

Sustainability Report

Inspired by the UN guidelines on sustainability



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Despite ongoing external challenges, we are confident in our long-term strategy for success. Continual innovation and a steadfast commitment to sustainability will remain key drivers of our business.

A Message from Chris, our CEO

CHRIS PICKTHALL



At CPL Aromas, sustainability isn't just a buzzword; it's a fundamental aspect of our identity and a cornerstone of our strategy.

We understand sustainable development is not only vital for safeguarding our planet and communities but also integral to the long-term success and resilience of our business.

As we mark the midpoint of our sustainability strategy towards 2030, I am pleased to report another year of significant progress.

Despite external challenges including geopolitical and economic uncertainties in 2023, the dedication, commitment and collaboration of our colleagues, customers, partners, and suppliers has allowed us to continue delivering exceptional products that meet our customers' needs.

Clear and measurable targets are essential to demonstrating our commitment to sustainable growth. We maintained our platinum rating with EcoVadis, placing our sustainability strategy in the top 1% of assessed companies. Additionally, we are proud to have reached 52% renewable electricity consumption, halfway towards our 100% renewable energy goal, and our efforts in reducing Scope 1&2 emissions have resulted in a 51% decrease compared to our 2018 baseline.

In 2023, we inaugurated our most sustainable manufacturing facility yet in Malaysia. This state-of-the-art facility integrates various environmentally-friendly features such as solar panels, rainwater harvesting, energy-saving heat pumps, LED lighting, and a Clean-In-Place (CIP) cleaning process, significantly lowering our environmental footprint.

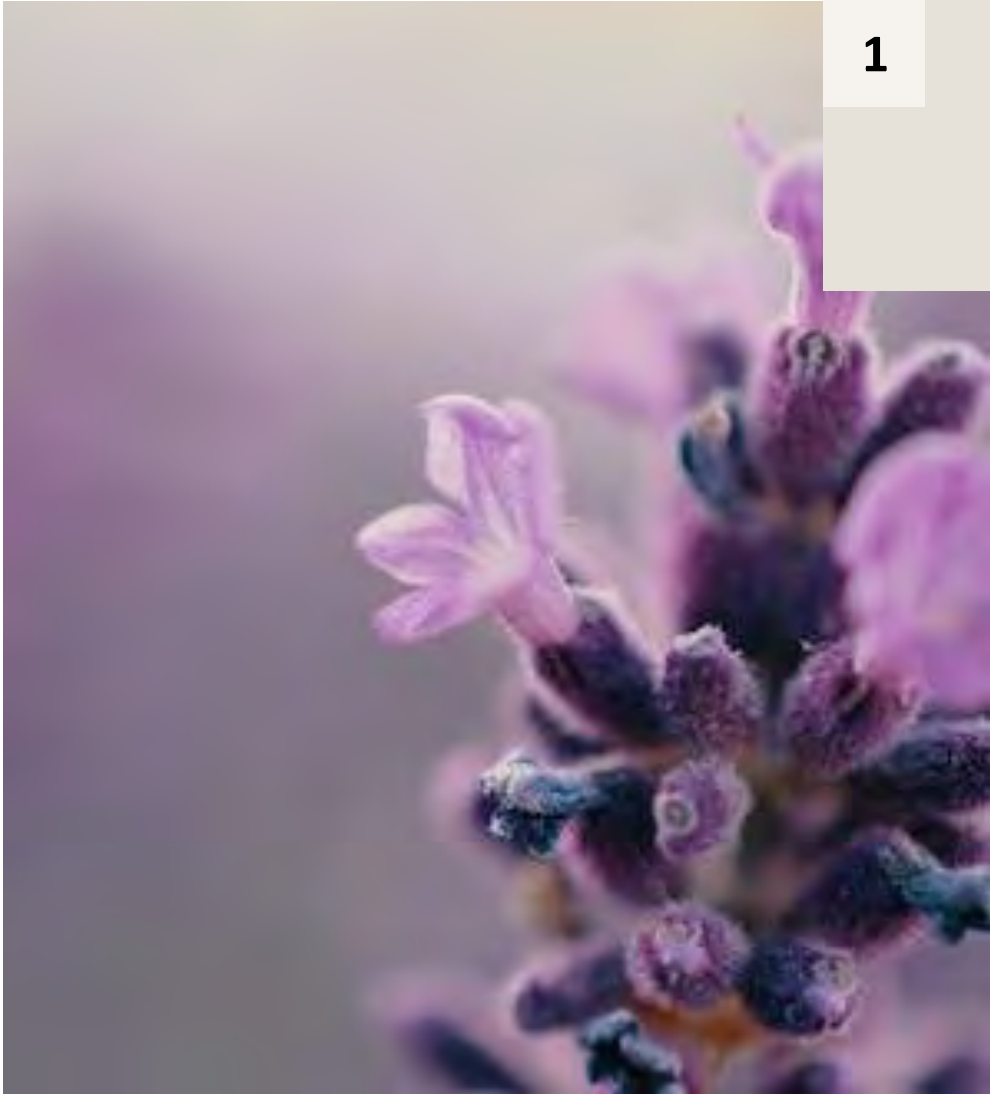
At CPL, ethical business conduct is non-negotiable. We uphold the highest ethical standards outlined in our Ethical and Social Accountability policy. Throughout 2023, we celebrated numerous staff anniversaries, recognising the dedication and hard work of our teams. Our low staff turnover rates reflect our commitment to employee well-being, including matching inflation in pay reviews. Innovation also remains central to our operations. The launch of AromaWellness in 2023 enables us to pioneer fragrances that positively impact human emotions and behaviours. Through this cutting-edge technology, we aim to develop functional fragrances with scientifically proven benefits.

Despite ongoing external challenges, we are confident in our long-term strategy for success. Continual innovation and a steadfast commitment to sustainability will remain key drivers of our business. Whether it's through the development of eco-friendly fragrance technologies, investing in renewable energy, or supporting local communities, we are committed to being leaders in sustainable development. As we forge ahead, I extend my heartfelt thanks to all our colleagues worldwide for their passion and dedication. Together, let us continue working towards a brighter, more sustainable tomorrow.

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ORGANISATIONAL PROFILE & OPERATING FOOTPRINT

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At the core of our business lie sustainable, ethical, and responsible working practices. We support the next generation of fragrance innovators through our sustainable business vision.

TONY LLOYD
Chief Financial Officer

CPL Aromas stands as the foremost fragrance-only fragrance house globally. Our organisation houses a team of world-renowned perfumers, trusted by top brands to transform their artistic vision into exquisitely crafted scents. We uphold rigorous standards, continuously innovating in the realms of Fine Fragrance, Laundry, Personal Care, Household, and Air Care.

Our journey commenced in 1971 when brothers Michael and Terry Pickthall founded CPL Aromas. Over the past five decades, we have dedicated ourselves to creation, innovation, and growth while remaining proud of our roots as a family-

run business. Headquartered in the UK, we facilitate knowledge exchange across regions and ensure that all our facilities adhere to the latest industry standards. With a workforce of over 700 individuals spread across 23 international locations and 8 manufacturing sites, we extend unparalleled service and fragrance expertise to clients in more than 100 countries.

Passion and meticulousness infuse every aspect of our work as we pour our creativity and energy into producing fragrances that captivate the senses. Our commitment to innovation drives us to generate fresh ideas and insights that help our

clients expand their brands. We value the deeply personal connection that fragrances evoke.

In the realm of fashion and fragrance, reputation reigns supreme. We take pride in proactively shaping the future of the fragrance industry by actively participating in various industry associations worldwide. Our involvement allows us to influence policies and guidelines issued by these organisations. Moreover, we believe it is our responsibility to share real-time industry guidance and best practices with our clients, ensuring they stay informed about any changes affecting the fragrance sector. This commitment

is one of the many reasons why leading fragrance brands trust us as their partner.

At the core of our business lie sustainable, ethical, and responsible working practices. We actively contribute to setting industry standards and support the next generation of fragrance innovators through our sustainable business vision.



2023 at a glance



£145.3M
Group Sales



1.4M
Hours worked safely



56,135T
Carbon emissions



8
Manufacturing sites



700+
Employees



£1M+
Community Investments



60
Responsibly Sourced
Ingredients



7,321T
Manufactured



23
Global Locations



Top 1%
Platinum Ecovadis
certification





Supporting Communities & Corporate Responsibility

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CPL Aromas are once again proud to have supported and continue to support CAFOD and their sister organisation, Caritas International.

CPL have a long-standing history with CAFOD going back more than 20 years.

Their work on international aid and development and in particular helping the most vulnerable in society continues to inspire and motivate.

In 2023 CPL donated £801,522 to CAFOD and a further £313,589 to Caritas International, specifically aiding the tragedy in Ukraine.

With ever more conflict, poverty and inequality around the world, the work of CAFOD and all their remarkable staff has never been more important, and CPL continue to support and promote CAFOD and their various campaigns.

NICK PICKTHALL
Chief Operating Officer



Based in the UK, our headquarters serve as the hub of our operations, where we lead a team of over 700 dedicated individuals. With a presence in 23 international locations, including 8 manufacturing plants, we bring together a passionate workforce committed to the creation of exquisite fragrances. As a business-to-business company, we support numerous industries across more than 100 countries, spanning Fine Fragrance, Laundry, Personal Care, Household, and Air Care. Our ultimate goal is to craft experiences that enhance the well-being of our consumers while championing sustainability through innovative choices and technologies, thus striving for a better world for everyone.

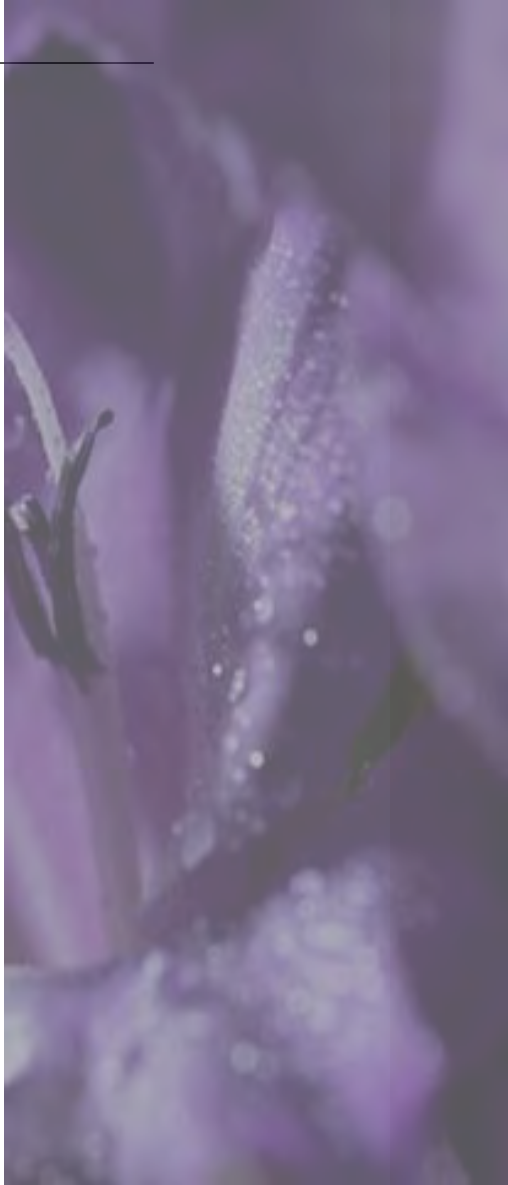


To optimise efficiency and minimise environmental impact, we have strategically positioned manufacturing facilities worldwide, all operating under the same stringent standards for quality, safety, and environmental responsibility. This approach allows us to reduce transportation requirements, shorten lead times, and consistently deliver high-quality products. Our manufacturing and supply chains have been well-established, with the most recent addition being CPL Malaysia Manufacturing within the past year.

At CPL Aromas, we recognise the ever-evolving demands of our customers for sustainable products, and we remain committed to leading the industry in sustainable fragrance creation. This encompasses fostering transparency and implementing improved practices throughout our extensive range of fragrance ingredients. With over 1400 natural and synthetic materials sourced from more than 230 suppliers, our manufacturing process spans the globe, from the acquisition of raw materials to the delivery of the final fragrance to our customers. We place great importance on meeting our customers' expectations for consistent quality while ensuring a reliable supply of raw materials.

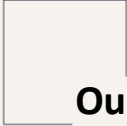
Given the impact of climate change and the growing demand for natural ingredients, we prioritize the stability of our supply chain. We achieve this by securing secondary sources for many of our ingredients and, whenever possible, establishing direct relationships with suppliers to eliminate complex supply chains. Through our Responsible Sourcing and Partnership Policy, we ensure that our suppliers operate in a manner that supports both people and the environment. We continually assess and collaborate with our suppliers to ensure adherence to our fundamental principles.





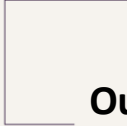
Mission, Purpose & Values

At CPL Aromas, our purpose serves as the guiding force behind everything we do. As a company rooted in family ownership, we recognise that our people are the cornerstone of our success. It is their unwavering passion, boundless creativity, and unwavering commitment that are essential to our achievements. We firmly believe that fostering diversity within our business, encompassing a broad geographic reach and a diverse product portfolio, strengthens our capacity for long-term, sustainable growth in an expanding fragrance market. Our purpose is articulated through three key pillars: Our Formula, Our Essence, and Our Ingredients. These pillars establish the foundation and framework that govern our operations, with sustainability firmly embedded in our decision-making processes across the entire organization.



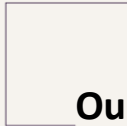
Our Formula

We bring success to our customers through innovative fragrances, outstanding service and a human touch.



Our Essence

Infusing happiness through scents



Our Ingredients

Quality

We accept only the best in what we do and innovate constantly.

Independence

We alone decide our future and our freedom allows us to be truly creative.

Responsibility

We do good through our work and contribute to the well-being of society.

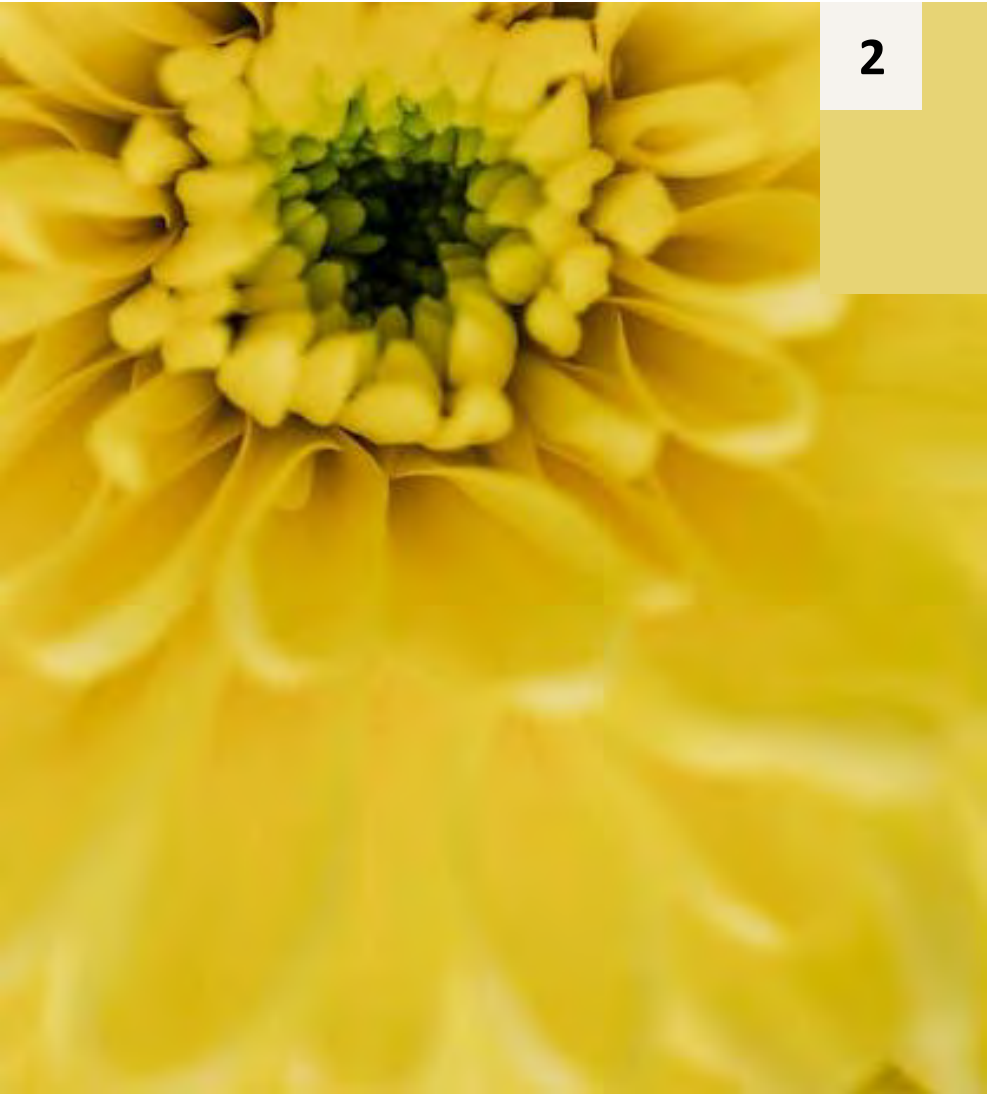
Family Pride

We nurture long-term relationships and encourage trust and respect.

Sustainable Mindset

We care about future generations and are committed to preserve our planet's resources.

Let's create together



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OUR SUSTAINABILITY COMMITMENT

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We have seen sustainability move from a topic of consideration to being right at the heart of our corporate values, purpose, strategy and direction.

