sustainable sourcing project allowing Gazignaire to handle high product quality and a complete traceability. The objective is to support the implementation of reliable sourcing project, sustainable and secured in France and abroad with the guarantee of a fair price for the whole production chain.

The creation of a CSR service in January 2018, dedicated to the follow up of our goals and ndicators, allowed us to integrate tools and monitoring around environmental, social and societal issues.



POSITIONNING & KEY FIGURES

Gazignaire benefits from a niche positioning upstream of the aromatic, agri-food, cosmetics and perfumery sectors. Producer of aromatic extract, we develop an innovative strategy based on both Research & Development and on the selection of natural raw material with high quality.

























ISSUES AND CSR STANDARDS

Our CSR policy is based on the ISO 26 000 international standard, together with the variation ISO 26 030. This standard is used as guiding principles in all of our actions and in the evaluation of our annual performance. The main axes are given bellow and detailed in this report.



5. Employee's training and evolution

2. Employee's Health & Safety

6. Transparency with stakeholders

3. Environmental impact

7. Responsible sourcing

4. Well being at work

8. Local integration

The implementation of this approach requires a specific study and analysis of our stakeholders in order to identify the main priorities and dialogue tools to be implemented. Therefore, we update every two years the stakeholder matrix presented in this report. A detailed action plan with measurable goals are followed up by the service concerned.



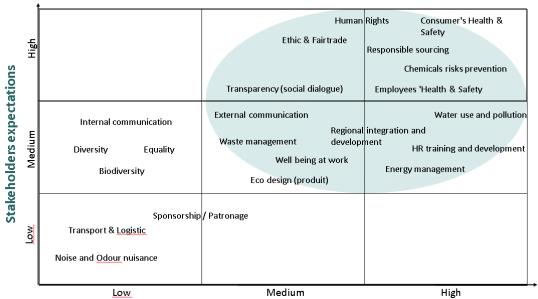
OUR STAKEHOLDERS

The study and analysis of our stakeholders was the first step in the definition of our CSR policy. It allowed us to arrange by categories according to nine families detailed bellow:

Gazignaire's stakeholders (version 2019/2020)	Families' composition			
1. The company	Employees, Intern, staff representative, Management, Part-time employees			
2. The value chain	Client, Suppliers, Farmers, Laboratory, Transporters			
3. Service providers / subcontractors	IT Services, Training organism, Technical and maintenance service providers, water, gas and electricity supplier			
4. Economic area	Banking, Insurance, Shareholders			
5. Public organization	Communication agency, National, European and International regulatory agency, CCI			
6. Social area	Occupational medicine, School / University, Employees 'family, ESAT, Future employees			
7. Trade-Union / NGOs	MUL Foundation, Trade Union (PRODAROM, Pôle PASS-TERRALIA, SNIAA), Certification organism, NGO, HRSF			
8. Environmental area	State services (DREAL, ADEME, DDPP), Waste service provider			
9, Local (Région Sud)	Agricultural cooperative, Neighbour, Municipalities, Public community			



The study and analysis of our stakeholders 'expectations aim to help us in the prioritization of the actions to be implemented with the influence on company business. The analysis has been made two years ago and allows us to address some issues directly with the identified stakeholders. The analysis also aims to face our client expectations with suppliers, service providers, employees and company. The cartography presented bellow is the groundwork of our CSR policy presented in this report.



Influence on company business





CARTOGRAPHY & ANALYSIS

Stakeholders' expectations



EXTERNAL RECOGNITION FOR OUR CSR PERFORMANCE

The year 2019 has been underlined by new external recognitions for our company. Following the formalization of our CSR approach in 2018, le ECOVADIS rating agency has strengthen our procedure and follow-up indicator in the company.

CEDRE PACA

In March 2019, Gazignaire has integrated the « Parcours CEDRE PACA ». It deals with the creation of an action plan for the next 3 years to improve our Corporate Social Responsibility performance.



ECOVADIS - GOLD

Gazignaire received in 2019, the gold label from ECOVADIS, by integrating the top 6% of worldwide companies with an average score upper than 65%



WOMEN EQUITY

Cécile MUL, Gazignaire's president, has won the award for CSR performance, , underlining her commitments towards Social, Societal and Environmental responsibility.





These external recognition takes place after getting the CSR PACA Trophy in December 2018 and the « coup de cœur » trophy from the Alpes Maritimes department. The certification "E-certified" by Afnor with a global rating of 79% CSR maturity according to the ISO 26000 standard allows the creation of several action plan around CSR issues.





