

REPORT

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# SUSTAINABLE DEVELOPMENT 2023



Gazignaire  
*by* Groupe MUL





“

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

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

*In this, sixth Sustainability Report, we present the results of our 2023 actions and our 2024 objectives. In a changing economic context, we continue to develop our social and environmental projects in France and abroad in our supply chains. We are convinced that traceability and quality of our aromatic extracts imply decent wages for producers and the reduction of their environmental impact.*

”



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# #1

OUR COMMITMENTS



# ABOUT THIS REPORT

Jean Gazignaire publishes an annual report on its extra-financial activities in line with its sustainable development objectives. These are now widely deployed within our strategic development actions and objectives.

## REPORTING PERIOD

The sustainable development report covers the period from 01/01/2023 to 31/12/2023.

## PERIMETER

Actions and results published in this report include all our processing activities in France (Pégomas & Bar-sur-Loup sites). All our supply chains in France and abroad are also included in our scope. As part of our reporting, we give a key place to our raw materials purchases.

## REPORTING METHODOLOGY

Our tools and methods for creating our sustainability report have evolved since 2018. We initially based our reporting on the 17 Sustainable Development Goals.

Today, the French and European regulatory framework is evolving. As a result, we have quantified and monitored indicators for every project we carry out, both in France and abroad. As an SME (Small and Medium-sized company), we have rapidly adapted our reporting to integrate new regulations such as of the Duty of Care Law and other European reporting standards.

This report is also a sharing tool with all our stakeholders. If you have any questions, please do not hesitate to contact us: [rse@groupemul.fr](mailto:rse@groupemul.fr)

# HISTORY & KEY FIGURES 2023

Founded in 1865 in the heart of the cradle of the Grasse aromatic industry, Jean Gazignaire is a family company specialized in extraction and distillation of natural plant raw materials. Farmers for five generations, the Mul family developed its activity of production of perfume, aromatic and medicinal plants (PPAM), integrating the historic know-how of transformation into aromatic extracts in the 1970s. Our atypical profile, as both farmer and processor of PPAM, allows us to have a unique positioning and a singular approach, upstream of the trades of Aromatics, Perfumery and Cosmetics.

Succeeding her father, Cécile Mul is now developing the company's activities with the same entrepreneurial family vision, reinforcing Jean Gazignaire's regional and local integration within the Grasse region by offering fully traceable aromatic extracts that respect Human and Environment.

At the heart of Jean Gazignaire's activity is extraction and distillation, using high-performance equipment and an in-house analysis laboratory to meet all our customers' requirements. As an active member of companies committed to the climate, our R&D team works on ecoextraction techniques to offer aromatic extracts with reduced environmental impact.

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



Please visit our website to find out more about our products:  
[www.gazignaire.com](http://www.gazignaire.com)





**14%** of growth in sales between 2022 and 2023



**26,49%** of turnover abroad in 2023  
(including 13.03% in Europe)



**44,5** full-time employees on 12/31/2023  
(110 FTE in the Mul Group)



**10** existing certifications



**450** aromatic extract references



**56** sustainable sourcing programs

# AN ACTIVITY IN THE HEART OF THE PAYS DE GRASSE

The Pays de Grasse is the historical cradle of growing and processing perfume, aromatic and medicinal plants (PPAM), and is today a rich territory of know-how. We support local productions by offering long-term supply contracts (over 5 years). Our processing site, located in Pégomas, is at the heart of the region, enabling us to reduce transport between the agricultural lands and the processing plant. We process several categories of raw materials in the Pays de Grasse:

## FRUIT IN SHORT CIRCUITS WITH LOCAL PRODUCERS

In collaboration with local producers, we promote short circuits and enhance the value of fruits that have been sidelined by the food trade. During the season, crates and paloxes of apricots, peaches, plums, raspberries and cherries feed our extractors and stills. This palette of senses and fragrances is enriched by the different technologies employed on site: hydro-alcoholic maceration, fruit water, distillation or ultrasound extraction, all of which serve the creativity of our R&D department and our flavor manufacturer customers.

## PRUNING WOODS

Cypress, Petitgrain, Violet leaf: are the branches, leaves and pruning woods we load into our extractors and stills.