EMILY HERON
Head of Sustainability

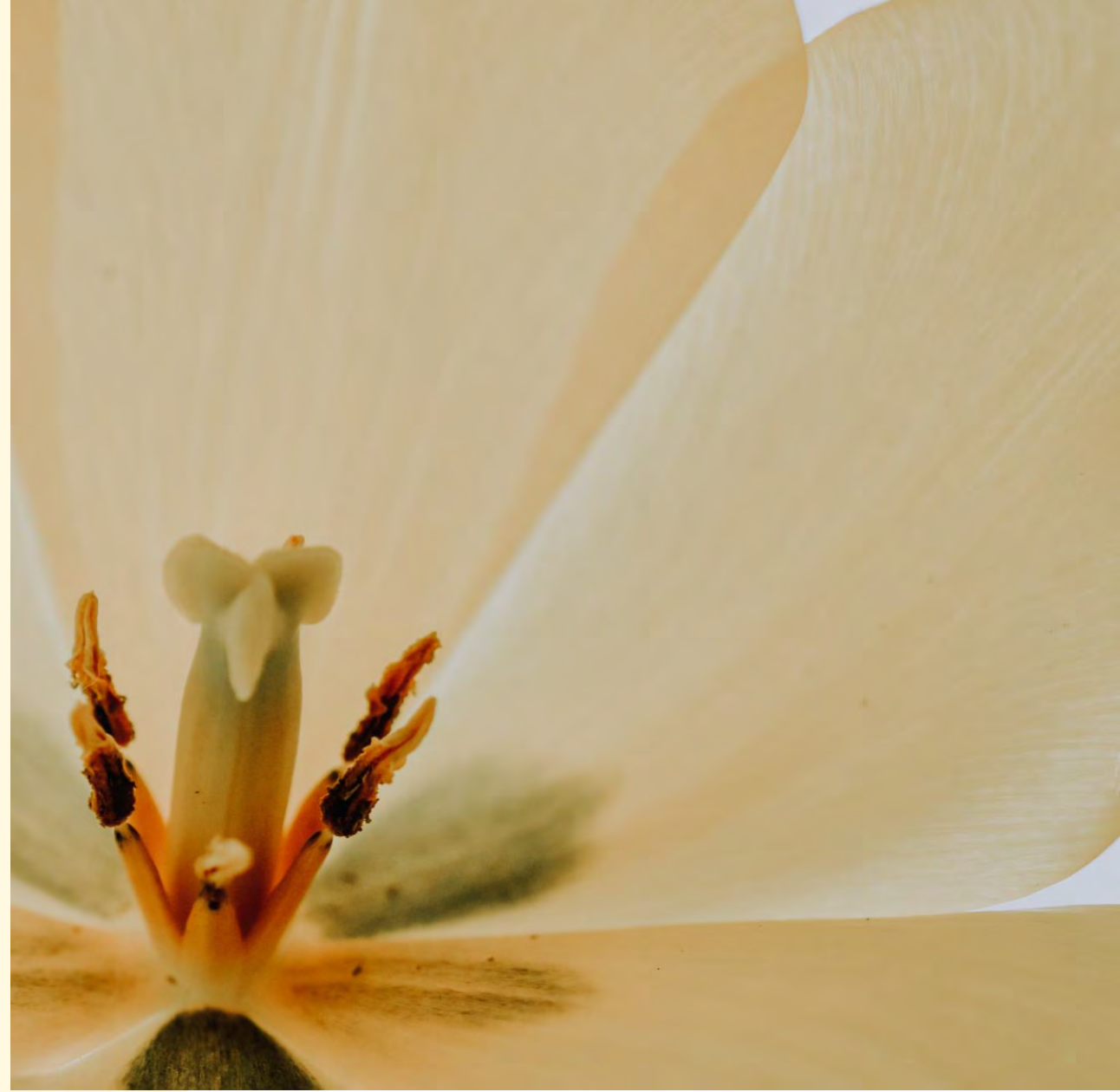
Sustainability Vision and Strategy

We prioritise a holistic approach to sustainability, aiming to be an industry leader in responsible perfumery. Our strategy revolves around four pillars: Environment, People, Innovation, and Sourcing. Each pillar is vital in protecting resources, respecting human rights, and creating economic, environmental, and social benefits for future generations.

Aligned with the UN Sustainable Development Goals (SDGs), our strategy targets the most critical sustainability challenges. We focus on areas where we can make a significant difference, supporting our short and long-term objectives.

Recognising the urgency of limiting global temperature rise, we actively address the climate emergency. The manufacturing industry is responsible for over 12% of emissions globally, and we strive to do our bit to accelerate climate action. This involves decarbonizing our operations, fostering responsible innovation, and positively influencing our sphere of influence.

Collaboration is central to our strategy, working closely with suppliers, customers, and partners to expand our impact. We engage our colleagues to integrate sustainability into their daily activities and personal objectives. Meeting consumer expectations and planetary needs, we are committed to expanding our sustainable practices.





Environment

- 1** 100% Renewable Electricity
- 2** Carbon Neutral Operations
- 3** 30% reduction in scope 3
- 4** 20% reduction in water purchased
- 5** Zero waste to landfill



People

- 1** Become an Employer of choice
- 2** Zero loss time accidents
- 3** 100% of sites with local partnerships
- 4** Increased global CSR projects



Innovation

- 1** 10% of sales from EcoBoost
- 2** AromaCore Bio only
- 3** Improve internal & external communication
- 4** Achieve Sustainability Index average of >60%
- 5** >95% biodegradability content of new creations



Sourcing

- 1** Develop & implement a responsible sourcing policy
- 2** 100% supplier assessment
- 3** Provide Life Cycle Analysis data for our fragrances
- 4** Sustainable Purchasing Agreements for 10% of materials

51%
reduction in operational emissions since 2018

0
No gender pay gap & 0 human rights non-compliance

AromaWellness
Functional fragrances with proven benefits

85.9%
Of supply chains assessed for commitments to sustainability



At CPL, we firmly believe that by placing creativity and innovation at the core of our operations, allows us to deliver sustainable value to customers. Our commitment to sustainability is deeply ingrained in our purpose and values, and throughout all aspects of our activities and relationships.

The discussion on sustainability is rapidly evolving globally, with expectations and accelerating change both worldwide and within our communities and workforce. As a responsible business, we listen and respond swiftly, internally and externally, to increase the speed and impact of our actions. Our policy commitments cover all dimensions of our operations and adapt as we deepen our understanding.

Since 2018, our sustainability strategy has evolved in consultation with stakeholders and aligns with the latest climate science. Approved and monitored at the board level, implementation occurs through dedicated operational teams, with board members driving our commitments to fulfilment.

Our global sustainability governance model outlines the responsibilities for implementing our sustainability strategy. The Head of Sustainability chairs our sustainability approach and receives support from our Sustainability Officers to lead integration across the organization. The CPL Sustainability Team, chaired by the Head of

Sustainability, strengthens sustainability integration at local levels, considering stakeholder concerns.

Leadership teams at each site play instrumental roles, embedding sustainability objectives into their goals and fostering a culture of sustainability. We manage sustainability through processes in our Management Systems, including Quality ISO 9001:2015, Work Safety ISO 45001:2018, Environment ISO 14001:2015, and Social Responsibility SA 8000:2014.

At CPL Aromas, we expect staff and contractors to wholeheartedly uphold our sustainability strategy, educating suppliers to align with our policies. We promptly address issues identified through audits, visits, and grievance mechanisms.

Our unwavering dedication to environmental, social, and economic responsibility, including compliance obligations, empowers us to innovate and lead in areas critical to us and our stakeholders. In 2023, no non-compliance issues were identified, demonstrating our commitment to upholding the highest standards.

Organisation & Governance

Our unwavering commitment to sustainability and responsible business practices drives everything we do. Being a family-owned company, we take governance seriously, overseen by our Board of Directors, who are responsible for managing and directing our company, setting strategic goals and ensuring our long-term success.

Our leadership structure comprises of two boards:

1) Main Board: This board consists of non-executive directors along with our CEO, COO, and CFO, who bring a wealth of expertise and experience in areas including economy, sustainability, and people management. Each Main Board member is accountable for defining strategic objectives and overseeing management of their respective operations. You can check the full list of board members on our website - www.cplaromas.com

2) Global Operating Board (GOB): This diverse board represents skilled CPL employees leading various parts of our business. They play a pivotal role in shaping our strategic direction, upholding sustainability, and driving overall excellence.

As our highest governing body, the Main Board holds responsibility of setting our overall strategy and ensuring our operations align with responsible and sustainable practices. They receive regular updates on our sustainability performance, which cover crucial aspects like energy and water consumption, waste management, and supplier engagement. During regular meetings, the board reviews and signs off on the publication of our annual report, taking necessary actions to address concerns and areas requiring attention. They delegate responsibilities to relevant leaders within CPL, while acting as the final authority for all sustainability reporting.



Our non-shareholder executive directors and independent non-executive directors are carefully nominated and selected by the Main Board through a rigorous process, often facilitated by a recruitment consultant. Consideration is given to factors such as skill requirements, competency gaps, independence, and diversity to ensure a well-rounded board.

Directors are obligated to disclose pertinent information to identify potential conflicts of interest during recruitment and throughout their term. The group Chairman, who holds no executive or senior executive responsibilities, chairs the Main Board meetings and actively prevents and mitigates conflicts of interest within the board. Directors are required to abstain from voting on matters in which they have a conflict, unless otherwise decided by the remaining board members. Furthermore, in compliance with UK GAAP and FRS 102, all related party transactions are disclosed in our annual audited accounts, which also provide insight into the ultimate controlling party and are available for public inspection on the UK Companies House website.

To ensure focused attention on sustainability matters, we have a dedicated member, our Group Technical Director, who oversees and approves sustainability policies and goals. This director diligently monitors our progress toward sustainability targets and offers recommendations to both the GOB and Main Board on how to enhance our sustainability performance and strategy.

Communication of Critical Concerns

CPL Aromas has implemented robust procedures to ensure effective communication of significant concerns to either the Main Board or the Global Operating Board. These procedures guarantee that any noteworthy incidents or compliance breaches are promptly reported, enabling appropriate action to be taken. Examples of critical concerns include environmental incidents, lost time accidents, discrimination, and compliance breaches.

For instance, in the case of lost time accidents, the Group Technical Director acts as the central reporting point, ensuring timely communication to both boards. Incident reports are shared with the Health and Safety committee to promote training, communication, and awareness among all employees. The Global Operating Board closely monitors incidents to identify patterns and areas of concern that need attention, shaping our strategy and investment decisions.

The Global Operating Board is responsible for preventing the recurrence of critical concerns and ensuring compliance with laws and regulations. Prompt action is taken to address these issues, and the Main Board provides ongoing oversight through regular internal reviews. Given the size and nature of our business, these evaluations primarily occur internally, although conducted on a regular basis. We are dedicated to maintaining vigilance of critical concerns and taking swift and effective measures to address them.

Training and Remuneration

In 2023, employee development took centre stage at CPL Aromas as we rolled out a diverse range of training initiatives. Covering topics like performance management, communication skills, time management, respectful workplace and conflict resolution our goal was to equip our team with valuable knowledge and skills, fostering a culture of continuous improvement and personal growth. In addition, ongoing managerial essential and global induction training takes place every 6 months.

Our Main Board shares a deep commitment to integrating sustainable development into our business strategy and decision-making processes. In pursuit of this commitment, the Main Board actively participated in respectful workplace training, creating an environment that aligns with our principles and values. Upholding the highest standards, we continuously seek to expand our knowledge and capabilities in this area.

Remuneration for Executive Main Board directors and Global Operating Board members is regularly evaluated, using third-party

data, with any approved increases overseen by the Remuneration Committee. The package includes a fixed salary, a performance bonus tied to individual objectives, and appropriate benefits, such as a pension plan.

Executives may also participate in a Long-Term Incentive Plan, aligning their interests with the company's long-term performance. On the other hand, Independent Non-Executive Directors receive a fixed salary only, reviewed regularly to remain competitive in the market for their skills and services. We firmly believe that a fixed salary, without financial performance-based components, preserves the independence of Non-Executive Directors.

At CPL Aromas, we value our employees' growth and strive to foster a corporate culture that embraces sustainability, diversity, and inclusion. We are committed to fair and transparent remuneration practices, ensuring appropriate compensation for our directors and board members while upholding the highest standards of governance and independence.





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We firmly believe that for genuine change to happen, sustainability must be woven into every part of our operations.

Group Chairman

PETER JACOBS



At CPL Aromas, we are proud to be stewards of a family legacy. We recognise that we have a responsibility to future generations and are therefore firmly dedicated to having a positive impact on the world. Sustainability isn't just a buzzword for us, it's the very essence of our business ethos and vital to our enduring success. A global movement towards sustainability is underway as consumers increasingly adopt eco-conscious lifestyles and seek brands and products that echo their values. In the face of mounting challenges like climate change, resource depletion, and environmental degradation, we understand the necessity for traditional business models to adapt and evolve.

We firmly believe that for genuine change to happen, sustainability must be woven into every part of our operations, guiding each conversation and every decision we make.

Our commitment to sustainability infuses every aspect of our organisation, providing a vision and pathway that empowers us to continue delivering exceptional fragrances to our customers while safeguarding the planet's resources and the well-being of its inhabitants. We are proud of what we have achieved throughout 2023, from reducing our operational emissions even further, to replacing existing AromaCore with the more sustainable AromaCore Bio, to adding more and more sustainable resources to our pallet.

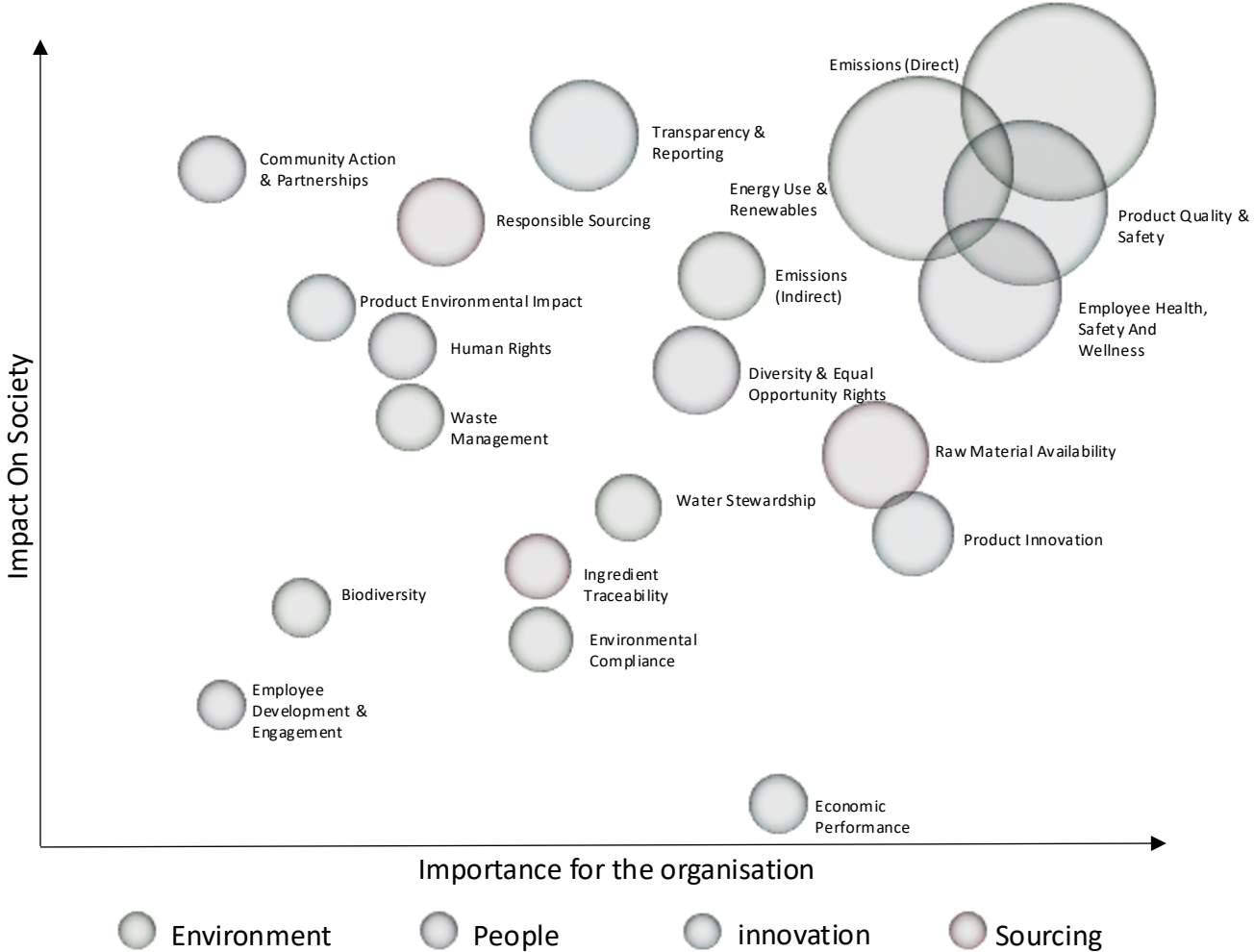
While we take pride in our past accomplishments, we also acknowledge that the road ahead is fraught with challenges. As the world grapples with pressing social and environmental issues, we remain resolute in our commitment to pioneering new technologies, initiatives, and innovative solutions. Our dedication to sustainability is unshakable, founded on a long-term perspective that prioritises the welfare of both people and the planet.

Through collaborative endeavours with our partners, we aim to realise our sustainability aspirations for 2030 and play our part in leaving the world in a better state than we found it, providing a legacy that resonates and inspires future generations to continue our journey to a brighter, more sustainable future.


Our Focus

CPL Aromas prioritizes sustainability through a thorough materiality analysis, considering impacts on the economy, environment, and people, including human rights. By focusing on critical topics identified through this process, we set impactful objectives.

Our strategy and report cover the 20 most material topics, reviewed and updated in 2022 to ensure comprehensive coverage. This report provides information on these material topics and their boundaries, offering insights into our significant economic, environmental, and social impacts in 2023, addressing stakeholder concerns while promoting sustainable practices.



We prioritize stakeholder engagement to support our sustainability strategy. Through employee focus groups, we identify stakeholders with significant impact and influence. We engage with them directly and indirectly, valuing transparent communication for long-term success. We establish multiple channels for dialogue and actively seek diverse perspectives through feedback mechanisms. This approach allows us to enhance relationships, manage key issues, and collaborate on mutually beneficial projects. We annually review our stakeholder list to ensure alignment with our sustainability goals.


Main Board

Supporting our ability to finance new projects, transparency on strategy and performance is a key driver for improvement. This is achieved through regular board meetings, briefings and Conferences. Key topics of considerations, risks and opportunities include economic performance, raw material availability, talent management, legal compliance, transparency and reporting



Employees

Attracting, developing, and retaining a high-quality workforce, is critical to our long-term success. Our goal is to create meaningful opportunities for our employees to work, gain new skills, and build successful careers, while building a diverse and inclusive workplace. This is achieved through talent management, learning and development, annual performance discussion, SharePoint, social media, email, newsletters, sustainability teams and regular updates. Key topics of considerations, risks and opportunities include development & engagement, employment security, good employee working relationships, safe and healthy work, energy, water & waste, diversity and inclusion, business strategy, women empowerment, communication, participation and purpose of the business.



Customers

Maintaining strong relationships with customers is important to meet their needs and minimise environmental impact where we can. This is achieved through on-going dialogue, customer sustainability requests, customer visits and audits, conferences and events, webinars, audits, social media, individual calls and email. Key topics of considerations, risks and opportunities include product quality & safety, product environmental impact, innovation, transparency and reporting, human rights & supply chain visibility, ingredient traceability, responsible sourcing and affordability.



Suppliers

Our suppliers are a critical link within our value chain, providing the materials needed to make our products. With their engagement we seek to improve the traceability of our raw materials, manage risk, and improve sustainability performance. This is achieved through SEDEX, questionnaires, audits, social media, individual calls and emails. Key topics of considerations, risks and opportunities include responsible sourcing, raw material availability, product safety and quality, environmental impact, social impact and market presence.



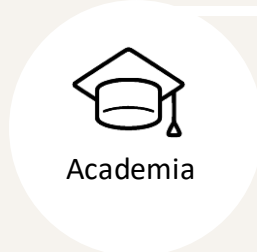
Community

Supporting our local communities is an important part of operating as a responsible business. This is achieved through engagement with social activities within the local community and charitable activities that are organized, hosted, and implemented locally by sites around the world. Key topics of considerations, risks and opportunities include health, safety, and wellness, product environmental impact, human rights, diversity and inclusion, transparency and reporting



Law enforcers & regulators

Ensuring compliance with local laws and regulations is essential when operating responsibly. This is achieved through emerging legislation/regulation, IFRA consultation, media, membership of working groups/forums and industry conferences. Key topics of considerations, risks and opportunities include product quality, safety and environmental impact, responsible sourcing, health, safety, and wellness, transparency and reporting, human rights and legal compliance.



Academia

Education is key to sustainable development and is crucial to the next generation of leaders in the industry. This is achieved through internship programs, university partnerships, lectures, Research and Development projects, internal fragrance training programs. Key topics of considerations, risks and opportunities include, positive social impact, science and business growth.