HUMAN RIGHT

2019 Ecovadis rating: 60%





HUMAN RIGHT: POLICY & GOALS

The assessment carried out in 2019 with the rating agency ECOVADIS allowed us to implement new policies and procedures to ensure a system that guarantee Human Right, towards our collaborators and within our production value chain.

Gazignaire respects all the international norms and standards regarding Human Right. The company is committed to ensure its collaboration only with partners that commit themselves in:

- Respecting obligations and international principles regarding Human Right never be accomplice of Human Right violation;
- Eliminating all the different forms of the forced labor, such as respecting fundamentals conventions from ILO n°138 and n° 182 regarding children labor;
- Respecting the liberty of creation and organizing trade unions for employee's defense and rights, and recognizing the right for collective bargaining.

Human Right protection is part of our global policy applied in all our value chain. Mainly regarding our suppliers with audit on the ground at our suppliers and partners office, the signature of the ethical charter for Human Right respect, or the internal rule.

In 2020, we are working in the implementation of a Social policy integrating all the goals and principles in terms of protection of Working conditions.

ARTICLE 1

Businesses should support and respect the protection of internationally proclaimed human rights; and

ARTICLE 2

Make sure that they are not complicit in human right abuses



HUMAN RIGHT: ACTIONS & RESULTS

The assessment carried out in 2019 with the rating agency ECOVADIS allowed us to implement new policies and procedures to ensure a system that guarantee Human Right, towards our collaborators and within our production value chain.





1. Promotion of the respect of human right values in our value chain

Raise awareness about Human Right respect with all our stakeholders

- Raise our stakeholders awareness on MUL Foundation actions, our endowment fund that is working on Human Rights issues and bring support to projects in France and abroad.
- 2. Supporting and raising awareness to all the employees in the company on the sexual harassment issue (individual and customized interview).
- 3. ECOVADIS assessment in terms of Human Rights in November 2019 with a global score of 60%

100% of our employees have expanded their knowledge of sexual harassment

2. Supplier and sub-contractors audit abroad

Guarantee the respect of Human Right in the production chain

- Following up CSR audit with all our suppliers and partners for strategic raw material in order to implement an action plan follow up updated after last year audits.
- 2. Proposal to integrate a Fairtrade or SMETA certification to some of our suppliers abroad in order to guide their actions for Human Rights protection in their production chain.

6 CSR follow up audits carried out in 2019 with 85% acting for Human Rights





Human Right

Membership Human Resources Without Borders



Gazignaire's commitment for Human Right

In January 2020, Gazignaire has became part of: Human Resources Without Borders (HRWB), a Non Profit Organization (NGO), created in 2006, that aims to promote Human Right respect at work and in the entire production chain (including the sub-contractor).



ACTIONS AND DIAGNOSIS ON THE FIELD FOR OUR SUSTAINABLE SOURCING

Since 2016, Gazignaire works with its sister company, MUL Aromatiques, in the implementation of sustainable and reliable sourcing based on the complete traceability in the supply chain in France and abroad.

With the goal of offering a secured and responsible sourcing, audits on the field are carried out and formalized with action plan shared with our local supplier or partner.

However, some issues in stake are very specific to some countries, with a strong commitment to local communities that needs to be addressed by independent organisms with a very good experience in the field and the know-how for a deep diagnosis.

The issues addressed during the diagnosis on the field in 2020 are the following:

- Working condition and decent work;
- Children labor in agricultural sector;
- Social integration in local communities;





WORKING CONDITION

2019 ECOVADIS score: 60%



WORKING CONDITION: POLICY & GOAL

PRINCIPLE 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

PRINCIPLE 4

The elimination of all forms of forced and compulsory labour;

PRINCIPLE 5

The effective abolition of child labour: and

PRINCIPLE 6

The elimination of discrimination in respect of employment and occupation

The 2019 assessment of the rating agency ECOVADIS in terms of Working conditions allowed to list procedures and additional policies to our current system. Besides, the evolution of our internal policy regarding Human Resources management give opportunities to every employee to find a customized careers throughout its professional career in the company.

In Gazignaire, Human Resources policy is based on 3 fundamental pillars that exists since the creation of the company. These pillars are followed and assessed every year with action plan.

Working conditions are a key issue in the company. Every day, HR and QEHS teams are working together with all our collaborators to guarantee sustainable working condition in a continuous improvement process.