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

## EMBLEMATIC FLOWERS OF GRASSE

Rose *centifolia*, Orange blossom, Lavender, Mimosa are emblematic flowers of the Pays de Grasse. Cultivated in the plains, on the coastal hillsides or on the plateaus of the highlands, these aromatic, medicinal and perfume plants (PPAM) have made the richness of our territory, but since the 1960s, the cultivated surfaces have been greatly reduced, and some crops have even disappeared.

As part of our policy to revitalize local agriculture, in line with our Corporate Social Responsibility approach, and with the aim of setting up a reliable, secure and responsible supply system, we are committed to work with Communes and Communities of Agglomerations to set up agricultural programs.

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

80%  
maturity score in  
our annual assessment  
by EcoVadis





## AROMATIC KNOW-HOW & EXPERTISE IN PLANTS

### EXTRACTION & DISTILLATION

Upstream of the Aromatics, Perfumery and Cosmetics industries, Jean Gazignaire is specialized in the extraction and distillation of natural plant raw materials. We are thus equipped with high-performance industrial facilities for both pilot and production operations.

Our Research & Development team works to develop aromatic solutions for our customers' various applications: tailor-made creations adapted to each project and its constraints. Our analysis laboratory enables us to manage a control plan at every stage of processing, from the referencing of our raw materials to the release of our finished products.

### FULL TRACEABILITY OF OUR AROMATIC EXTRACTS

At the heart of our plant expertise is our historical desire to guarantee complete traceability of our raw materials, from our production plots to the processing of our extracts.

### PLANT TREATMENTS

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

- Drying
- Grinding
- Screening
- Debacterialization: sterilization by autoclave without altering the product's characteristics (appearance, taste, essence content, etc.).

# OUR SUSTAINABLE DEVELOPMENT APPROACH

Our sustainable development approach is based on our guiding principles that have guided us since the company was founded in 1865:

Respecting and maintaining tradition;  
Mastery of the entire supply chain;  
Working with natural raw materials that respect Human and Environment.

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



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

- PROMOTING THE INTEGRATION of vulnerable people throughout our value chains;
- IMPROVING EMPLOYEES' WELL-BEING by working on quality of life at work;
- REDUCING ENVIRONMENTAL IMPACT of our aromatic extracts;
- Involving our stakeholders in ECO-CONCEPTION APPROACHES;
- Developing BIODIVERSITY PROTECTION programs;
- TRANSFERRING OUR KNOW-HOW In the Pays de Grasse through educational activities with local schools and institutions;
- Developing programs with our endowment fund, MUL FOUNDATION.