Non-Governmental Organisations

Long standing partnership with CAFOD (Catholic Agency for Overseas Development), enabling work on a range of projects that are committed to impacting society for the better. This is achieved through email communication, social media, partnerships and face to face meetings. Key topics of considerations, risks and opportunities include environmental and social impact and contribution to sustainable development goals.

Reporting Process and Feedback

This sustainability report encompasses the reporting period from 1st January 2023 to 31st December 2023, and reflects our commitment to annual reporting. The report has been prepared in accordance with the GRI standards. At present, we do not seek external assurance for this report.

It is important to note that this report includes forward-looking statements that describe the Company's objectives, projections, estimates, and expectations. Actual results may differ materially from those expressed or implied in these statements.

Various factors, including economic conditions, demand/supply dynamics, price conditions in domestic and overseas markets, changes in government regulations, laws, and other statutes, as well as other incidental factors, can significantly impact the Company's operations.

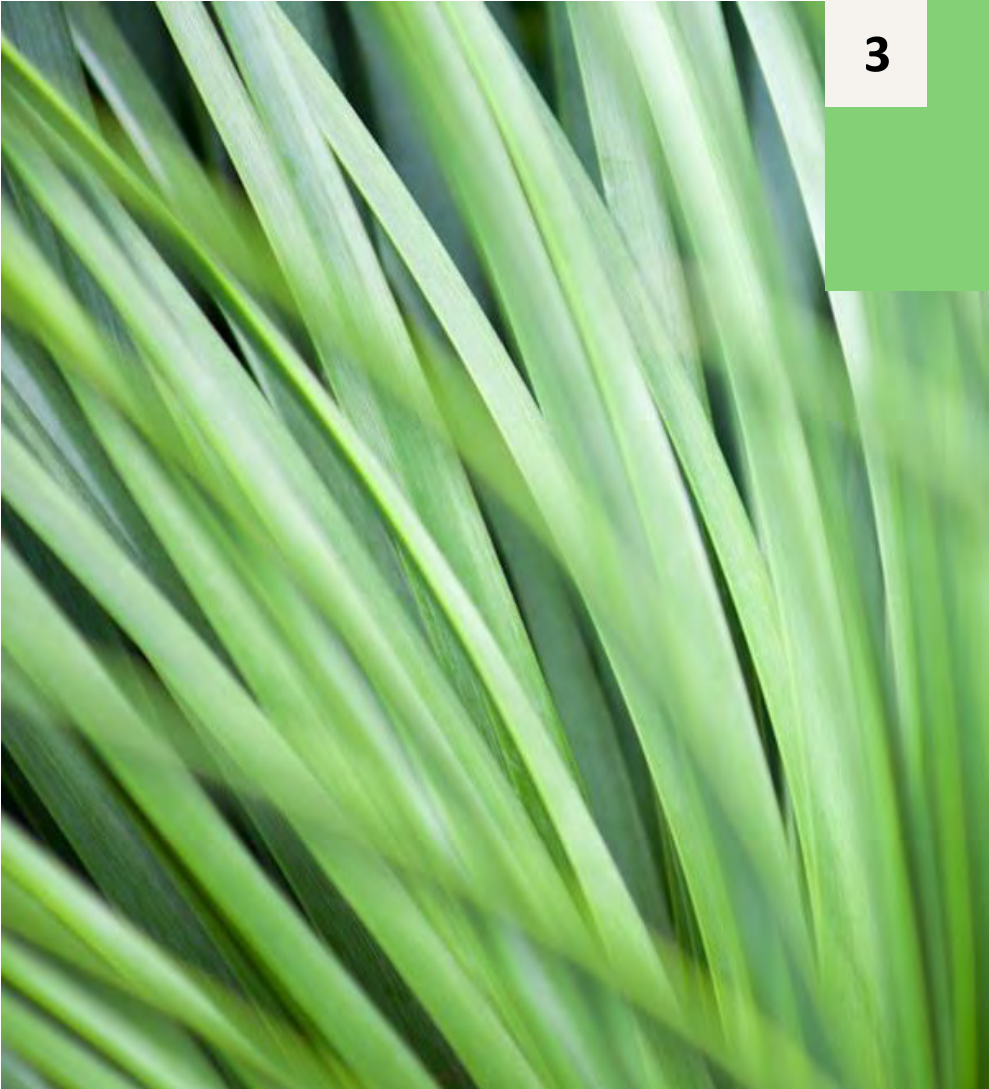
To establish a baseline for reporting progress, we have used 2018's performance data. In cases where

data was unavailable, we utilized data from the earliest available year. Our previous report, issued in May 2023, covered 2022 data.

This report encompasses all sites where we have a level of operational control, determined with the support of a third party. Restatements related to previous data gaps can be found on pages 76-77 of this report. There have been no significant operational changes except the addition of the Malaysia manufacturing plant as detailed elsewhere in the report, and joint ventures are not included. All operations are consolidated in the financial statements, which can be accessed at www.cplaromas.com.

The list of material topics and topic boundaries remains unchanged from previous reports. All our objectives are aligned with and contribute to the UN Sustainable Development Goals (SDGs). For any enquiries regarding this report, please contact us at sustainability@cplaromas.com.





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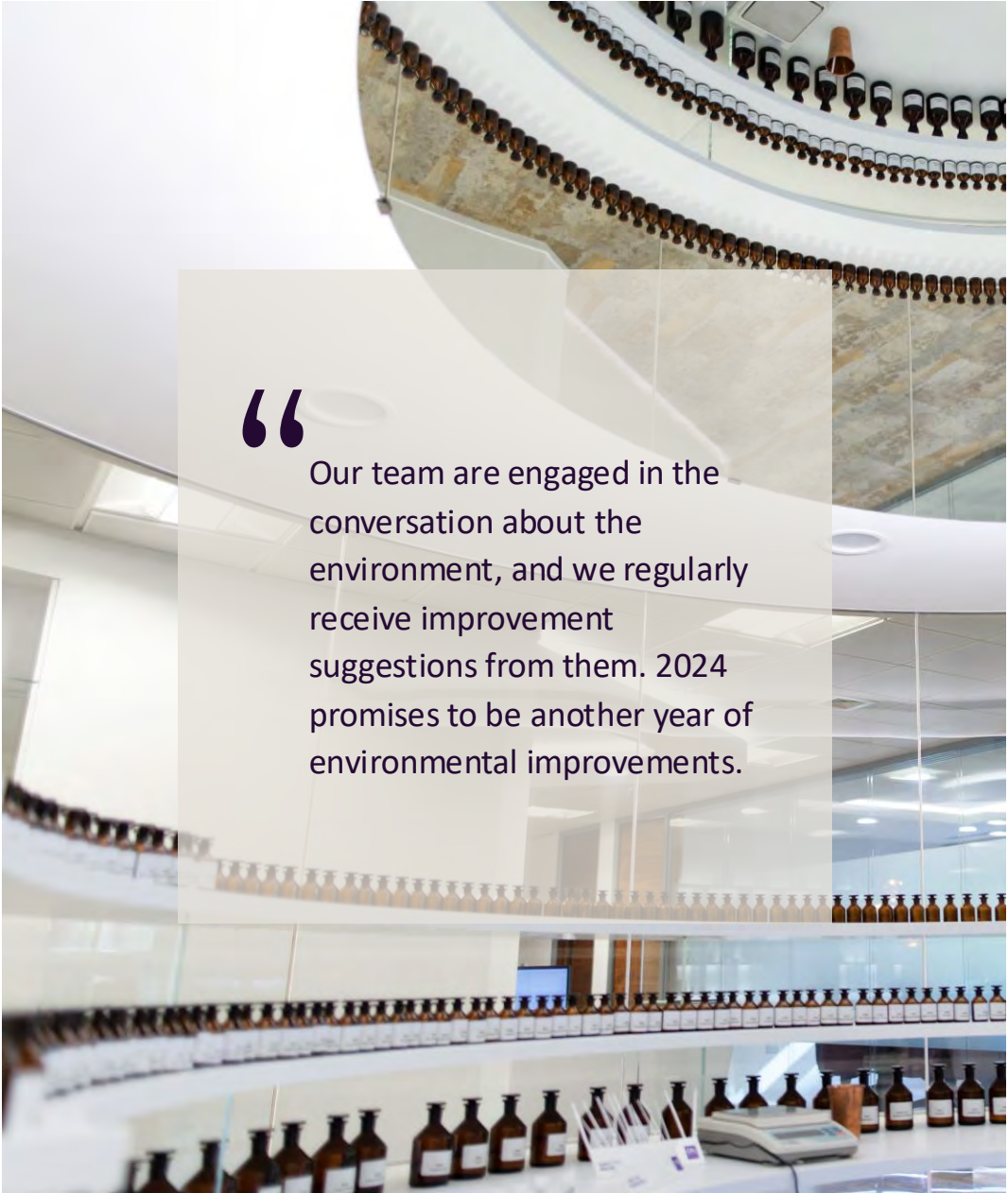
PROTECTING OUR PLANET

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At CPL Aromas, we're not here to make things worse; we want to be part of the solution. We work to improve our impact on the planet and our efforts aren't just about CPL; they extend to our supply chains too.

CHARLOTTE PURCELL

Group Technical Director



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Our team are engaged in the conversation about the environment, and we regularly receive improvement suggestions from them. 2024 promises to be another year of environmental improvements.

Global Operations Director OCTAVIAN GLAVAN



2023 global environmental challenges continued to highlight humanity's impact with devastating floods, droughts and heatwaves linked primarily to climate change.

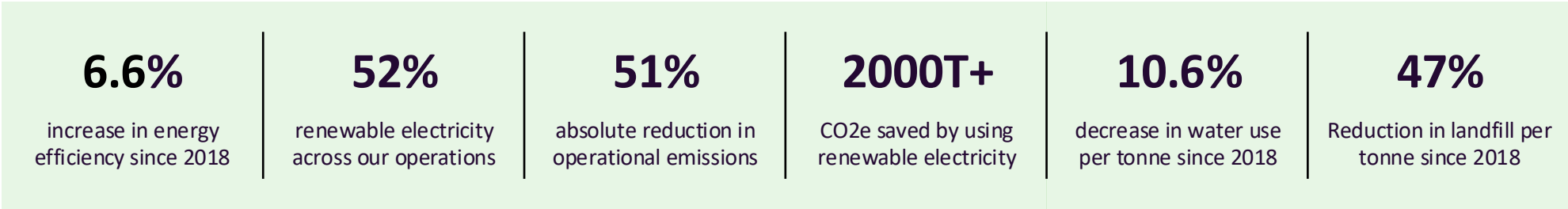
Our focus on Scope 3 reporting is hugely important and we conducted our second review of our full emissions profile, further improving our data. Over 98% of our total emissions are attributed to Scope 3 sources, with over 74% from purchased goods and services, guiding targeted reduction efforts.

At CPL, environmental stewardship is paramount. We are dedicated to minimizing our footprint through efficient production practices, optimal equipment use, and streamlined procedures.

Throughout 2023, progress included an increase in solar energy production and renewable electricity sources across our sites to 52%. This was alongside a further 5% reduction in waste to landfill, a total of 47% since 2018, as well as a further 6% reduction in global water consumption, a total of over 10% since our 2018 baseline.

This year also saw us opening our new state-of-the-art and most sustainable production facility to date in Malaysia – with initiatives such as solar panels, cold-storage insulated walls and ceilings, rainwater harvesting system, wastewater treatment plant, energy-saving heat pumps, LED lightings and Clean-In-Place (CIP) cleaning process. Our team's active engagement drives ongoing environmental initiatives, with 2024 poised for further advancements.

Highlights, Goals & Progress



OBJECTIVES

- 1** 100% Renewable Electricity
- 2** Carbon Neutral Operations
- 3** 30% reduction in scope 3
- 4** 20% reduction in water purchased
- 5** Zero waste to landfill



PROGRESS

- 1** 52% Renewable Electricity used globally
- 2** Achieved a 51% reduction in Scope 1 & 2
- 3** 26% reduction* in Scope 3 emissions
- 4** 10.64% reduction in water usage
- 5** 17.5% of global waste goes to landfill

*due to moving from a spend-based to a hybrid approach with more primary data

Energy & Emissions

Climate change is hands-down one of the biggest global concerns right now, and it's time we all take action, working together to make bold moves, and generate fresh ideas to tackle the latest global challenges. The latest science tells us that we can't let the temperature rise more than 1.5°C compared to the pre-industrial era if we want to avoid the worst of climate change. To hit that target, we need to cut emissions in half by 2030 and aim for net-zero emissions by 2050.

Climate change isn't just about rising temperatures; it brings a whole bunch of other environmental risks with it, like extreme weather and natural disasters. It's not just bad news for the planet; it's bad for business too. These events can complicate and challenge our supply chains and seriously affect how people see us if we don't do our part to protect the environment.

So, we have identified climate change as a big risk, and it's a major part of our sustainability strategy. At CPL Aromas, we

want to be part of the solution. The bulk of greenhouse gas emissions (about 80%) come from carbon emissions, and we're determined to shrink our carbon footprint as much as possible.

We generate GHG emissions through energy use and other activities in our supply chain. There are three types of emissions we're dealing with: Scope 1 (the direct emissions we're responsible for, like burning fuel in our factories), Scope 2 (indirect emissions linked to the energy we buy), and Scope 3 (all those other indirect emissions in our value chain).

Our efforts aren't just about CPL; they extend to our supply chains too. We calculate both our operational emissions and our Scope 3 emissions, which cover a wide range of aspects, including our suppliers. Because of how significant these emissions are, we've got a whole section on Responsible Sourcing later in this report that dives into how we make sure our suppliers meet our high standards.



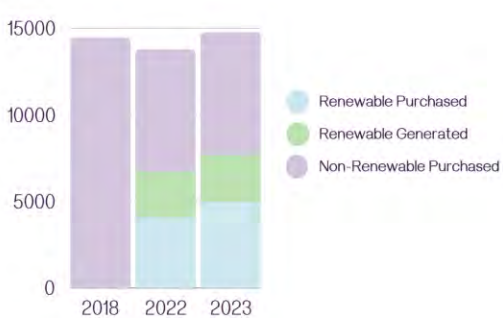


Renewable Energy

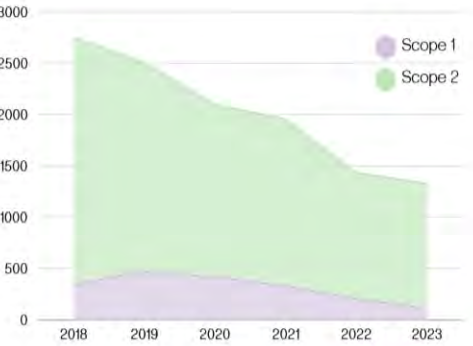
Our strategy focuses on minimising energy use and increasing the amount of renewable energy that we generate and purchase. We set an ambitious target to reach 100% renewable electricity by 2030, which will contribute to keeping a global temperature increase below the 1.5°C threshold.

In 2023, 52% of our operations worldwide are now powered by renewable electricity, with 6 of our 8 manufacturing sites powered by at least 50%+ renewable electricity (4 of 8 by at least 80%), either through onsite solar generation or renewable purchasing agreements. Renewable electricity forms a vital part of our carbon reduction plan and we are defining next steps for how we can continue to bring additional renewable energy to our operations, lowering our operational footprint.

Source of Electricity



Reduction of Emissions



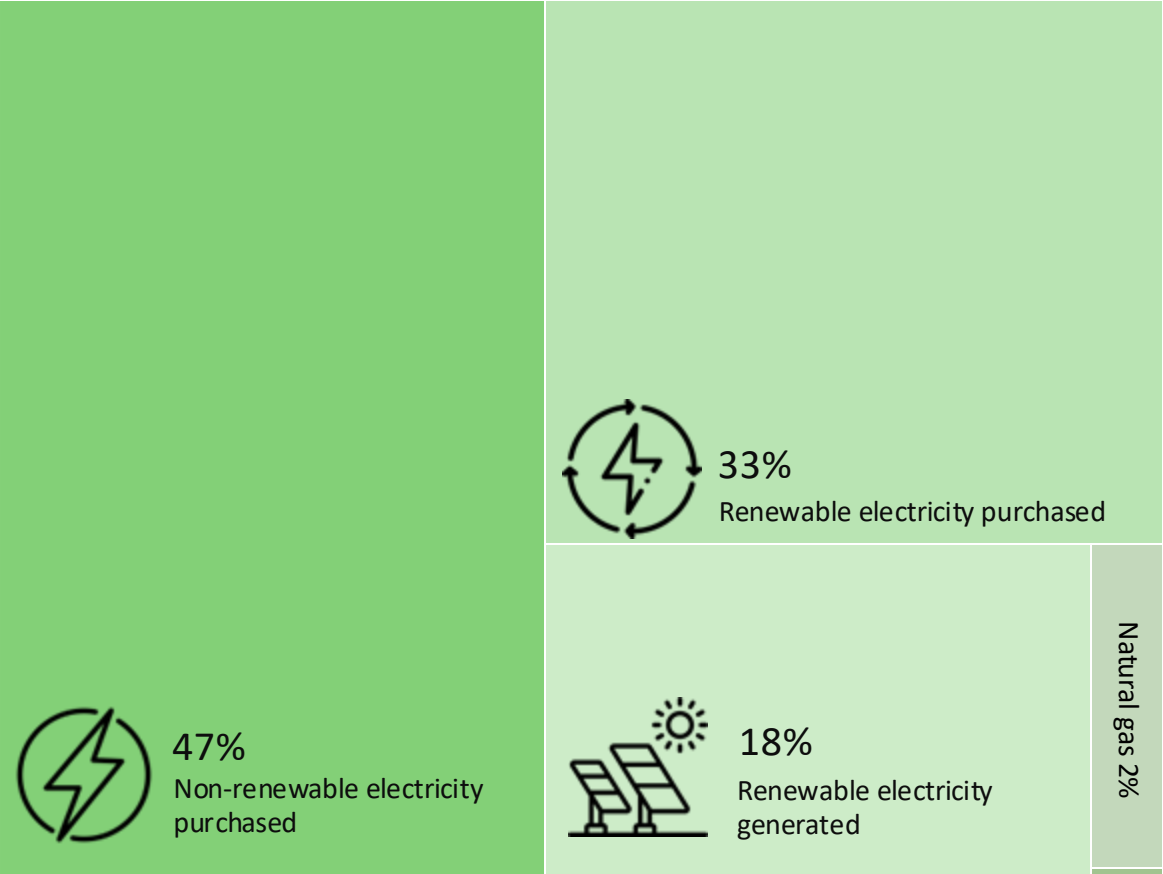
Operational Emissions

CPL aims to reach carbon neutrality in its direct operations by 2030. This means reducing our absolute Scope 1 & 2 emissions by at least 90% by 2030, offsetting any residual emissions in line with limiting temperature rise to 1.5°C. In 2023 we reduced absolute Scope 1 & 2 emissions by 50.8% against our 2018 baseline and we will continue to report progress annually in our Sustainability report.

Scope 1 include natural gas, company cars, forklift trucks (FLT) and refrigerants. One of our best opportunities for further improvements are through encouraging the switch of our company cars to more sustainable alternatives such as electric or hybrid models. In 2022, we have reduced our absolute Scope 1 emissions by 67.2% vs. 2018 baseline. 30% of cars across our fleet are now either full electric or hybrid, rather than fossil fuels, and we have reduced our reliance on natural gas for heating globally by 43%.