50% Gender equality in the management team

Drop of **8%** in the turnover in the team (4,44% in 2019 against 12% in 2018)

45 people in the global workforce on 02/28/2020

36 ans average age on 02/28/2020



WORKING CONDITION: 2019 ACTIONS & RESULTS

The different axes of our HR and QEHS policies are bases on 4 main goals followed and measured every year. In a context where training, professional, career development and mobility are a growing issues for the collaborators, the follow up and the implementation of short and mid terms action allow to give a new trajectory to the different actions carried out.





1. Training and skills development for collaborators

Training and career development for collaborators

- Study on the implementation of a career management plans customized for every collaborators;
- 2. Carry out of all the annual professional interviews;
- 3. Customized training plan every year, according to each service and with individual goals;

31% of promoted employees between January 2019 and January 2020 (+14%)

Encourage social and professional inclusion

- Study on the partnership implementation with the AFPJR association dedicated to welcoming disabled people;
- 2. Different collaboration area on social inclusion in Gazignaire in 2020;
- Following 2018 actions, our collaboration with the ASFO Grasse (Training center dedicated to flavor and fragrance industry) to allow sharing on know-how and welcoming trainees in our company.

6% employment rate of disabled people in 2019

17% of senior employment in the company in 2019



WORKING CONDITION: 2019 ACTIONS & RESULTS

Health & Safety at work at Gazignaire is a key point in our corporate social responsibility policy. The QEHS manager works with all the employees to improve Health & Safety at work and ensure sustainable working conditions. The H&S management at Gazignaire relay on a detailed risk analysis that includes a psychosocial risk assessment.



2. Quality of life at work

Encourage employee well being at work A global study has been started in 2019 and will continue in 2020 regarding the reorganization of the production facility at Gazignaire with the objective to offer new living area for canteen, cloakroom and sanitary. In addition, some new areas will be created for the wellbeing of the employees (meeting room dedicated to Laboratory Service for instance).

2% of the 2019 turnover reinvested in Health & Safety in the production facility

Guarantee health & safety in the company

- 1. Yearly training on professional risks regarding each position in the company;
- 2. Raising awareness about sexual harassment risk within the company with the realization of individual interview in December 2019;
- Measurement and analysis to reduce the number of accident at work in 2019/2020 with a team dedicated to the follow up and the supply of personal equipment to every employee.

5,89% absenteeism in 2019

5 Accidents with sick leave (2 in 2018), with a gravity rate of 0,08 (0,48 in 2018),





MUL Foundation

Social and Human Right program



HISTORY AND ACHIEVEMENT

Created in June 2018, MUL Foundation is an endowment fund with Gazignaire as founding member with its sister company MUL Aromatiques. The fund aims to support and assists general interest project in France and abroad.





5 projects supported in 2019



27 100€ donation collected in 2019 against 22 000€ in 2018



60% of projects carried out in the area of Social

2019 PROJECT: SUPPORTING THE FOYER DE VIE RIOU

In 2019, MUL Foundation supported with a financial donation the Foyer Riou* located in Chateauneuf de Grasse to offer an outdoor landscaping for the 49 disabled people living in the Foyer Riou.

The project aims to improve living conditions for resident and raise awareness about outdoor activities related to environment protection, biodiversity, health and culture.

All the activities enable social mix and/or inter-generational opening.

*The Foyer Riou is part of the association AFPJR, located in the Alpes Maritimes with more than 18 special institute dedicated to welcoming and training disabled people.



ENVIRONMENT

2019 Ecovadis score: 70%





ENVIRONMENT: POLICY & GOAL

PRINCIPLE 7

Businesses should support a precautionary approach to environmental challenges;

PRINCIPLE 8

Businesses should undertake initiatives to promote grater environmental responsibility;

PRINCIPLE 9

Business should encourage the development and diffusion of environmentally friendly technologies.

The environmental policy at Gazignaire has been implemented for years, and is part of our CSR approach in the DNA of the company.

Our commitment in terms of sustainability refers to natural resources management and reusing all of our waste. These are the main priorities of our policy.

This policy is communicated in full transparency to all of our suppliers and service providers, as well as all of our collaborators.

Every year, an internal training is organized to raise awareness on environmental protection, biodiversity and the main challenges the company is facing.

The Environmental policy is declined into several internal procedure on the air, water and waste management. In addition, the industrial risk management and the impact of our activity on the environment.

100% des of our collaborators has been trained on a environmental area in 2019 (waste for instance) collaborators)

70% 2019 ECOVADIS score in the environmental area



ENVIRONMENT: 2019 ACTIONS & RESULTS

Throughout our production process, we use natural resources such as water, electricity, gas. Our internal procedure aims to identify each consumption during extraction or distillation process. Those consumptions are monthly followed and allow us to target some reduction initiatives and to limit our consumption.





Sustainable energy and eco-extraction process

- Study on extraction and distillation processes with the objective of optimizing the duration of production and natural resources consumption. We are working on product lifecycle analysis for our strategic raw materials.
- 2. Raising awareness on sustainable energy use towards our partners and suppliers in all our production chain (gas boiler instead of diesel for instance).

13 533€ of investment towards our supplier for the injection of green electricity in the electrical system with our partner

Energy consumption reduction

- 1. Energy consumption reduction follow up in 2019 with a significant rise of the number of extraction and distillation batches;
- 2. Studying on the correlation between energy used and the different production made to have all year long, a link with product lifecycle analysis;
- Working on the reorganization plan for the production facility with optimization and thermal insulation.

+2% increase of our electricity consumption and +11% in gas (with 25% increase of our extract production)



ENVIRONMENT: 2019 ACTIONS & RESULTS

The waste management is a key priority for our company. We keeps our strong will to participate in a local and circular economy to develop some new technic for upcycling. Our waste are divided into hazardous waste and non hazardous.





In 2019, we have speeded up our actions in terms of waste management to reduce both quantity of waste generated and local upcycling. Waste coming from plants and spices after our extraction and distillation process are part of a study with our professional trade union PRODAROM in Grasse. The study aims to identify and assess all the possible ways of local upcycling such as methanation.

In addition of this study on our waste, we implemented in 2019 a reduction plan for single use plastic in our production facility. Following the assessment of our yearly consumption of plastic bottle and glasses, the project of isothermal flasks is related to MUL Foundation. It allowed the free distribution of isothermal flask to every employee in the company. Therefore we have reduced our plastic bottle consumption of 5 328 per year. The production of 5 328 plastic bottle is equivalent to the use of 10 658 liters of water, 532,8 liters of petroleum and 223 776 liters of gas for this production.





OUR SUSTAINABLE SOURCING

Gazignaire gives priority to sustainable sourcing and responsible supply chain in France and abroad, with its sister company, MUL Aromatiques, dedicated to sustainable sourcing and the implementation of social and environmental program with identified partners.





Our goals in terms of sustainable sourcing:

- Guarantee a certified origin with a full traceability;
- Committing directly to farmers and agricultural cooperative;
- Promoting fair price and transparency in all our supply chain;

Our sustainable sourcing is based on 3 main set up:

- 1. **Creation of a partnership with an identified producers**: implementation of a supporting program in terms of financing, contracting on a long term vision and maintaining or improving product quality;
- 2. Creation or support to existing agricultural cooperative: supporting farmers communities in their production by giving them independence and avoid the creation of economic dependence;
- 3. **Setting up our own culture on identified fields** (bought or cultivated) by supporting a local structure with technical, financial and social guiding.

27 sustainable sourcing program for plants and spices in 2019:

- 14 in the Pays de Grasse
- 13 abroad

6 Local farmers supported in the Pays de Grasse (setting up, contracting, etc.)







ETHICS & CORRUPTION

2019 Ecovadis score: 70%





ETHICS & CORRUPTION

Policy et procedure



OUR ETHICAL APPROACH

Gazignaire has adopted a formal policy in terms of fight against corruption, transparency and ethics. Our anti-corruption policy relies on the respect of international and national standards, as detailed below:

- Laws. We don't accept any violations of laws;
- Code of ethics. We carry out our activity in line with ethical principles inherent to our activity;
- Our corporate social responsibility. We are committed to put most of our energy in having a positive impact on the society.

In 2019, we have designated a person in charge of the implementation and the follow up of the anti-corruption policy in the company. Attached to the Regulatory service, she is in charge of consolidating information and identify main risks in terms of corruption.

PRINCIPE 10

Businesses should work against corruption in all its forms, including extortion and bribery



ETHICS & CORRUPTION: 2019 ACTIONS ET RESULTS

Our commitment in terms of ethics and corruption has been formalized in 2018 and is part of a short and mid term action plan towards all of the actors of our production chain. Our approach is formalized by an ethical charter signed by all of our suppliers, sub contractors and service providers, along with our anti-corruption policy defining behaviors to be adopted in case of any corruption or risks in the company.



1. Ethics & Fight against corruption in our practices

Risks prevention in our commercial relationship

- Implementation of our anti-corruption policy on year-end gift with a maximum amount of 100€ for gift received by suppliers, service providers or sub-contractors. This sensibilization is made in our internal team but also in our production chain.
- Raising awareness on fight against corruption to all management team. Sharing and discussion around the definition on corruption and its concrete application in the company.