Scope 2 emissions are those generated from purchased energy. Energy use is a big contributor to GHG emissions and our strategy focuses on increasing our use of renewable energy (through onsite generation and purchasing agreements) whilst minimising total energy use per tonne of production. In 2023, our scope 2 emissions accounted for 1214T CO2e, a reduction of 49.6% vs. 2018 baseline. In 2023, our total energy use was 15,152 GJ. This is through a combination of renewable and non-renewable electricity, as well as natural and biogas alternatives. We have reduced our energy use per tonne by 6.64% vs. 2018 baseline. We continue to invest in energy efficient technologies such as LED lighting and solar power.

Source of energy

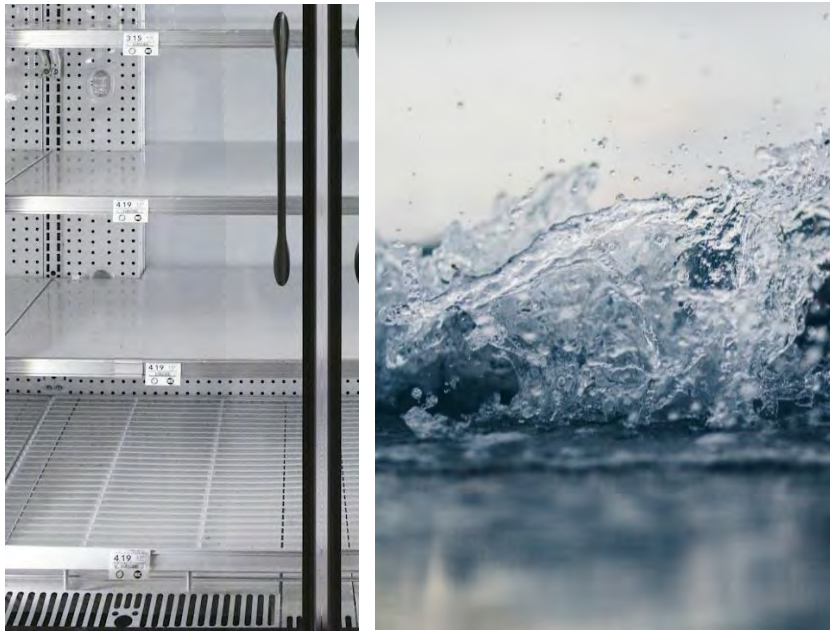


Case Studies



UK Manufacturing minimises Scope 1

Brixworth have moved all but one Forklift Truck to electric charging, rather than LPG. In addition, at the Quarry Road site all heating has now been moved from the use of natural gas to electric heating. As the site uses 100% renewable electricity, almost 13T of Scope 1 emissions were saved through the sum of these switches in 2023.



CPL Dubai reduces chiller electricity & water consumption

Both water consumption and electricity use have been reduced by linking the fresh air handling unit to the chiller. Cold air is being provided to the chiller to cool the condenser coil from the fresh air handling unit which increases the efficiency of the chiller. This one change eliminates water consumption of around 200,000 liters and since the project was completed, we have saved 339,312 KWh electricity with the removal of the water pump.

Scope 3 Emissions

In 2022 we measured our Scope 3 emissions for the first time. The GHG Protocol defines Scope 3 emissions as all indirect emissions, not included in Scope 2, that occur in the value chain of the reporting company, including both upstream and downstream. The emissions are resulting from assets, not directly owned, or controlled by the Group. These cover a variety of activities across our supply chains, business operations and products.

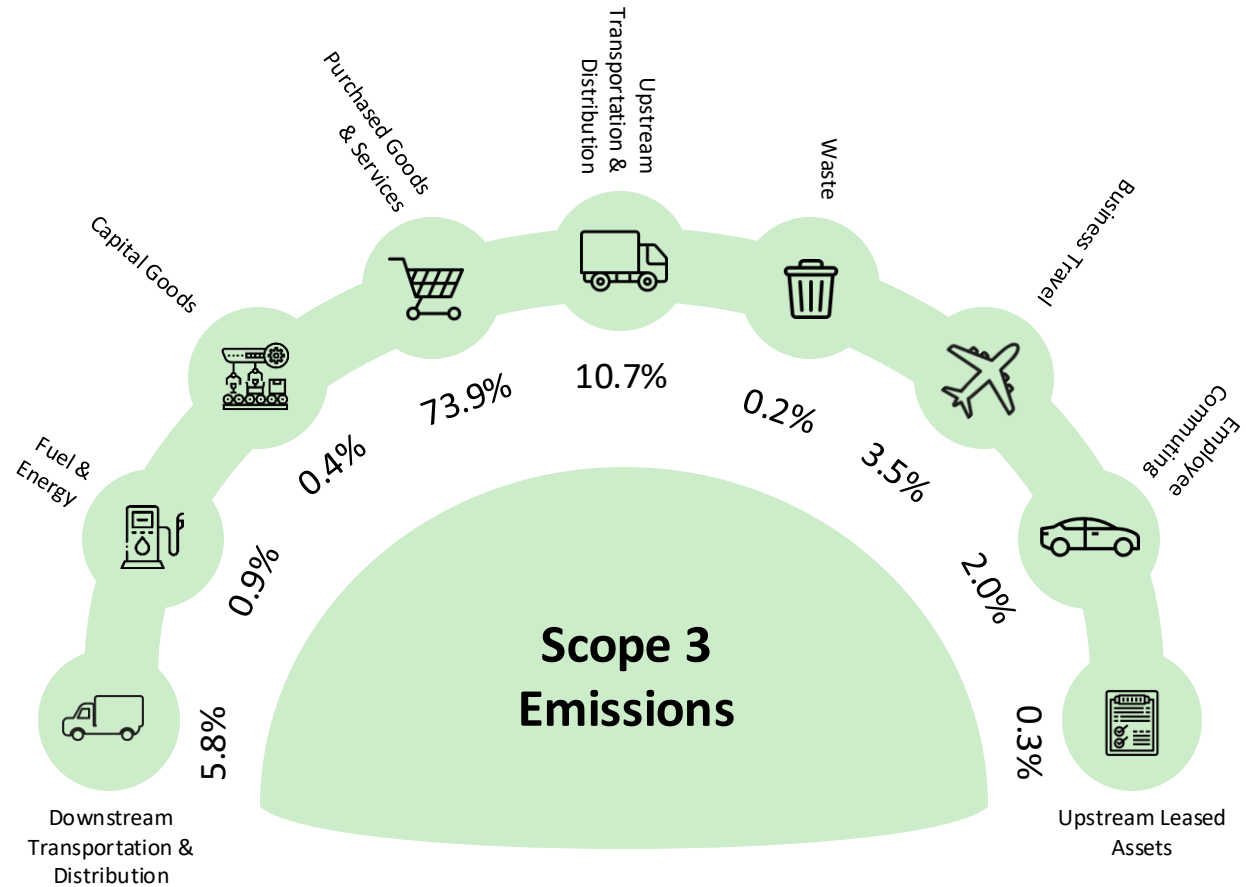
In 2023, Scope 3 emissions were 56,501 tCO₂e, representing 98% of our total (scope 1 + 2 + 3) GHG emissions. A majority of these Scope 3 emissions (74%) comes from purchased goods and services – of which over 60% is from the purchase of raw materials. The remaining Scope 3 emissions include transportation of raw materials and finished products, business travel, capital goods, fuel and energy sources, waste management and employee commuting.

We have set an objective to reduce absolute Scope 3 emissions by 30% by 2030, with an intermediate goal of 15% by 2026. This will be achieved through supplier engagement, material life cycle assessments, intercompany transport

process review, renewable energy, and energy efficiency initiatives. We are continuing to work with an external partner to identify key improvement areas to make the greatest difference and we will regularly update our Scope 3 emissions to ensure we are reporting in line with the GHG Protocol’s Corporate Value Chain (Scope 3) Standard.

In 2023 we saw a reduction of Scope 3 emissions from 72,960T to 53,646T. This is primarily due to a change in methodology from a spend-based approach to a hybrid process, including more accurate primary supplier data.

At the end of 2023 we committed to the Science Based Targets Initiative and are committed to submitting targets for approval in 2024. Science-based targets provide a clearly-defined pathway to reduce greenhouse gas (GHG) emissions, in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement – limiting global warming to 1.5°C above pre-industrial levels and helping prevent the worst impacts of climate change.





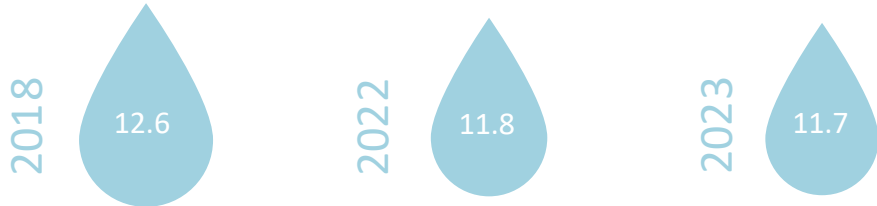
Climate change is altering weather patterns and water security around the world, causing shortages and droughts in some areas and floods in others. Shared water challenges are likely to increase in frequency and intensity in the coming decades. Declining water quality, droughts and water stress are all elements identified as material water risks faced by some of our operations and supply chains. The Worldwide Fund for Nature (WWF) estimates that two-thirds of the world’s population may face water shortages by 2025.

Water is essential to our manufacturing operations as well as to agricultural processes throughout our supply chain. Our operations themselves are not intensive water users; we use water primarily for hygiene and cleaning. To preserve the environment and minimise waste, we strive to consume water more efficiently, discharge wastewater responsibly and consider water use when sourcing raw materials. As pressure mounts on global water resources, we closely monitor the use of water across our sites, especially those located in water-stressed locations. In our supply chain, water use is related to the raw materials that rely on agricultural irrigation and to the synthetic raw materials that require water in production.

Water Withdrawal

In response to water scarcity, we are committed to reducing our purchased water consumption by 20% by 2030 (per tonne of product manufactured). In 2023, we withdrew approximately 11.7 MGL of water from municipal sources (1594.55 litres per tonne manufactured). This is a 10.64% decrease since 2018 and has been achieved through improved operational efficiencies, water recycling and saving technologies. As the SDGs are embedded in our sustainability strategy, we strive to take sustainable action with overlapping positive impacts

Water Use (ML)



Water Stressed Locations

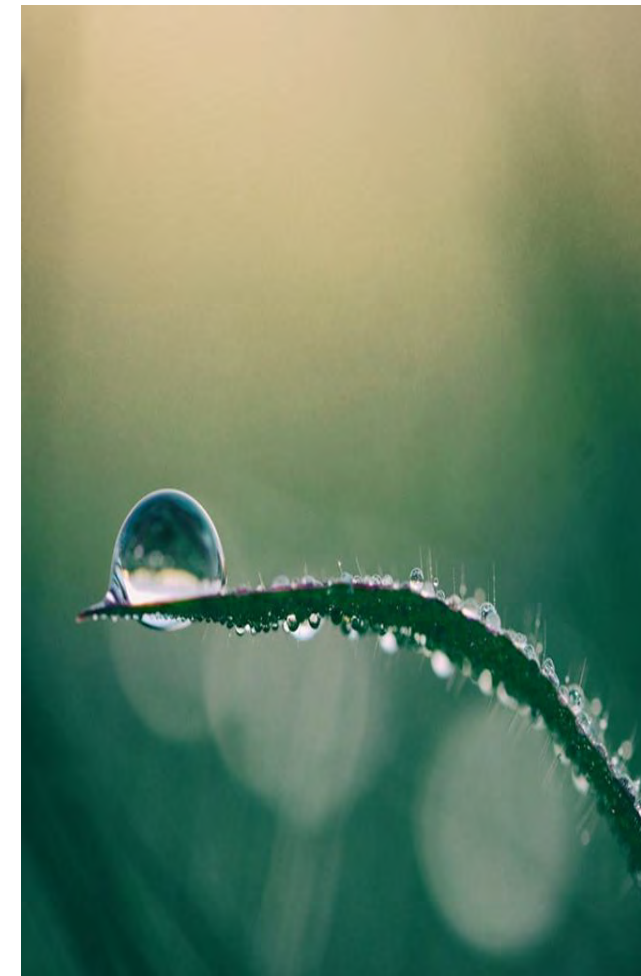
CPL uses a combination of SEDEX water risk assessment scores, (which takes into account the World Resource Institute's Aqueduct Water Risk Atlas and the WWF's Water Risk Filter to evaluate basin-related water risks) total water use and production locations each year to assess water stress risk at the site-specific level.

We have identified 2 manufacturing sites that operate in water-stressed areas and are susceptible to water risk; our facilities in Dubai and Hong Kong. In 2023, water use at these 2 sites accounted for 54% of water use globally (5.5 megalitres). Despite CPL not being an intensive water user, we have implemented several water savings projects to help minimise water consumption. Throughout 2024, our focus will continue to be prioritised at these two sites and further operational efficiencies, water-saving technologies and initiatives are being investigated to recycle and reuse water.

Water Discharge

We primarily use water for cleaning during the manufacturing process. Our water discharge is either discharged directly to local wastewater treatment (according to local discharge permits) or collected on-site and sent for treatment at an off-site wastewater treatment plant. No water bodies and/or related habitats are significantly affected by our water discharge.

Chemical oxygen demand (COD) concentration is the primary water quality indicator because it applies best to the wastewater generated by our facilities. COD indicates the amount of oxygen required to break down pollutants (organic substances) in water. Through our Environmental Management Systems (in accordance with ISO 14001), we set standards based on local, national, and international laws. All facilities follow local requirements on discharges, and we systematically set internal water management standards and operational procedures to minimise COD aligned with local regulations. In 2023, total volume of water treated was 8.63 megalitres (85% of total water withdrawal), 5.0 megalitres of which was in areas of water stress (49% of total water withdrawal). We had no unplanned water discharges and did not record significant spills.



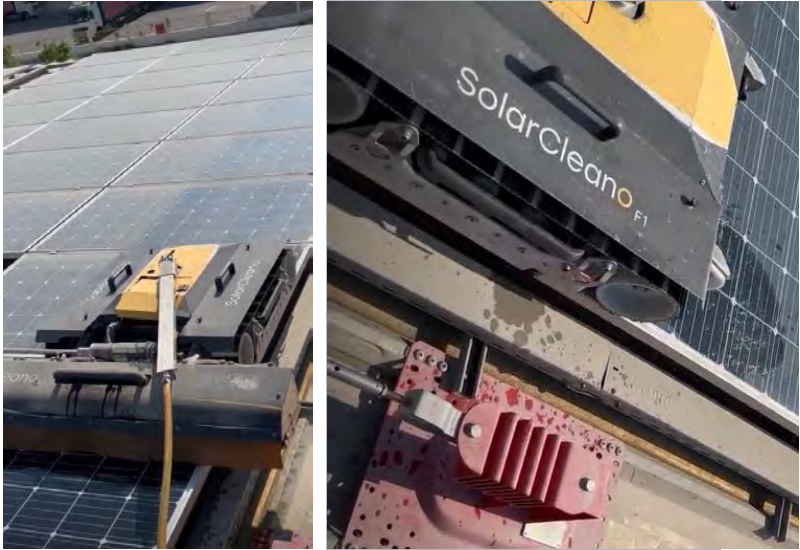
Case Studies



Automated cleaning at UK Manufacturing

Approximately 40% of the total water use at the Brixworth manufacturing site is for process cleaning. In order to reduce the amount consumed, as well as reduce manual handling activities and improved operator productivity, automated cleaning has been introduced.

This new addition reduces overall water and energy consumption. Water is recycled for up to 10 washes before the water is replaced and needs heating again. Since installation, water usage from the wash bay has decreased from 292 L/T to 200 L/T (32% decrease).



Dubai Robot Solar Cleaning

Water consumption in Dubai increased significantly after the solar panel installation in 2019. This was an unintended consequence of moving to renewable electricity for the site. One of the identified causes was the cleaning activity of a solar panel. In order to save water, the method was changed to be conducted by robot, resulting in over an 85% water saving.

Waste Management

Committed to environmental preservation and waste reduction, we're dedicated to enhancing operational efficiency to minimise our waste footprint. Our goal is to transform the end-of-life of materials into new beginnings, focusing on minimising landfill waste and embracing alternative disposal methods.

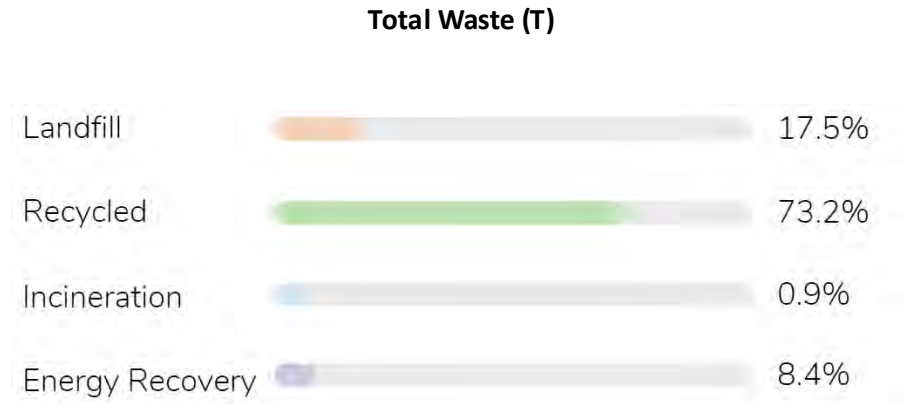
By optimising operations, we're cutting down waste generation, ramping up recycling efforts, and resorting to incineration for energy recapture when recycling isn't feasible. We're committed to a circular economy, aiming to achieve zero waste to landfill by 2030.

In 2023, we generated 883T of waste (0.121T per tonne of product), marking a significant 12.5% improvement in waste efficiency compared to our 2018 baseline. We're continuously honing our waste reduction strategies across all business activities, from procurement to distribution.

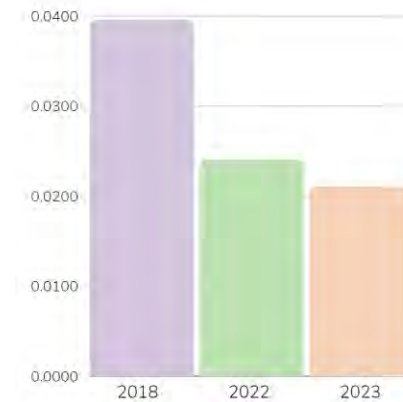
Mindful material choices are central to waste reduction, and we prioritise reuse and recycling whenever possible. With 100% of our product packaging fully recyclable, we're driving sustainability throughout our supply chain. Our stringent quality standards ensure minimal wastage by sourcing only top-quality materials.

Innovation is also key to minimising our environmental impact, and our EcoBoost technology is a prime example. By creating high-impact fragrances with minimal dosage, EcoBoost slashes waste from packaging, transport, energy, and disposal. Additionally, this sustainable fragrance technology includes solid bases, significantly reducing water usage and packaging needs.

As consumer demand for sustainable products surges, we're focussing on developing fragrances containing upcycled and biodegradable ingredients. Upcycling transforms waste into new resources, while our Biodegradable Fragrances further promote circular economies. We continue to upcycle waste oils to create potpourri, with this year's effort resulting in 73T of waste fragrance oil repurposed—a 50% increase from 2022.



Tonnes Landfill (per tonne production)



Case Studies



Colombia Eliminates Plastic from Labs

Since December 2022, the Colombian sampling laboratory has completed the replacement of plastic pipettes with smelling strips for weighing raw materials. This resulted in a saving of around 12,500 plastic pipettes/month, making the process more sustainable, as well as cost savings of 55%.

It is important to recognise the commitment and adaptation to change of compounders to achieve these changes in the processes, maintaining productivity levels and services to internal customers.



Brazil Minimises Plastic Use

As one of our newest sites, Brazil have been working to align with CPL’s policy to minimise plastic use. As such, they have eliminated the use of plastic cups, bottles, cutlery etc. internally. Employees now use metal, reusable cutlery, glass cups and ceramic mugs. This contributes both to reducing waste onsite, as well as minimising plastic use.

Nature stands as a cornerstone, playing a vital role across the majority of industries. The impact of nature is intricately woven into the fabric of the global economy and our ability to safeguard and rejuvenate nature, from nurturing arable land to facilitating crop pollination and preserving scenic landscapes for tourism, is paramount. However, the natural world faces an unprecedented crisis, with biodiversity loss emerging as one of the most pressing risks of the decade ahead.

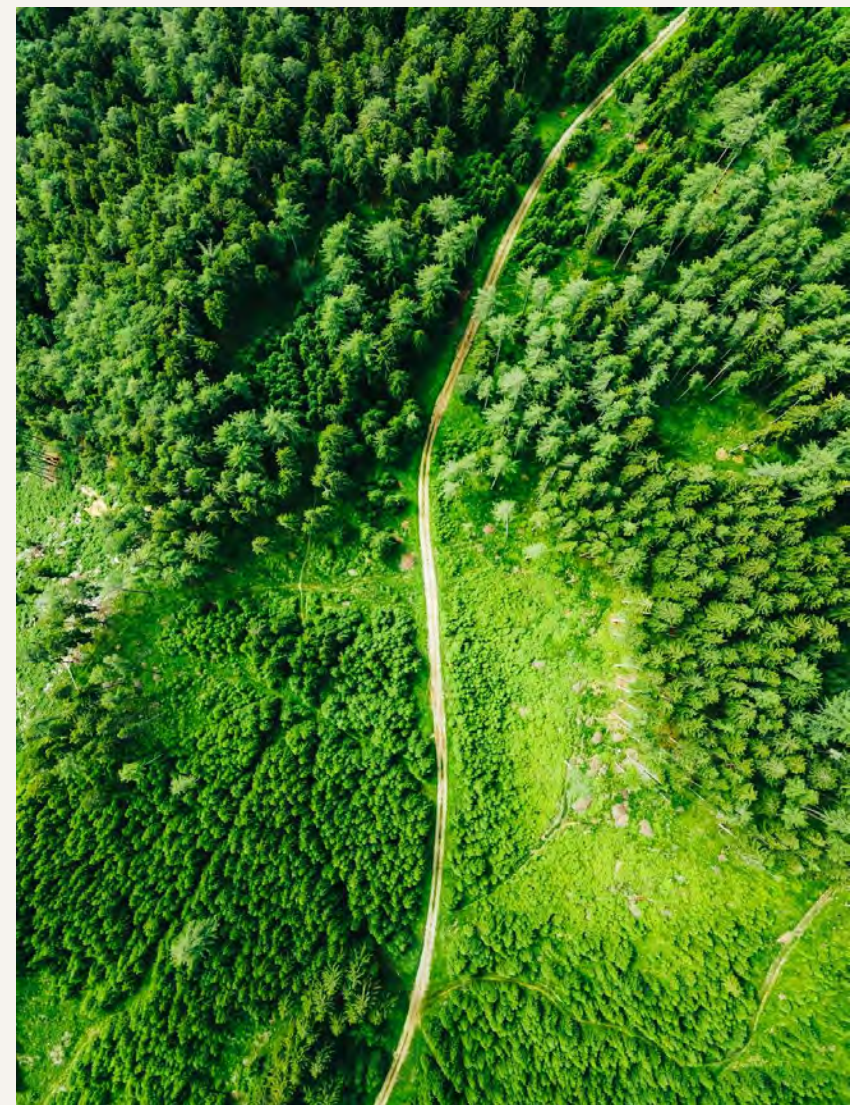
As a fragrance company deeply rooted in the essence of nature, we recognise our pivotal role in biodiversity conservation and restoration, especially within the regions where we operate directly. This responsibility holds particular significance in Key Biodiversity Areas (KBA), which harbour some of the most endangered species worldwide. Collaborating with our suppliers, particularly in the agricultural and farming sectors that supply our natural ingredients, is essential to ensure sustainable practices across our supply chain.

This year, we updated our comprehensive assessment of biodiversity risks within our operational areas, drawing upon data from SEDEX, the International Union for Conservation of Nature (IUCN), and RAMSAR Convention lists. This process enabled us to pinpoint KBAs and evaluate our management controls to mitigate any adverse impacts on these vital habitats.

Two of our manufacturing sites, situated in Dubai, UAE, and Hong Kong, are close to key biodiversity areas. Our Dubai facility, operating since 2015 in the Jabal Ali Free Zone Area, is located just 16 miles from the Jabal Ali Wetland Sanctuary. Similarly, our Hong Kong site, operational since 2007, lies 7 miles from the Mai Po and Inner Deep Bay wetlands.

To safeguard these KBAs, we have implemented stringent measures to minimize negative impacts. For instance, our manufacturing facilities adopt specialized waste management practices to prevent hazardous wastewater disposal, mitigating risks to nearby aquatic ecosystems. In 2024, we revisited our policies to align with current best practices and conducted thorough risk assessments to identify potential biodiversity impacts. Looking ahead, we are intensifying efforts to implement and monitor additional control measures aiming to forge partnerships with organizations dedicated to biodiversity protection.

Biodiversity preservation demands sustained commitment, and we remain steadfast in our resolve to contribute our share. Through collective action, we aspire to ensure that future generations inherit the richness and vitality of our planet's ecosystems.





This year, we opened our new state-of-the-art and most sustainable production facility to date in Malaysia. Located in the industrial Selangor Halal Hub in the country’s Pulau Indah region, the 20,000sqm space offers a more streamlined and efficient production process.

Establishing the new production facility reflects our commitment to business sustainability, with substantial investment directed towards enhancing Production, People and the Planet.

Mr. Thomas Wan, CPL Aromas’ Regional Managing Director, highlighted, “The factory is equipped with the latest technology and top-of-the-line machines, equipment, and facilities. Fragrances produced meet the highest standards of quality and excellence. Automated equipment is installed to enhance the efficiency and safety of transport and storage of raw materials in the goods-in area.”



Trial production started in early June 2023 with full-scale production slated for the year-end. Its strategic location near Port Klang enables seamless importation of raw materials and efficient exportation of finished goods to regional markets.

“Apart from the advanced production machines, the facility is commissioned to protect the environment and reduce carbon footprints with facilities such as solar panels, cold-storage insulated walls and ceilings, rainwater harvesting system, wastewater treatment plant, energy-saving heat pumps, LED lightings and Clean-In-Place (CIP) cleaning process,” Mr. Thomas Wan further added.

Rainwater harvesting system collects and cleans the rainwater for use at our aircon cooling towers. Heat pumps provide efficiency to heat up water with less electricity. Hot air generated from the air compressor is also fed into the hot room, further reducing energy requirements.



The production facility serves the Malaysian market while exporting to other ASEAN countries. Due to its high level of automation, the planned workforce for the facility is about 50 people, with the majority in the semi-skilled and skilled workers categories. Priority is given to local talents for employment and intensive training is provided to ensure their success in contributing to the company’s endeavours.



4

CARING FOR PEOPLE

“

Our foremost commitment lies in nurturing talent, from sourcing the right individuals to fostering their growth within our teams, and ultimately retaining their skills through job satisfaction.

HATTIE HE
Global HR Director



“

We're committed to refining HR processes to foster an engaging environment for CPL employees.

Global HR Director

HATTIE HE



Our people are the foundation of our success who bring crucial expertise to drive our operations forward.

Our foremost commitment lies in nurturing talent, from sourcing the right individuals to fostering their growth within our teams, and ultimately retaining their skills through job satisfaction. In 2023 a comprehensive employee benefits survey was completed, and actions will be based on divisional results.

We're committed to refining HR processes to foster an engaging environment for CPL employees. Implementing the Global Human Capital Management System expands our HR capabilities, aiding in enhanced monitoring.

We've seen a 3% net growth in our workforce, now totalling 730 employees, fuelled by business expansion and the Spain acquisition.

We continually review our sales commission scheme and conduct salary benchmarking to ensure competitive compensation and attract top talent. Looking ahead to 2024, our focus remains on improving staff well-being and inclusivity, with ongoing initiatives aimed at fostering a positive work environment and enhancing key performance indicators.

Throughout 2023 we have made significant contributions to supporting those in need, both locally and globally. The company has developed new community partnerships, notably with Emmaus in the UK, to support individuals who have experienced homelessness. In response to the earthquake in Türkiye and Syria, CPL Aromas teams have actively engaged in fundraising efforts to aid those affected. Our commitment to social responsibility is further highlighted by our biggest ever charitable donation of £1,181,100.

I am proud of the team we have built and look forward to the year ahead as we continue to invest in our people.

Highlights, Goals & Progress

£801,522 Donated to CAFOD	£313,589 Donated to Caritas International	1,396,665 Hours Worked Safely	74 Managers Mental Health Aware	3,339 Hours of Learning & Development Training	10.6% Voluntary Staff Turnover Rate
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OBJECTIVES

- 1** Become an Employer of choice
- 2** Zero loss time accidents
- 3** 100% of sites with local partnerships
- 4** Increased global CSR projects



PROGRESS

- 1** 10.6% Voluntary staff turnover rate
- 2** 1.03 Loss time accident rate
- 3** 50% of sites with local partnerships
- 4** Biggest ever donation of £1,181,100

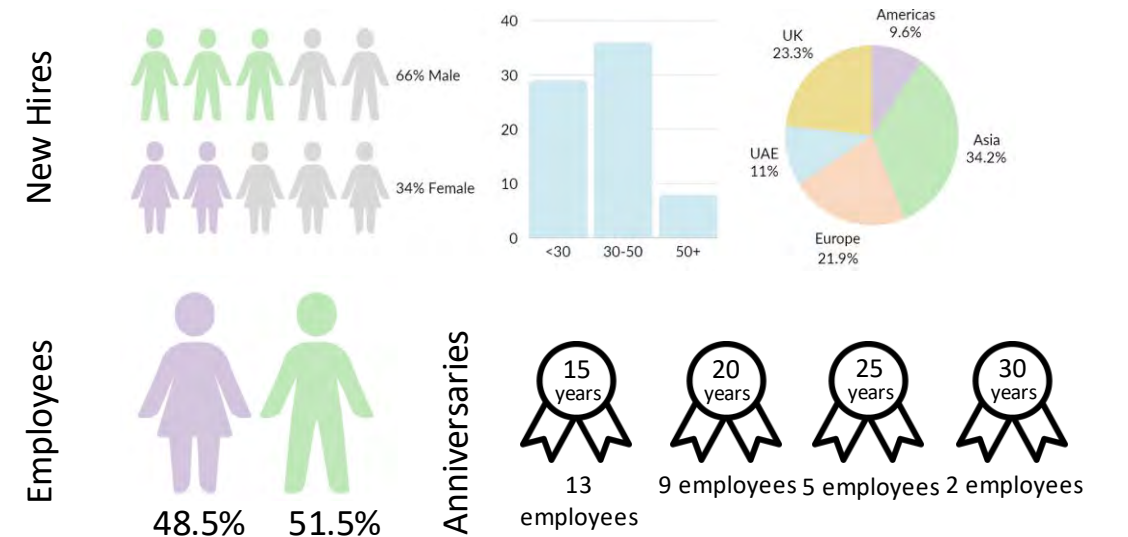
Employment of People



As a fragrance company, we highly value our teams' expertise and creativity, recognising them as the key drivers of our innovations and growth. We provide team members with skill enhancement opportunities through knowledge sharing, training, and career development. This underscores our commitment to unlocking employees' full potential.

In the past year, we emphasised fostering respectful workplaces and conflict management, dedicating 3,339 hours to learning and development across key areas including performance management, communication skills, time management, respectful workplace, conflict resolution, managerial essentials and global induction. Team-building activities were conducted across various sites to promote continuous learning and equip our workforce for future roles. In 2023 we also rolled out our L&D framework and career discussion guide for managers and employees.

Our voluntary turnover rate remains low at 10.6%. Last year, we celebrated 100 long-term employees at CPL Aromas, including five who reached their 25th year with us. Employees at our Spanish and French divisions (14% of our workforce) operate under collective bargaining agreements. For others, we establish working conditions based on local legislation and industry practices.





We have an objective to become an employer of choice. We define an employer of choice as the ability to grow the organisation, build teams, develop individuals and pay for performance. We aim to create a culture and performance environment where our employees are treated fairly, equally and can flourish. Our long service employee record is a testament to how we nurture and support our people and we truly believe CPL is a great place to work, but we also recognise that we can and need to do better.

We owe our success to the exceptional dedication of our global workforce and, in order to sustain this success for the long-term, we recognise the need to strive for positive employee experience and engagement. Consistent and progressive is our key leadership mindset and applying them in our day to day is critical if we want to retain our staff, attract top talent and build a reputation as a great place to work.

This year we went live with our global human capital management system – Success Factors – to expand our HR capabilities. This allows us greater monitoring capabilities and the ability to establish baselines, in order that in 2024 we can set SMART objectives to continue developing our employer of choice programme.

To determine employee salary packages, local salary benchmarking is carried out. All employees globally are paid above minimum and living wages. In 2023, we conducted an Employee Benefits survey, to determine what our employees value and how we can ensure we continue to support our employees better across our global locations. As a result, we introduced various initiatives across our sites including an additional paid holiday for birthdays, long service leave and gift and improved remote/flexible working policy. Looking to 2024 and beyond, we continue to work to set SMART HR targets in line with our objective to be an employer of choice, as well as developing career progression discussions, identifying top talent, development plans and managing performance.



Human Rights & Ethics

We respect ethical and human rights in all aspects of our operations. We outline our commitment in our Ethical and Social Accountability Policy, which comprises nine key principles addressing significant human rights risks, including vulnerable groups like children and ethnic minorities.

Developed in accordance with internationally recognised standards such as the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, SA 8000®, and the UN Guiding Principles on Business and Human Rights, our policy, endorsed by our Main Board, is crucial for our business operation. We transparently communicate policy details to employees, partners, and suppliers, with annual self-assessments conducted to ensure compliance and swift action taken for any violations.

Recognising human rights as a moral imperative and essential for our sustained success, we adhere to these principles to foster lasting advantages for stakeholders and contribute to building a more sustainable world. This year, 518 individuals participated in respectful workplace training.

We prioritise conducting business with integrity, transparency, and adherence to legal and ethical standards, actively mitigating corruption risks. An assessment in 2023 found no identified corruption risks in our direct operations. Our Anti-Bribery & Corruption Policy extends to all levels and roles, including employees, contractors, and suppliers, communicated through our Employee Handbook and responsible sourcing policy. Regular reviews by the Main Board ensure effective communication of updates to stakeholders.

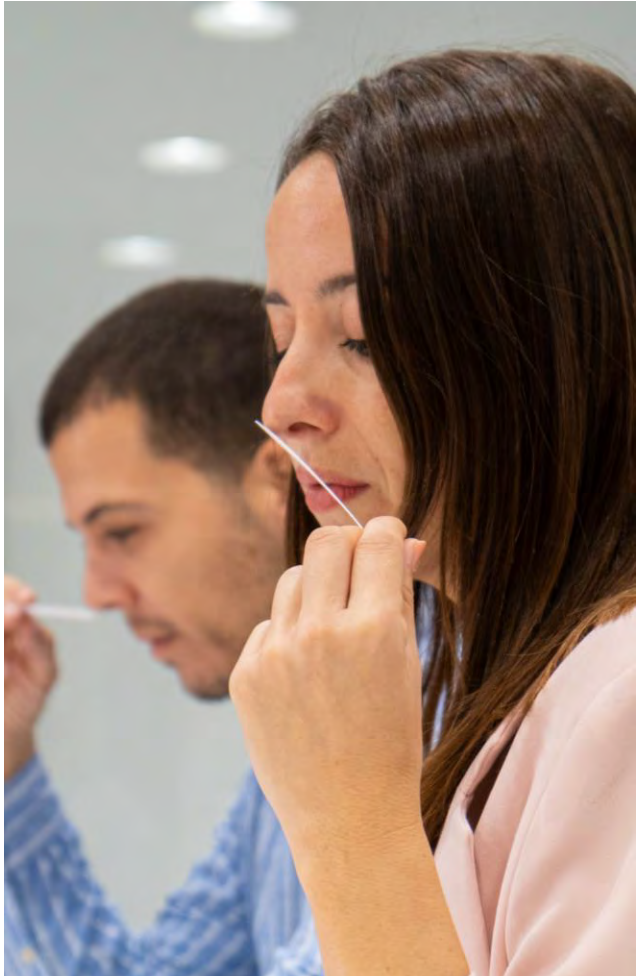
We encourage stakeholders to report suspected corruption through our whistleblowing policy, safeguarding them. In 2023, no confirmed corruption, discrimination or harassment incidents were reported, reflecting our proactive approach to addressing risks in line with our dedication to ethical standards.

Diversity and equal opportunity are the foundation of our business, from recruitment, employee development and supplier expectations, we strive to create a diverse and inclusive workplace.

Our commitment is solidified by our Ethical and Social Accountability Policy, nurturing a sense of belonging and promoting a workspace free from discrimination. Our inclusive culture values every dimension, encompassing gender, ethnicity, identity, sexual orientation, abilities, age, and experiences.

Recognising diversity as a strategic asset, our approach champions the finest talent, irrespective of background. Nurtured within an inclusive environment, our diverse workforce propels continuous improvements in creativity and business performance.

In 2019, our gender pays gap analysis showed no inequality; differences in pay were mainly due to seniority and experience. This assessment, on a per-country basis, used basic annual salaries, excluding bonuses and commissions. Results affirmed our aligned recruitment and remuneration principles as an Employer of Choice. This assessment will be repeated in 2025.



At CPL Aromas our utmost focus is on the safety and well-being of our dedicated workforce. CPL Aromas operates a Health & Safety Management system aligned with the ISO45001:2018 standard. Our Brixworth (UK) facility is the first to achieve external ISO45001:2018 certification, subject to annual internal audits. We aim to attain ISO45001:2018 compliance across all sites by 2030. This commitment applies to all employees, contractors, and business partners, regardless of their role or location.

At CPL Aromas, identifying hazards and reducing health and safety risks on site is fundamental to ensure employee, visitor, and contractor safety. We employ a standardised risk assessment method across all sites to identify hazards associated with our activities. Following assessment, control measures are implemented according to the hierarchy of control to mitigate risks and ensure the safety of employees, visitors, and contractors.

Risk assessments are regularly revised based on global lessons learned and incident investigations to enhance our safety management system and minimise risk exposure. All production sites must conduct risk assessments using a standardised list of hazards. Local QSHE Managers oversee this process, ensuring compliance with local laws and regulations by assigning responsibilities and necessary resources.

At CPL Aromas we operate a whistleblowing policy where employees are encouraged to raise any serious health and safety concerns and to challenge any situation, they believe could cause injury or ill health internally without fear of reprisal.

In addition, we promptly report and document all work-related incidents and near misses using our safety management software. A thorough investigation follows, employing root cause analysis to uncover immediate causes and underlying factors. This process guides the implementation of control measures according to the hierarchy of control.

Employee involvement is crucial for the management system's effectiveness, as their knowledge of work processes is invaluable. We engage employees in various health and safety activities, such as risk management, incident investigations, process updates, and internal auditing. Communication of health and safety information is regularly conducted through training, department briefings, visual management boards, and safety management software.