80% of internal services trained to anti-corruption fight

Company commitment on sustainable sourcing

- Supporting local sourcing in the Sud PACA region by offering long term contracts to farmers. Every contract or convention signed with a local producer integrates an ethical charter regarding code of good conduct.
- 2. Implementation of a follow up table for our sustainable sourcing maturity linked to the evolution of our actions and achievement. Purchasing department training to monitor the approach.

41% of our suppliers and sub-contractors are located in the region Sud



ETHICS & CORRUPTION: 2019 ACTIONS ET RESULTS







2. Transparency and commitment in our production value chain

Transparency with our stakeholders

- 1. Visit on the ground realized at least once per year at our main suppliers and partners to follow up harvest and issues in terms of economic, social and environmental impact.
- Average score of 70% on the criteria of Fair Business practices in our CSR audit grid realized first as a self-assessment then verified by our visits on the ground at our suppliers, sub-contractors and service provider.

Average score of **70%** on the criteria « Fair business practices »

Establish trusted relationship in our production chain

- Collaboration implemented with third party audits in order to undertake some socio-economic diagnosis regarding sustainable sourcing with high social, societal and environmental impact.
- Proposition on SMETA certification and/or Fairtrade on specific sustainable sourcing to establish sustainable relationship based on a fair price and good labor condition. This measure is on going for 2020 in several sourcing in France and abroad.

6 responsible sourcing diagnosis made in 2019 in 3 countries.





2020 PERSPECTIVE

Conclusion & Goals







PERSPECTIVE 2020-2021

Conclusion



CONCLUSION

The year 2020 is part of the 2019 trajectory and our actions carried out in our company under the scope of our CSR policy. The current goals defined in this COP give a guidance in our yearly actions and current issues. The integration in the « parcours CEDRE » of the Sud PACA region for the next 3 years allows us to have a regular follow up in our CSR action plan.

The link between our CSR actions and the SDGs are strong and gathers all of our actions in the perspective of sustainable development in France and abroad. The sensibilization of our stakeholders and especially of our suppliers and service provider is a key point to ensure a transparent and responsible production chain with the guarantee of a secured sourcing.

The 2020/2021 trajectory in terms of quality of life at work offers different axis including a stronger social inclusion, the achievement of a survey poll to focus on quality of life at work and the reorganization project for our production facility allowing an improvement of working condition.

Finally, our environmental policy must be supported and guided by all the stakeholders of our production chain. An ISO 14 001 certification is ongoing for the next years and will allow to formalize our approach and to launch additional study on our activities and carbon footprint.

PERSPECTIVES 2020/2021: OBJECTIFS

AREA	GOALS	2018	2019	2020 TARGET
Human right	B :	10 audits	6 audits	10 audits carried out in 2020
	Raise our stakeholder's awareness	80%	85%	90% of our suppliers act for Human Right
	MUL Foundation 'development	22 000€	27 100€	Yearly budget : 50 000€
	·	2 projects	5 projects	Supporting 6 projects in 2020
Working conditions	Training et career development	17%	31%	10% increase of the number of employees promotion
	g	12%	4,44%	Drop of 10% in our turnover
	Encourage well-being at work	N/A	N/A	100% participation rate at our internal survey
	Currentee Heelth 9 Cofety et werk	2 AT	5 AT	Objective of 0 accident at work
	Guarantee Health & Safety at work	4%	5,89%	Absenteeism rate: 0%



PERSPECTIVES 2020/2021: OBJECTIFS

AREA	GOALS	2018	2019	2020 TARGET
Environment	Sustainable energy	13 774€	13 533€	Investment > 10 000€ green energy
	Eco-extraction	0	0,5	2 ACV achieved on strategic raw materials
	Energy consumption	0,37kWh electricity / kg finished product	0,37 kWh electricity / kg finished product	Decrease of 5% of water and electricity per kg finished product
	Waste management	0,86 kg waste generated / kg finished product	0,96 kg waste generated / kg finished product (increase in the number of extraction and distillation batches)	Decrease of 10% of waste generated per kg
Ethics & Corruption	Transparency with stakeholders 70% 80%		80%	100% services trained on anti-corruption
	Sustainable sourcing	40%	41%	50% suppliers and service provider located in the south region
	Sustainable sourcing	64%	66%	Increase of CSR rating of 10% (global score)
	Trust and confidence with our suppliers	65,8%	70%	Average score of 80% on the CSR critera « Loyalty » for our suppliers