Monthly health and safety committees operate at all CPL production sites, focusing on investigations, risk assessments, and workplace changes. Representatives contribute to hazard identification and performance enhancement.

We actively involve employees in health and safety training to ensure they understand safety hazards and acquire the necessary skills for safe work practices. CPL conducts training sessions through the Safe@work Safe@home campaign, initiated in 2022 to instil a safety mindset and enhance on-site culture. Key safety training is provided during induction and refreshed annually. QSHE managers identify training needs

based on site hazards and conduct training sessions. Training effectiveness is assessed through incident cause trend analysis.

We aim to prevent and mitigate negative occupational health and safety impacts associated with our products through various strategies. This includes ensuring compliance with regulations for classification and labelling of all products we market, manufacture, and deliver to effectively communicate associated risks.

Our Global Regulatory Team ensures adherence to regulations and conducts thorough compliance evaluations on all ingredients. Safety Data Sheets of raw materials are regularly assessed to keep protocols current and accessible to staff. We provide updated fragrance documentation to customers and actively engage in industry association working groups like RIFM, IFRA, and CTPA to ensure material safety and offer current information to customers. As part of our supplier assessment process, we verify a commitment to health and safety, aligning with our responsible sourcing policy's core principles.



Wellbeing

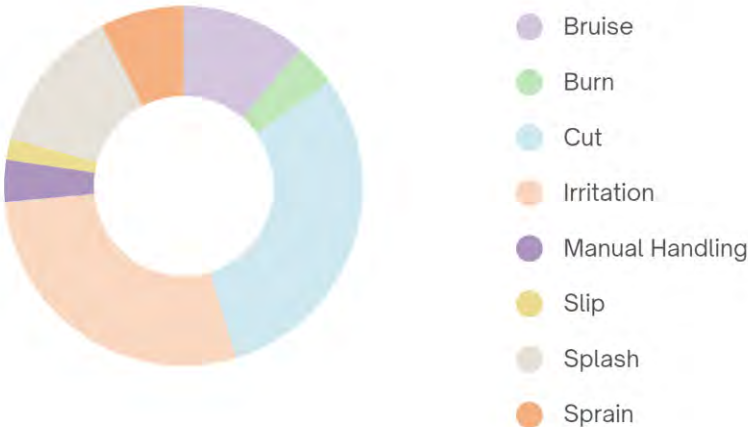
In our dedication to prioritizing mental health and wellbeing, we acknowledge the crucial role managers play in fostering a healthy work environment. This year, 74 managers participated in Mental Health Awareness Training to better support our teams. Additionally, we've appointed 9 mental health first aiders across the organization to provide guidance and support.

We prioritize the physical and mental well-being of our employees and their families, offering ongoing guidance through Share Point and email communications. This year, we introduced a new well-being portal aligned with the CIPD Seven Pillars of Wellbeing, providing comprehensive information and guidance.

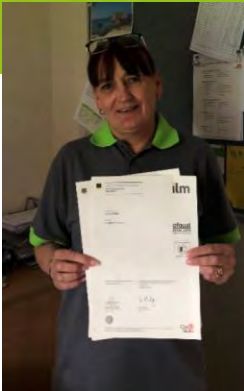
Our commitment to well-being remains unaverring as we continue to expand our knowledge and research efforts to implement best practices for the benefit of our employees.

SAFETY MEASUREMENTS	ALL	MALE	FEMALE
FATALITIES	0	0	0
NO OF LOSS TIME ACCIDENTS (LTA)	8	5	3
LOSS TIME ACCIDENT RATE (LTAR)	1.03	1.28	0.78
INJURY RATE (IR)	45	34	11
LOST DAYS	5,81	9,44	2,09
LOST DAYS RATE	4.52	5.61	3.40
ABSENTEE DAYS	17855	9072	8810
ABSENTEE DAY RATE	0.0980	0.0984	0.0979
NO OF EMPLOYEES	730	376	354
NO OF DAYS WORKED	182,203	92,240	89,963
NO OF HOURS WORKED SAFELY	1,396,665	706,741	689,694

Injuries



Case Studies



Supporting Local Communities - Emmaus

This year our sites in the UK have formed a new partnership with the charity Emmaus. Emmaus supports homeless people by providing a unique combination of housing, community, training, and employment in one of their social enterprises.

Unlike most homeless hostels and support services, Emmaus provides a home for as long as is needed. This allows the companions to receive the time they need to rebuild their life after homelessness and the stability they need to regain their confidence and self-esteem and develop new skills.

This year CPL donated £50,000 to the charity and held a fragrance discovery session for the companions with the aim of becoming more involved with rebuilding the lives of the companions next year.



Every Second Counts

In the past year, we've witnessed several emergencies on our screens – earthquakes in Turkey/Syria, severe drought in East Africa, and the ongoing impact of the war in Ukraine. Emergencies stemming from climate change, conflict, or human rights violations are escalating in severity, frequency, and duration. In 2023, an estimated 274 million people required humanitarian assistance for basic needs, marking an unprecedented demand for help and protection.

The Every Second Counts Campaign is dedicated to addressing the immediate impact of emergencies, offering aid like emergency shelter or food. Last year, the campaign supported 31 projects across 21 countries. CPL Aromas donated £313,589 to Caritas Internationalis, CAFOD's sister organisation, in response to the ongoing attacks on Ukraine.



Interview with GÉRMAN RONDEROS

General Manager, CPL Colombia

This year you celebrated over 20 years with CPL. What is it that you love about your role as General Manager of CPL Colombia?

For over two decades, I've had the privilege of being a part of CPL's journey towards sustainability as the General Manager of CPL Colombia. In this role, I relish the multiple challenges across all parts of our company. However, what truly ignites my passion is leading our sales team and engaging with our cherished customers.

On a personal note, alongside my colleagues, I take immense pride in being part of a company that prioritizes sustainability and cares deeply about its people and the community. Our commitment extends beyond the confines of our operations, as evidenced by our support for organizations like CAFOD, championing noble causes and making meaningful contributions to those in need.

What is sustainability to you and how is it embedded at your site?

Sustainability, to me, embodies the ethos of ensuring our daily lives leave a minimal footprint on our environment and communities, safeguarding our planet for generations to come, including the well-being of my own children.

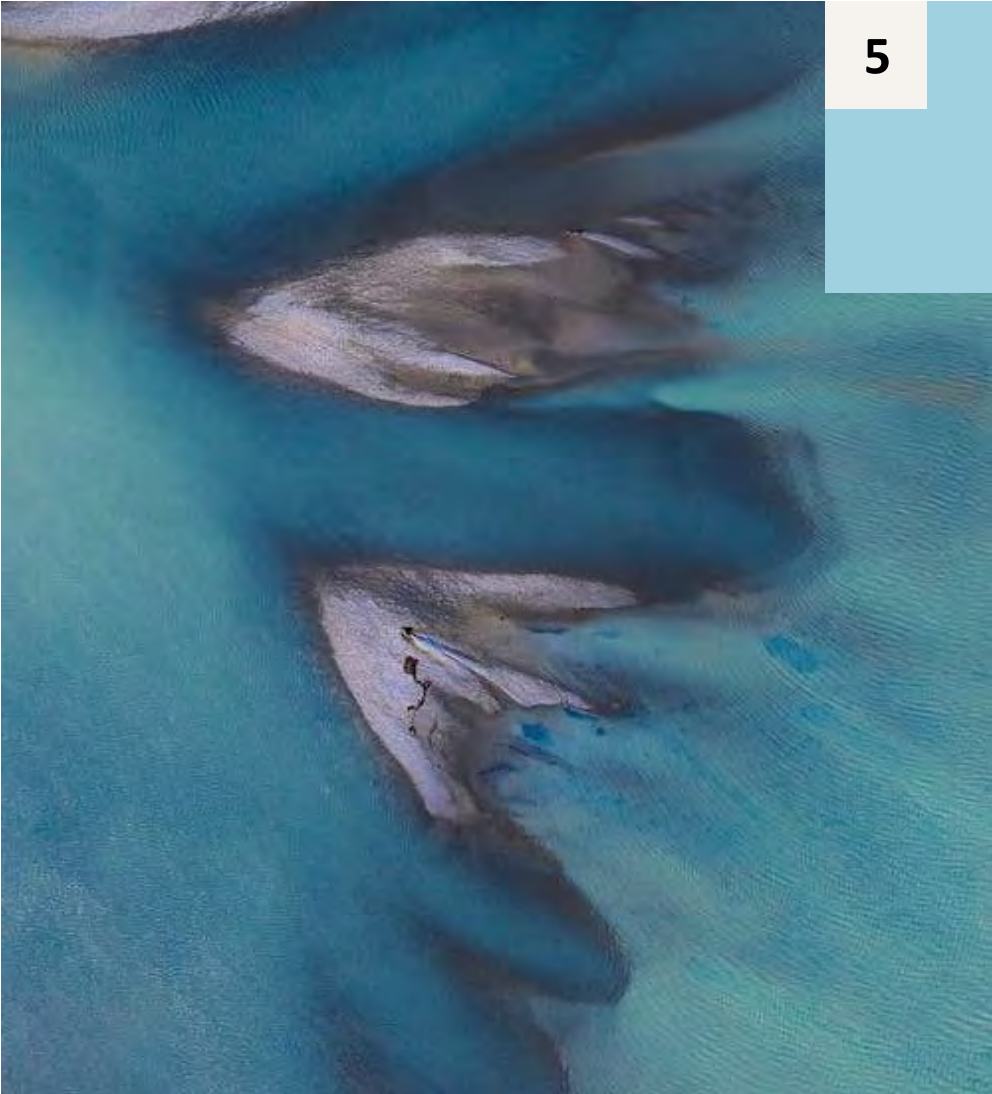
A key focus for us at CPL is the people, their safety and wellbeing. Our intention is to have the best working environment possible where every individual feels valued and inspired. From commemorating milestones together to nurturing a supportive familial atmosphere, we prioritize celebrating successes and nurturing personal and professional growth. Our flexible working policy underscores our dedication to fostering a healthy work-life balance for our employees.

This year, we have had a big focus on safety within our manufacturing operations. We've invested in specialized equipment to alleviate strain and minimize health risks associated with heavy lifting. Additionally, our commitment to waste segregation and promoting eco-friendly options underscores our dedication to sustainability. With the introduction of charging stations and the adoption of hybrid vehicles, we're taking tangible steps towards reducing our carbon footprint.

What's next for you and your team? What are the key focus' for 2024 and beyond?

Looking ahead to 2024, our focus remains steadfast on the holistic well-being of our team. We're expanding our initiatives to include wellness activities for employees and their families, fostering stronger community ties through initiatives like tree-planting days. Furthermore, we're ramping up our clean energy efforts with the installation of more solar panels, aiming for a 20% increase in clean energy production. Additionally, we're continuously exploring avenues to enhance employee well-being, both physically and mentally.

In our pursuit of sustainability, we're proud to champion our innovative technologies, particularly EcoBoost and AromaCore Bio, our sustainable offerings. We're committed to empowering our distributors through education and incentives, fostering sales in these eco-friendly solutions through events like fairs and webinars.



5

LET'S CREATE TOGETHER

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2023 saw many innovative launches and expansion of our innovations, from launching our biodegradable encapsulation technology to lots more AromaSpaces, our headspace technology with minimal impact on the planet.

VERONIQUE BRADBURY

Global R&D Director

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Led by our Research and Development team, we develop new technologies and processes that reduce our products' environmental footprint and promote sustainability

Global R&D Director

Veronique Bradbury



We strive to minimise the environmental impact of our innovative technologies, shaping the future of the fragrance industry responsibly.

Led by our Research and Development team, we develop new technologies and processes that reduce our products' environmental footprint and promote sustainability.

In 2023, we continued to expand our EcoBoost fragrance range and enhanced our ability to create diverse odours. EcoBoost sales hit a record high in the final quarter of 2023 accounting for 7.1% of total sales, approaching our 2026 goal of 7.5%. Additionally, we increased the availability of EcoBoost Plus fragrances, expanding their application areas significantly. With the rise of solid formats in cleaning and toiletry applications aimed at reducing the usage and shipping of water, EcoBoost is the ideal technology for great efficacy at a reduced dosage.

Following investments in new analytical tools in 2022, our laboratories have focused their work by developing new extraction processes. In 2023, we expanded our AromaCore Bio fragrance including options that conform to the very challenging Oekotest requirements. We also saw the launch of our AromaCore Bio Plus combined liquid and encapsulated fragrance offering, including options utilising EcoBoost fragrances.

Our AromaSpace portfolio has grown to include environments like Forests, the Seashore, and Thunderstorms. Collaborating with WWF, we recreated scents of a particular challenged plant species so we can use the distinctive odour without having a detrimental effect on the naturally growing plant. Various other plants that have sustainability challenges have been identified and will hopefully lead to further new AromaSpace products in 2024.

This year saw the launch of a new technology, AromaWellness, CPL Aromas' state-of-the-art technology that studies the connection between fragrances and emotions. We have engineered a new platform equipped with biosensors and technologies that allow us to fully understand the impact of our fragrances on human emotions, human behaviour, physiology and subjective perception. Through AromaWellness we aim to develop fragrances with benefits that trigger positive emotions, with scientifically proven performance.

Highlights, Goals & Progress

5.54% EcoBoost Sales	Ecovadis Platinum Certification	82.37% Average biodegradability score	55.99% Average Fragrance Index Score	19 Upcycled Ingredients	32 AromaSpace Ingredients
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OBJECTIVES

- 1** 10% of sales from EcoBoost
- 2** AromaCore Bio only – phase out non-biodegradable
- 3** Improve internal & external communication
- 4** Fragrance sustainability index average of >60%
- 5** >95% biodegradability content of new creations



PROGRESS

- 1** 5.54% of sales from EcoBoost
- 2** Ceased manufacturing of non-biodegradable product
- 3** Increased social media posts, webinars, blogs.
- 4** 56% average Fragrance Sustainability Index
- 5** 82.37% average biodegradability content



The Group's results for the financial year 2022/23 reflect positive sales growth, impacted by a challenging global economic environment. Sales of £145.3m (£129.9m in 2021/22) grew year on year by 12% (4% based on constant exchange rates). The Group now has customers in over 100 different countries, demonstrating its global reach and capabilities.

Significant increases in raw material prices resulted in reductions in margins; the Group also experienced high inflationary cost increases across the business and an increase in travel costs following two years of COVID-19 restrictions. However, despite these challenges, the Group increased its charitable donation to CAFOD and repaid all remaining bank debt, demonstrating the strength of the group's balance sheet.

The focus on growth remained a major priority for the Group evidenced by: the acquisition of what is now CPL Aromas Do Brasil, the opening of a new Sales and Creative centre in India, continued investment in capacity and efficiency across our existing manufacturing sites. Significantly, the construction of our new manufacturing site in Malaysia was completed, with the installation of the plant and machinery continuing into 2023/24. In September 2023, we celebrated the official opening of this new manufacturing site. The Malaysian manufacturing site will be the Group's most technologically advanced manufacturing site and will provide significant capacity to service our ever-growing Southeast Asia business.

In July 2023, the group acquired Global Fragrances Lab, a Spanish based fragrance house, solidifying CPL's position in the industry and expanding our capabilities in Spain to better serve our customers. The acquisition of Global Fragrances Lab represents a significant milestone in our growth strategy and demonstrates our commitment to enhancing its offerings, fostering innovation, and delivering value to our customers. The ERP replacement program and implementation of a new HRIS are progressing well and are scheduled for completion in 2024. We expect the impact of high inflation to continue to be a challenge for 2023/24 but remain confident that the Group will continue to report growth.

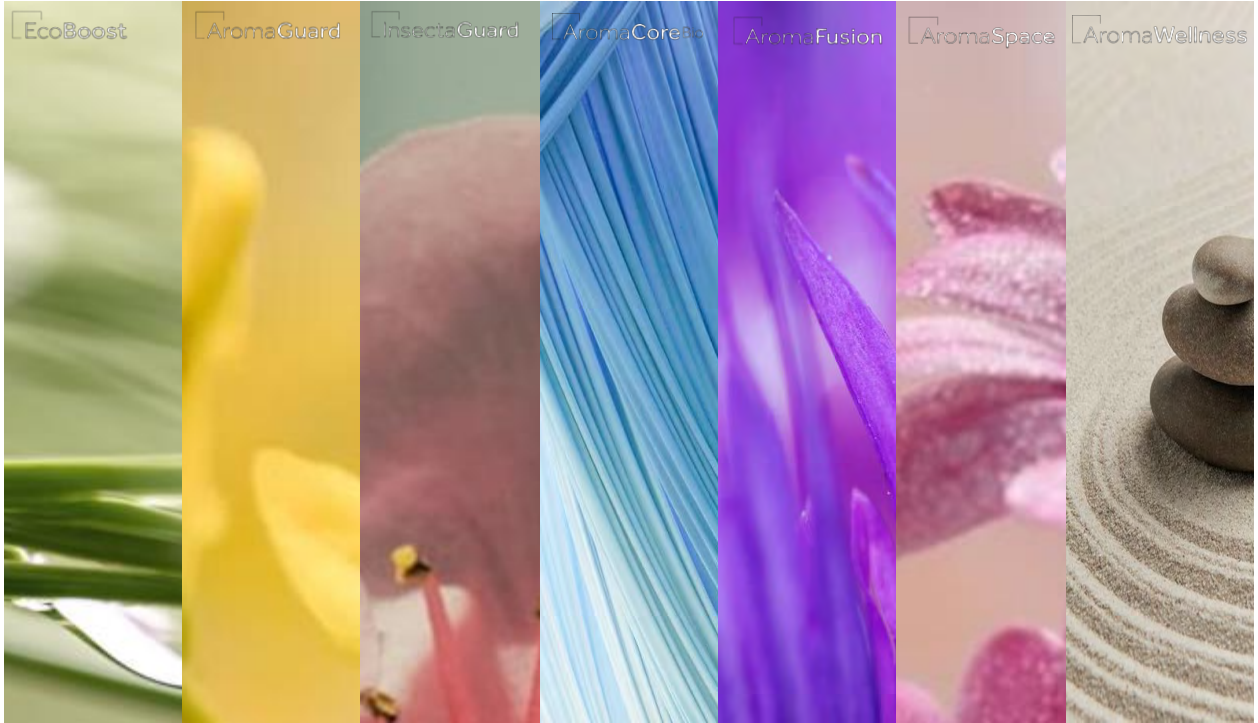
GBP (000)	20/21	21/22	22/23	%YOY
SALES	£111,299	£129,890	£145,349	12%
OPERATING COSTS	£54,644	£59,308	£64,588	9%
EMPLOYEE WAGES & BENEFITS	£26,589	£30,106	£31,642	5%
COMMUNITY INVESTMENTS	£471	£496	£1,144	131%



Sustainable Product Innovation

We strive to shape the future of the fragrance industry by adopting a responsible approach to innovation by considering the potential consequences of our processes and products on the environment. Our dedicated research and development team is motivated to create cutting-edge technologies and processes that minimise the environmental footprint of our products.

Consumer priorities are increasingly centred on environmental concerns, which steer our innovation strategy at CPL. We proactively engage with our customers to foster the development of more sustainable options, encouraging them to make better choices.





A more sustainable avenue & reduces carbon footprint

Reduces Packaging, Raw Material use & waste



Biodegradable, vegan, patented

Reducing microplastics

EcoBoost

Our EcoBoost and EcoBoost Plus technologies offer highly sustainable solutions. CPL’s EcoBoost, is a unique fragrance concentration technology and is used solely by CPL perfumers to create innovative fragrances that use just 10% of the normal fragrance dosage with no compromise in strength or quality.

By using just 10% of the standard fragrance dosage, they deliver exceptional strength and quality while addressing environmental challenges. This significantly reduces our clients' carbon footprint. Switching to EcoBoost fragrances saves 90% of the carbon footprint compared to regular fragrances, with even greater benefits from EcoBoost Plus options.

Expanding our EcoBoost and EcoBoost Plus range provides customers with diverse fragrance options, driving impressive sales growth. We have also seen many customers adopting EcoBoost fragrances, after recognising the sustainability and regulatory challenges that our EcoBoost technology helps with. By year-end, EcoBoost sales reached a record high, constituting 5.54% of total sales.

AromaCoreBio

A sustainable fragrance encapsulation technology has become an essential element of many categories. CPL have spent many years developing AromaCore Bio. It's our first patented technology, designed to lock in fragrance without contributing to climate change.

Compatible with any suitable liquid fragrances and fully compliant with vegan standards, AromaCore Bio's shell contains over 70% natural origin content, meeting ISO16128 standards.

Since its introduction last year, we've collaborated with customers to phase out non-bio AromaCore products. We believe only biodegradable encapsulation should be available to protect our environment.

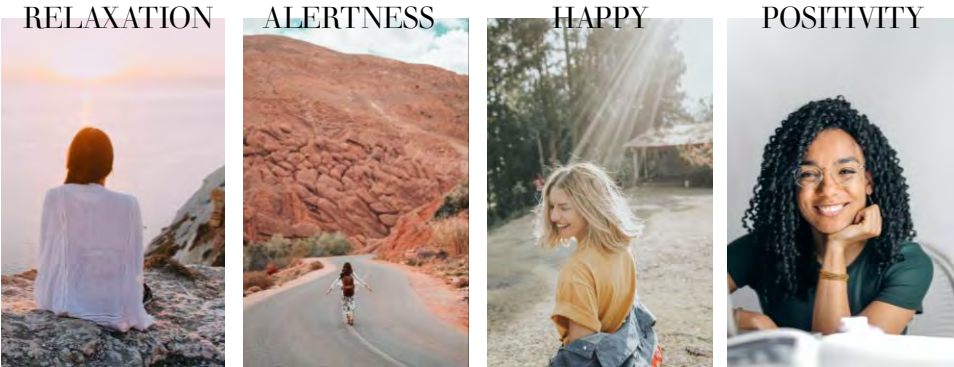
ArmaWellness

ArmaWellness is our state-of-the-art technology that studies the connection between fragrances and emotions.

For its development we've engineered a new platform equipped with biosensors and technologies that allow us to fully understand the impact of our fragrances on human emotions, including human behaviour, physiology, and subjective perception.

Through this innovative technology we aim to develop functional fragrances (or fragrances with benefits) that trigger positive emotions, with scientifically proven performance.

Our current ArmaWellness developments include fragrances with Relaxation, Alertness and Happiness benefits.



Scents to alter your mood

Fragrances with added benefits

Create the ambience you want to achieve

Bespoke and unique projects





Forest AromaSpace Base

Experience the essence of a forest walk through our Forest AromaSpace Base, inspired by the Japanese tradition of shinrin yoku, or forest bathing. Our Senior GC-MS Analyst, Debora Bortolotti, harnessed our headspace technology amidst the woodlands of Baselga di Pine, nestled at the base of Italy's majestic Lagorai peaks, her birthplace. The twigs and needles were collected from a solitary young fir tree, surrounded by pine trees, offering a terpinenic, green, and citrusy aroma with resinous undertones. For the forest floor sample, we ventured not far from the fir tree, where the ground was mossy, humid, and concealed mushrooms under the leaf cover.

This Forest AromaSpace faithfully captures the essence of forest bathing, brimming with aromatic notes of moss, pine, and the comforting warmth of wood. This base enhances the natural character of fragrance creations, making it a versatile addition. It complements woody fragrances and can add depth to citrus scents due to its citrusy top notes.

AromaSpace

Scent and emotion share a deep connection, and nature's positive impact on well-being is well-known. Our AromaSpace technology introduces 'nature-inspired' scents to customers innovatively. Utilizing headspace technologies, AromaSpace allows us to sample scent without harming biodiversity.

We continuously expand our AromaSpace portfolio, introducing new bases regularly. Currently, we offer 32 ingredients. Our analysts interpret data to develop detailed chemical compositions of original scents. Perfumers then fill any gaps in the data, creating unique bases exclusive to CPL for creative use.





Natural Fragrances

Our Naturals Platform combines our expertise in natural perfumery, market knowledge, and regulatory understanding. It offers a practical classification system for creating natural fragrances using plant-derived ingredients and natural aroma chemicals obtained through physical or chemical processes.

We are committed to responsibly and sustainably incorporating these natural ingredients into our fragrances. Through green chemistry and biotechnology, we responsibly source naturals and natural aroma chemicals, continually increasing the proportion of renewable carbon in our ingredients. Our Natural Origin trend set provides renewable materials to meet evolving customer needs and accelerate our positive impact on the planet.



Product Safety and Labelling



CPL are committed to delivering fragrances of utmost excellence that not only fulfil safety and legal prerequisites but also set a benchmark for quality. Our certifications under ISO 9001, ISO 14001, and ISO 45001 serve as the fundamental pillars underpinning all our manufacturing protocols and methodologies. In instances where certain sites lack formal certification, they still uphold adherence to these standards, abiding by stringent global policies and procedural guidelines.



Our Global Regulatory Team ensures comprehension and compliance with regulations and cultural mandates in all our targeted markets. Thorough evaluation of ingredients includes stringent quality, health, safety, and environmental assessments. We maintain a continuous review program for raw materials. Our experts actively engage in various industry body working groups such as IFRA, RIFM, and CTPA, ensuring material safety within our sector and providing our customers with the latest guidance and information.



CPL is deeply committed to quality, a core aspect of our identity. Our values are rooted in constant innovation and excellence in our field. Our robust quality management system ensures consistent product excellence across the group, from raw material supply to manufacturing processes.

Monitoring performance through objectives and metrics is routine, and regular team training ensures industry expertise is widespread throughout our organization. No product recalls occurred in 2023.

Communication & Transparency

Communication and transparency are vital for CPL and our stakeholders, especially in today's digital age, where consumers increasingly seek ingredient and product safety information.

Our commitment is to prioritize transparency across our operations, fostering trust with employees, customers, and suppliers and upholding high ethical standards.

Integrating transparency into our corporate culture enhances communication, engages employees, and strengthens commitment. We continuously strive to improve both internal and external communication for a more transparent culture.

In the past year, CPL participated in global events like Incosmetics, Farma Cosmetica, Beauty World, and Cosmohome, emphasizing sustainability and creativity, showcasing our latest technologies. Our Global Marketing team collaborated closely with R&D, introducing new AromaSpace bases and AromaFusion

ingredients and hosting webinars on consumer trends and sustainability.

We've found zero instances of non-compliant marketing communications.

"At CPL, ensuring our message aligns with our values, particularly sustainability, is crucial. We prioritise adapting to client and consumer needs, emphasizing responsible production and consumption, especially to younger generations. Communication is integral across all departments, shaping our image and perception. Transparency and accountability are essential to our communication strategy."

Nelly Di Mercurio, Global Marketing & Communications Manager



Fragrance Sustainability Index



In order to prioritise sustainability, visibility and communication. In 2022 we implemented a new fragrance sustainability index (FSI). This model considers multiple key indicators related to responsible sourcing of materials, environmental impact, and social responsibility of the fragrance. This index enables our perfumers to create more sustainably, taking a holistic view.

Our index measures different sustainability criteria within each of our fragrances that we create, combining to give it an overall score and enabling both us and our customers to see where the fragrance is performing well and what improvements could be made for a more sustainable scent.

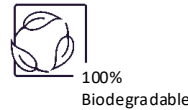
Our Most Sustainable Creation 2023

Fresh Grapefruit, Mandarin



Mint, Tea Tree, Thyme

Dry Amber, Soft Musk, Moss



Perfumer, Kamila Lelakova :

Initially focusing on Ultimately Biodegradable EcoBoost fragrances for luxury products. The concept was ‘Choose Your Mood - Concentrated shower gel refills’.

This scent was created with wellbeing in mind. The notes of uplifting fresh grapefruit and mandarin dancing in harmony with peppermint, crisp eucalyptus balanced with an infusion of tea tree and thyme. Dry amber, soft musk and moss creates comforting dry down note.



Interview with NELLY DI MERCURIO

Global Marketing &
Communications Manager

When you think of the term “sustainability” what does it mean to you?

Becoming a mother for the first time greatly shifted my perspective on sustainability. It's about ensuring that our present actions don't compromise the ability of future generations, including my own children, to thrive. Sustainability encompasses more than just environmental responsibility; it's about practices that minimize harm to our planet, conserve resources, and protect ecosystems, all while fostering equitable social and economic benefits.

What is your role at CPL and how does this support CPL’s sustainability strategy?

As the Global Marketing and Communications Manager at CPL, I'm privileged to be deeply connected throughout our value chain. Branding and communication are not just about logos or slogans; they represent the essence of CPL, embodied by every member of our team.



Effective communication lies at the heart of our sustainability journey. By openly sharing information about our sustainability efforts, we demonstrate our commitment to accountability and enable stakeholders to understand our impacts. Transparent communication builds trust, fostering stronger relationships with our customers, employees, and the wider community.

Communication is also powerful tool for engagement, enabling us to involve our audience, gather feedback, and foster a sense of shared responsibility. Our commitment to sustainability, when effectively communicated, attracts like-minded individuals and contributes to employee satisfaction and retention. In today's world, consumers expect businesses to operate responsibly. Clear communication about our sustainability initiatives helps us meet and exceed those expectations, as well as educate others about the importance of sustainability and empowering them to make informed choices.

What’s next for you and your team? What are the key focus' for 2024 and beyond?

Looking ahead to 2024, my team and I have an ambitious agenda. We're embracing digital transformation to enhance our online presence and connect more deeply with our customers through social media and immersive digital experiences. Sustainability remains at the forefront of our priorities, with a focus on implementing eco-friendly practices across our operations, including sustainable sourcing of marketing materials.

We're forging strategic partnerships, launching targeted marketing campaigns, and expanding into new markets while remaining sensitive to diverse cultural preferences. 2024 promises to be a year of growth, innovation, and sustainability for CPL. By aligning with evolving consumer expectations and championing sustainability, we're poised to strengthen our position in the industry while contributing to a more sustainable future for all.



6

SOURCING RESPONSIBLY

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While we take pride in our past accomplishments, we also acknowledge that the road ahead is fraught with challenges. As the world grapples with pressing social and environmental issues, we remain resolute in our commitment to pioneering new technologies, initiatives, and inventive solutions.

NICK MOORE
Global Purchasing Director

“

A global movement towards sustainability is underway as consumers increasingly adopt eco-conscious lifestyles and seek brands and products that echo their values.

Global Purchasing Director

NICK MOORE



At CPL Aromas, we are stewards of a family legacy. We recognise we have a responsibility to future generations, and are therefore firmly dedicated to having a positive impact on the world.

Sustainability is the very essence of our business ethos; we recognise it's not merely a fleeting trend, but vital to our enduring success. A global movement towards sustainability is underway as consumers increasingly adopt eco-conscious lifestyles and seek brands and products that echo their values.

In the face of mounting challenges like climate change, resource depletion, and environmental deterioration, we understand the necessity for traditional business models to adapt and evolve.

We firmly hold the belief that for genuine change to happen, sustainability must be woven into every part of our operations, guiding each conversation and every decision we make.

Our commitment to sustainability infuses every aspect of our organisation, providing a vision and pathway that empowers us to continue delivering exceptional fragrances to our customers while preserving the planet's resources and protecting the people in it. We are proud of what we have achieved throughout 2023, from reducing our operational emissions even further, to replacing existing AromaCore with the more sustainable AromaCore Bio, to adding more and more sustainable resources to our pallet.

While we take pride in our past accomplishments, we also acknowledge that the road ahead is fraught with challenges. As the world grapples with pressing social and environmental issues, we remain resolute in our commitment to pioneering new technologies, initiatives, and inventive solutions. Our dedication to sustainability is unshakable, founded on a long-term perspective that places priority on the well-being of people and the planet. Through collaborative endeavours with our partners, we aim to realise our sustainability aspirations for 2030 and play our part in leaving the world in a better state than we encountered it, leaving a legacy that reverberates through future generations. Throughout 2024 we will continue to focus our efforts on assessing suppliers and targeting where our supply chain uses fossil fuels for power generation, reducing our scope 3 emissions.

Highlights, Goals & Progress

57% Suppliers committed to our policy	93% of supply chain visible through SEDEX	85.9% supply chain assessed for sustainability	60 Responsibly sourced ingredients	19 Upcycled Ingredients
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OBJECTIVES

- 1** Develop & implement a responsible sourcing policy
- 2** 100% supplier assessment
- 3** Provide Life Cycle Analysis data for our fragrances
- 4** Sustainable Purchasing Agreements for 10% of materials



PROGRESS

- 1** 100% of Cat A&B suppliers have committed
- 2** 85.9% suppliers assessed
- 3** LCA data available for 4.18% of ingredients
- 4** Sustainable Purchasing Agreements for 35% of top 100 materials

At CPL, sustainability is integral to our operations, particularly in our global supply chains. Our Responsible Sourcing Policy, implemented in 2019, serves as our framework for supplier engagement. With 75% of our emissions accounted to our purchased goods and services, collaborating with suppliers is crucial for a positive societal and environmental impact.

Our ongoing supplier sustainability program has evaluated 62 suppliers out of 226, representing approximately 85.9% of our supply chains. We assess sustainability risks across the production process, from raw material extraction to distribution. Our evaluations cover environmental impact, quality, traceability, social and labour practices, and business ethics. We also validate sustainability through third-party certifications like ISO, Ecovadis, CDP, and UEBT.

Results guide us in creating action plans with suppliers to drive excellence. Given the complexity of our global supply chain, we recognise that organizations are at different stages of their sustainability journey. Regular reviews ensure continual improvement, aligned with evolving sustainability best practices.





Responsible Sourcing Agreements

CPL prioritizes responsible raw material sourcing to drive supply chain sustainability. Our commitment to ethical and sustainable ingredient sourcing is a cornerstone of our operations.

In 2022, we expanded our 2030 objective to establish responsible purchasing agreements for 10% of all raw materials. This underscores our unwavering dedication to supply chain sustainability. This year, we increased the number of responsibly sourced ingredients to 60, up by 18 since 2022.

Our purchasing agreements for these materials set stringent guidelines, covering fair labour practices, renewable technologies, environmental protection, social contributions, and traceability. These materials exemplify outstanding sustainability practices, promoting biodiversity and environmental preservation, as well as social accountability.

Upcycled Ingredients

Upcycling, the process of converting waste materials into valuable new products, extends to fragrance production. For instance, we repurpose spent plant materials and distillation by-products. This year, we've expanded our upcycled ingredient selection, introducing 4 new options for our perfumers, with a total of 19 available. Additionally, we've upcycled 73 tons of waste oils from our manufacturing process, turning them into valuable new products.

Life Cycle Assessments

Last year we set a new target of collecting Life Cycle Assessment (LCA) data for 50% of our Top 100 materials by 2026. In 2023, we collected LCA data on 35.00% of our Top 100 materials, including 47.76% of the ingredients by volume.

The objective of the LCA exercise is to establish a more accurate Scope 3 GHG emission calculation, as well as moving us towards our objective of providing a life cycle assessment tool to our customers for 100% of our fragrances.

Our raw materials account for a large proportion of our total emissions profile so this forms a key part of our GHG emission reduction strategy while fostering lower environmental impact.

Our long-term aim is to collate information on our palette by utilising LCA data, industry averages and our own emissions data in order to provide a LCA for each of our fragrances.

Providing a LCA tool to our customers, will enable them to fully understand the impact of their fragrance and, in turn, of their product.

Such a tool would analyse the environmental impacts associated with all the life stages of our fragrances. A life cycle includes many stages of a product and provides a full picture of the CO2 emissions into the atmosphere during each life-stage of the product.

Having this information at the time of creation, will enable our customers to make sustainable choices when selecting their fragrances and will assist in reviewing our palette to look to source better alternatives with a lower carbon footprint if necessary.

We are working in collaboration with our suppliers to collect more in 2024. Any LCA data must conform with ISO standards and recognised measurement tools.



Biomass Balance reiterates our commitment to sourcing materials responsibly and providing our customers with innovative, eco-friendly solutions. The biomass balance approach is a step-forward in our journey to more sustainable fragrances. Using renewable biomass resources not only reduces the carbon footprint of a final product but it also helps conserve non-renewable resources and helps to reduce environmental pollution, promoting a circular economy.



BMB DOA

Widely used in candle making as a solvent. DOA is a phthalate-free solvent, making it a safer alternative to traditional solvents that have been linked to health and environmental concerns.



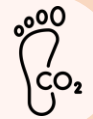
Biomass Balance

A method of calculating the amount of biomass-based raw material in a product, an organic alternative to traditional petrochemical resources, which can reduce CO2 emissions and can even be made of organic waste.



Carbon footprint reduction

Reduces the carbon footprint of the final product using biogenic CO2 from crops. BMB DOA has reduced the cradle-to-gate carbon footprint of DOA production from 3.3 kg CO2e/kg to 0.7 kg CO2e/kg. This represents a carbon emissions savings of approximately 79% compared to regular DOA.



Upcycled

BMB DOA is also an upcycled material. By using renewable feedstock, a circular economy is created where waste is minimised and resources conserved. Renewable feedstock, such as corn, maize, and rapeseed, are grown and harvested in a sustainable manner, with cover crops between harvests to protect the soil.



Externally verified

Biomass Balance is certified by independent third-party certification bodies and is subject to various international standards. ISCC and REDCert2 verified to ensure accurate BMB accounting.





Interview with NUNTIYA WATTANAARPA

Perfumer, CPL Far East

This year you celebrated over 13 years with CPL. Can you tell us more about your role at CPL Far East?

At CPL Aromas, we operate as a global team, supporting each other to achieve success for our customers by delivering innovative fragrances, exceptional service, and genuine care. I create mainly for the personal care and fabric care markets, as well as various fine fragrance projects spanning Thailand and Far East countries such as Malaysia, Indonesia, Vietnam, Philippines, and China. Every day, I am inspired to generate new ideas, continuously learning and refining my olfactory skills through constant exploration and experimentation with different scents.

What does sustainability mean to you and how do you consider it as part of your role in perfumery?

Sustainability for me means finding solutions that meet life's needs without compromising the environment, our planet, society, or the well-being of future generations. It's about having a deep respect for our world and the generations to come.



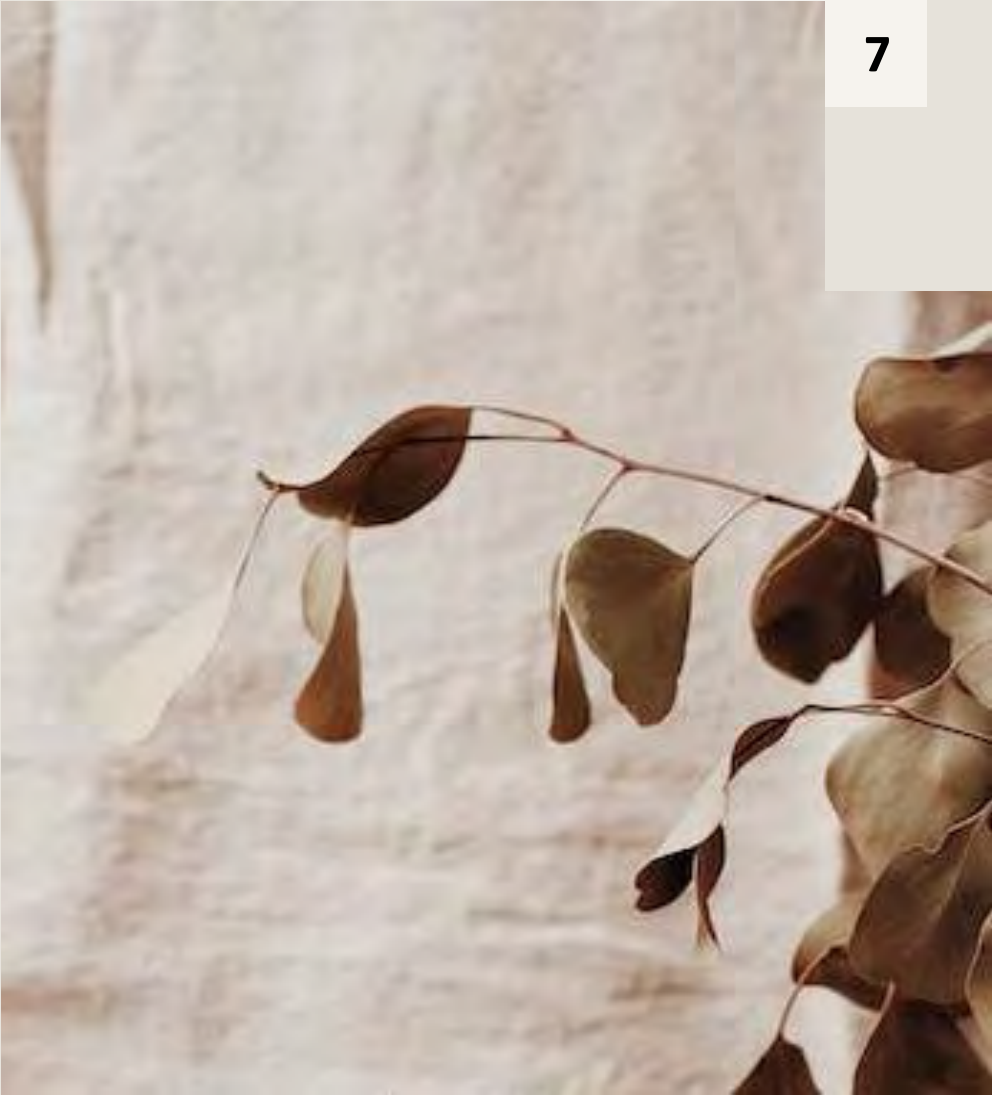
At CPL, we genuinely care about future generations and are committed to playing our part in protecting the environment and the communities in which we live. We all need to do everything we can to take care of our planet and its resources, and that's why the sustainability agenda is incredibly important to our business.

Sustainable perfumery is all about captivating the senses while keeping people and the planet safe. This includes responsible sourcing of raw materials, fragrance creation and packaging practices. In particular, I love using our responsibly sourced and upcycled ingredients in my creations. These materials are selected from plantations that are dedicated to environmental management, renewing plants, reducing emissions and water consumption, and helping local communities, as well as using leftover natural material considered waste in the past.

One notable sustainable fragrance technology we have is our EcoBoost technology. EcoBoost significantly reduces CO2 emissions, saving approximately 90% compared to standard fragrance production methods. This innovation is versatile across a wide range of applications, enhancing the sustainability of home fragrance and personal care products alike. By utilizing EcoBoost in our creations we can effectively address our and our customers sustainability goals while delivering impactful, quality fragrances.

Looking to 2024 and beyond, how do you see the concept of sustainable perfumery evolving?

As sustainability takes centre stage, the perfumery industry is actively exploring alternatives to traditional ingredients. Natural ingredients sourced in a responsible way are often favoured for their environmentally friendly and socially responsible characteristics. Looking to the future, however, I think the consumer will become more aware of the role that green chemistry can play in sustainability, and we will see a focus on sustainable synthetics as an exciting, creative and responsible way forward. This approach to using synthetic alternatives helps mitigate the environmental impact associated with harvesting and processing natural resources, while still achieving the desired aromatic qualities. Safe synthetic molecules must be an important part of our strategy into 2024 and beyond.



7

2024 & BEYOND

“

Sustainability is not just a commitment; it's our pathway to a better future. By continuously striving to improve the way we do things, not just sticking to the status quo, we uphold our responsibility to the planet and society. Together, we forge a healthier path forwards, protecting and restoring our planet, as well as ensuring prosperity and well-being for all.

CHARLOTTE PURCELL

Group Technical Director

Plan for 2024

In 2024, we have 3 key areas that we plan to focus on together with our teams:

1

SBTi – In 2023 we committed to science-based targets. This year we plan to set Science Based Targets, to externally validate our objectives to ensure they are based on sound science. Our objectives will be in line with a 1.5°C reduction.

2

Wellbeing – We are committed to providing a working environment that supports our teams. This year we will continue to roll out our Wellbeing Plan and ensuring we have the support in place for our team members and that our teams have the tools to promote good wellbeing practices.

3

Life Cycle Assessments – As a large part of our Scope 3 contributions, raw materials continue to be a big focus for us in 2024. We will continue to work with our suppliers to gather life cycle assessment data for our palette. We will focus on our top 100 materials in 2024 with the aim to work towards more sustainable alternatives.

Global Technical Director CHARLOTTE PURCELL



As we look forward in our sustainability journey, to 2024 and beyond, we are mindful of both the challenges and opportunities that lie ahead as we set our objectives for the coming year.

At CPL, sustainability is not just a goal—it's fundamental to our strategy and values. In navigating the complexities of a rapidly changing world, we remain dedicated to advancing sustainable practices. Our focus extends beyond reducing environmental impact to include promoting social equity and ensuring economic resilience.

I'm pleased with the progress we've made this past year. Looking forward, we are committed to continually enhancing our sustainability performance. We maintain close collaboration with our partners, suppliers, and stakeholders to drive significant, lasting change and make positive contributions to the communities where we operate. Together, we aim to innovate and adapt, aspiring to establish sustainable business practices as the standard, where our efforts today lay the groundwork for a thriving and resilient future.

Reflecting on 2023—a year marked by consolidation and collaborative effort—our teams demonstrate steadfast commitment to our sustainability journey. I eagerly anticipate future achievements as we strive to position ourselves as leaders in sustainability within the fragrance industry.

I am inspired by the dedication and passion of our team and encouraged by the potential for meaningful impact. Together with our valued suppliers and customers, we possess the collective power to drive real change, leading the charge toward a more sustainable future and leaving a positive legacy for generations to come.



8

APPENDIX

“

CPL Aromas has integrated this concept into its strategy in order to make our creations more sustainable. This forces us in particular to change the way we create our formulas, and to help our suppliers respect the same rules as us.

DOMINIQUE PREYSSAS
Chief Executive Perfumer at CPL France



University of Sunderland

CPL Aromas has been involved with the Sunderland BSc. Degree in Cosmetic Science since its inception in 2016. Our partnership with Sunderland University grows stronger this year we further expanded our interaction by supporting their MSc in Cosmetic Science



National University of Colombia

CPL partner with the National University of Colombia and each year welcome interns from the university.



University of Plymouth

We are a longstanding partner to the University of Plymouth, one of the few educational institutions in the world to offer perfumery qualifications.



GRI

CPL Aromas are committed to reporting with a consistent approach, we are therefore following the Global Reporting Initiative



Student Industrial Attachment Program

Since 2014 CPL have been a member of the Student Industrial Attachment programme. It is a work-based programme providing real life organisational context for students to develop specific or generic skills valuable to their professional development.



Sustainable Development Goals

Our strategy takes a holistic approach to being a more sustainable and ethical business. Broken down into four pillar to drive action on the biggest sustainability challenges our strategy was formed in alignment with the United Nations Sustainable Development Goals



Public Institute of Vilassar de Dalt

Each year CPL welcomes students from the Public Institute of Vilassar de Dalt and School of Professional Training of Mataró Miquel Biada and offer a laboratory placement.



Ecovadis

Ecovadis has become the world's largest and most trusted provider of sustainability ratings, evaluating how well a company has integrated the principles of CSR into its business/management systems. CPL Aromas has ranked in the top 1% of companies participating in the 2023 EcoVadis Corporate Social Responsibility assessment.

Membership of Associations



IFRA

CPL Aromas is an active member of the International Fragrance Association (IFRA). We are on many working groups, ensuring a consistent approach throughout the industry.



Roundtable on Sustainable Palm Oil

CPL are members of the RSPO and are dedicated to sourcing all our palm oil derived materials sustainably, in order to meet strict environmental and social standards. The standards help to minimise the negative impacts of palm oil production. As of 2020 100% of our materials that contain palm oil have RSPO status.



RIFM

We are also an active member of the Research Institute for Fragrances Materials. Providing usage data, and ensuring comprehensive data is available for the safety of our materials.



Sedex

As members of SEDEX we can increase the visibility of our supply chain. We have formed relationships with 35.5% of our supply chain.



British Safety Council

As a member of the British Safety Council, we keep up to date with legislation, show our commitment to a safe working environment and request any advice or guidance as required



GRI Standards

Throughout our operations globally, we work in line with ISO 9001, 14001 and 18001 to ensure we are working in line with best practice in quality, environmental and safety management standards.



IFEAT

IFEAT – The International Federation of Essential Oils and Aroma Trades. As a member, we receive regular publications and socioeconomic reports for specific natural materials.

GRI Standard	Disclosure	Page(s)			
GRI 2: General Disclosures 2021				GRI 3: Material Topics 2021	
GRI 2-1	Organisational details	5	GRI 3-1	Process to determine material topics	18, 19, 20
GRI 2-2	Entities included in the organisation's sustainability reporting	21	GRI 3-2	List of material topics	18, 19, 20
GRI 2-3	Reporting period, frequency and contact point	21	GRI 3-3	Management of material topics	18
GRI 2-4	Restatements of information	21	GRI Economic Disclosures		
GRI 2-5	External assurance	21	GRI 201: Economic Performance 2016		
GRI 2-6	Activities, value chain and other business relationships	6	GRI 3-3	Management of material topics	51
GRI 2-7	Employees	40	GRI 201-1	Direct economic value generated and distributed	51
GRI 2-9	Governance structure and composition	14	GRI 205: Anti-corruption 2016		
GRI 2-10	Nomination and selection of the highest governance body	14	GRI 3-3	Management of material topics	42
GRI 2-11	Chair of the highest governance body	14	GRI 205-1	Operations assessed for risks related to corruption	42
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	14	GRI 205-2	Communication and training about anti-corruption policies and procedures	42
GRI 2-13	Delegation of responsibility for managing impacts	14	GRI 205-3	Confirmed incidents of corruption and actions taken	42
GRI 2-14	Role of the highest governance body in sustainability reporting	14	GRI Environmental Disclosures		
GRI 2-15	Conflicts of interest	14	GRI 302: Energy 2016		
GRI 2-16	Communication of critical concerns	16	GRI 3-3	Management of material topics	23-27
GRI 2-17	Collective knowledge of the highest governance body	16	GRI 302-1	Energy consumption within the organisation	23-27
GRI 2-18	Evaluation of the performance of the highest governance body	16	GRI 302-2	Energy consumption outside of the organization	29
GRI 2-19	Remuneration policies	16	GRI 302-3	Energy intensity	27-28
GRI 2-21	Annual total compensation ratio	40	GRI 302-4	Reduction of energy consumption	27-28
GRI 2-22	Statement on sustainable development strategy	2	GRI 303: Water and Effluents 2018		
GRI 2-23	Policy commitments	10, 21, 42	GRI 3-3	Management of material topics	30-31
GRI 2-24	Embedding policy commitments	13	GRI 303-1	Interactions with water as a shared resource	30-31
GRI 2-25	Processes to remediate negative impacts	13, 21	GRI 303-2	Management of water discharge-related impacts	30-31
GRI 2-26	Mechanisms for seeking advice and raising concerns	21	GRI 303-3	Water withdrawal	30-31
GRI 2-27	Compliance with laws and regulations	16	GRI 303-4	Water discharge	30-31
GRI 2-28	Membership associations	72			
GRI 2-29	Approach to stakeholder engagement	19, 20			
GRI 2-30	Collective bargaining agreements	40			

GRI 304 Biodiversity 2016			GRI 403: Occupational Health and Safety 2018		
GRI 3-3	Management of material topics	35	GRI 3-3	Management of material topics	44-45
GRI 304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	35	GRI 403-1	Occupational health and safety management system	44-45
GRI 304-2	Significant impacts of activities, products, and services on biodiversity	35	GRI 403-2	Hazard identification, risk assessment, and incident investigation	44-45
GRI 304-3	Habitats protected or restored	35	GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	44-45
GRI 304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	35	GRI 403-5	Worker training on occupational health and safety	44-45
GRI 305 Emissions 2016			GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	44-45
GRI 3-3	Management of material topics	25-29	GRI 403-8	Workers covered by an occupational health and safety management system	44-45
GRI 305-1	Direct (Scope 1) GHG emissions	25-28	GRI 403-9	Work-related injuries	44-45
GRI 305-2	Energy indirect (Scope 2) GHG emissions	25-28	GRI 405: Diversity and Equal Opportunity 2016		
GRI 305-3	Other indirect (Scope 3) GHG emissions	29	GRI 3-3	Management of material topics	42-43
GRI 305-4	GHG emissions intensity	25-29	GRI 405-1	Diversity of governance bodies and employees	43
GRI 305-5	Reduction of GHG emissions	25-29	GRI 405-2	Ratio of basic salary and remuneration of women to men	43
GRI 306 Waste 2020			GRI 414: Supplier Social Assessment 2016		
GRI 3-3	Management of material topics	33-34	GRI 3-3	Management of material topics	62-67
GRI 306-1	Waste generation and significant waste-related impacts	33-34	GRI 414-1	New suppliers that were screened using social criteria	62-67
GRI 306-2	Management of significant waste-related impacts	33-34	GRI 414-2	Negative social impacts in the supply chain and actions taken	62-67
GRI 306-3	Waste generated	33-34	GRI 416: Customer Health and Safety 2016		
GRI 306-4	Waste diverted from disposal	33-34	GRI 3-3	Management of material topics	57
GRI 306-5	Waste directed to disposal	33-34	GRI 416-1	Assessment of the health and safety impacts of product and service categories	57
GRI 308 Supplier Environmental Assessment 2016			GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	57
GRI 3-3	Management of material topics	62-67	GRI 417: Marketing and Labelling 2016		
GRI 308-1	New suppliers that were screened using environmental criteria	62-67	GRI 3-3	Management of material topics	57
GRI 308-2	Negative environmental impacts in the supply chain and actions taken	62-67	GRI 417-1	Requirements for product and service information and labelling	57
GRI Social Disclosures			GRI 417-2	Incidents of non-compliance concerning product and service information and labelling	57
GRI 401 Employment 2016			GRI 417-3	Incidents of non-compliance concerning marketing communications	57
GRI 3-3	Management of material topics	38-40			
GRI 401-1	New employee hires and employee turnover	40			

Environment	2018 (baseline)	2022	2023	Waste Disposal (T)	2018 (baseline)	2022	2023
Emissions: Scope 1 & 2 (tCO2e)				Landfill	280.16	155.73	154.74
Scope 1 emissions	345	204	113	(per tonne produced)	0.04	0.02	0.02
(per tonne produced)	0.0488	0.0316	0.0154	Recycled	550.84	500.17	646.65
Scope 2 emissions	2499	1231	1214	(per tonne produced)	0.57	0.69	0.73
(per tonne produced)	0.3536	0.1747	0.1656	Incineration (without energy recovery)	17.55	34.99	8.30
Combined Scope 1 & 2 emissions	2843	1335	1327	(per tonne produced)	0.00	0.00	0.00
(per tonne produced)	0.4024	0.2067	0.1810	Incineration (with energy recovery)	125.89	35.85	73.82
Energy (GJ)				(per tonne produced)	0.02	0.01	0.01
Total Energy Consumption	15667.39	14293.2	17472.1	Emissions: Scope 3 (t CO2e)			
(per tonne produced)	2.22	2.21	2.07	Upstream	72,960	53,646	
% of renewable energy	0.00	51.1	52.0	Category 1: purchased goods and services	56,468	40,506	73.93
Renewable Direct Energy (solar panels)	41.57	2625.24	2681.86	Category 2: capital goods	6,033	210	0.38
Renewable Indirect Energy (purchased)	0.00	4109.63	4994.17	Category 3: fuel and energy related activities	474	483	0.88
Water withdrawal (L)				Category 4: upstream transportation & distribution	2,242	5,848	10.67
Municipal	12610781	11830545	11673360	Category 5: waste	86	95	0.17
(per tonne produced)	1784.38	1831.91	1594.55	Category 6: business travel	719	1,917	3.50
Waste Generation (T)				Category 7: employee commuting	1,120	1,101	2.01
Total Waste	974.44	726.74	883.50	Category 8: upstream leased assets	206	186	0.34
(per tonne produced)	0.138	0.113	0.121	Downstream	1,027	1,144	
Hazardous Waste	219.43	94.75	215.44	Category 9: downstream transportation & distribution	5,169	3,170	5.79
Non-Hazardous Waste	755.01	631.98	668.06	Total Scope 3	74,971	54,790	

Scope 1 & 2 emissions are calculated using a process-based emission approach. This approach uses actual consumption data (kWh of energy used) which is multiplied by the relevant carbon conversion factor. When consumption data is not available for sites, estimates are made based on consumption data from other sites. CPL Aromas scope 3 emissions are calculated in line with the WRI's Greenhouse Gas Protocol: Corporate Value Chain (scope 3) Accounting and Reporting Standard as well as the WRI's GHG Protocol Technical Guidance for Calculating Scope 3 emissions. Where actual consumption data is available, the process-based method is applied. This method is always prioritised as it is a more accurate method to estimate scope 3 emissions. However, in the absence of actual consumption data the Extended Environmental Input-Output (EEIO) model approach is followed. Emission from downstream processing of sold products, use of sold products, end of life treatment, leased assets, franchises and investments were determined as not in scope.

People	2018 (baseline)	2022	2023
Workforce			
Number of employees	488	708	730
Permanent employees	483	696	712
Temporary employees	5	12	9
New employee hires	121	107	73
Health & Safety			
Lost-time accident (LTA)	7	11	8
Lost-time accident rate (LTAR)	4.33	1.42	1.03
Fatalities	0	0	0
Absentee days	-	15848	17854
Community Partnerships & CSR			
% of sites with community partnerships	20%	54%	50%
Charity contributions	£240,000	£601,500	£1,181,100
Innovation			
Innovation	2018 (baseline)	2022	2023
Financial Disclosures			
Total sales £M	91.5	129.9	145.3
Total Tonnage produced	7067.3	6457.8	7320.8
EcoBoost sales %	1.65	4.89	5.54
Sourcing			
Sourcing	2018 (baseline)	2022	2023
Responsible Sourcing			
% of supply chain assessed*	0.04	41.46	85.9
% of natural responsible sourcing arrangements	1.33	12.8	17.19
% of total responsible sourcing agreements	-	2.88	4.18





All data presented is for calendar year 2023, with the exception of financial data which is based on fiscal year 22-23.

*Supply chain assessment % is calculated based on quantity of product supplied.

Let's create together

Contact our sustainability team to learn more about our sustainable efforts and how we can help you make fragrances more sustainably.

 01279 502 300

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