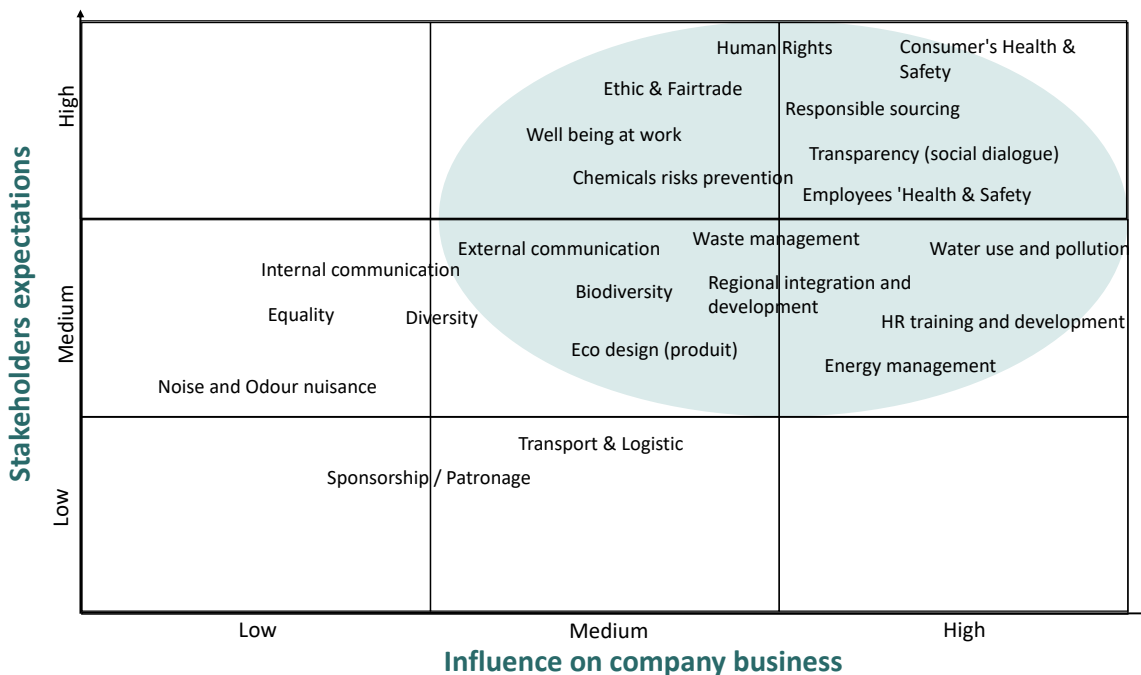
# OUR STAKEHOLDERS

Our sustainable development approach is based on the analysis of our stakeholders. Stakeholders include all the actors involved in our activities. Over the years, we have added new stakeholders to measure the impact of our activities and their expectations towards our company.

Today, these issues are at the heart of our sustainable development approach. Indeed, we are observing that expectations in terms of human rights and environmental impact are increasing. The climate issues we are facing have an impact on our vision of biodiversity. We have therefore decided to reinforce our actions for biodiversity in 2023 with the creation of a position dedicated to biodiversity and sustainable development projects.

In addition to biodiversity issues, we have also raised our expectations with regard to waste management. New regulations on the eco-design and reuse of packaging also have an impact on our activities and those of our suppliers.

All of the expectations we have categorized in this 2023 analysis provides an overall vision of our priority actions for our 2024-2030 sustainable development trajectory. In a context where the acceleration of climate change requires a significant reduction in our greenhouse gas emissions, it seems crucial to take into account these specific expectations from our customers, employees, institutions and partners.



# 2023 PERFORMANCES

## PERFORMANCE INDICATORS:

### CLIMATE CHANGE

- Greenhouse gas emissions (tonnes of CO2 emitted / year);
- Evolution of water & energy consumption / kg product manufactured;
- Number of biodiversity diagnoses carried out by sourcing program;
- Monitoring biodiversity indicators by sourcing programs.



### SOCIAL

- Number of social diagnoses carried out in our sourcing programs;
- Creating fair trade projects;
- Number of project beneficiaries.



### SOCIETAL

- Amount allocated to MUL Foundation;
- Number of partnerships developed with associations or Non-profit Organizations (NGOs).



## RATING:

Rating agency that assesses companies' actions and objectives in terms of sustainable development. In 2023, we obtained an overall score of 84% for our CSR policy. This score places us among the top 1% of global companies assessed by the EcoVadis agency.



84% score obtained in 2023

## RECOGNITION:



# OUR MEMBERSHIPS & PARTNERSHIPS

At the heart of our membership and partnership programs are our commitments to sustainability issues both specific to our industry and common to all companies, such as environment, biodiversity and social issues. Within our Flavors and Fragrances industry sector, we participate in working groups on sustainability (IFRA-IOFI), regulatory affairs and environment. Joint industry initiatives are sometimes desirable and preferred to enable faster and more effective progress.

**EXPERTISE**



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



National Syndicate of Aromatic and Food Ingredients.



Competitive cluster for naturalness.



International Federation of Essential and Aroma Trades.



IFRA IOFI sustainable development charter.

**ENVIRONMENT & BIODIVERSITY**









**SOCIAL**



Global Compact French Network (Côte d'Azur circle)





**EXTERNAL ASSESSMENTS**





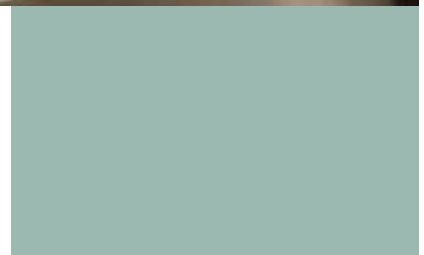
To find out more, visit [ra.org](http://ra.org)





# #2

HUMAN AT THE HEART  
OF OUR APPROACH





# OUR SOCIAL POLICY

Our social policy is based on values we have shared since the company was founded:

- **Commitment:** integration of each employee is at the heart of the company's commitments. Team cohesion is the key factor of our social policy.
- **Trust:** key value for sustainability and quality of life in the workplace. We have developed a management based on trust, designed to encourage involvement and career development of everyone in the company.
- **Proximity:** privileging relationships based on trust, with freedom of exchange and a high level of cooperation. Our clear, transparent communication is adapted to all internal projects.
- **Safety:** at our production sites, safety is our top priority. A proactive approach to health, safety and quality of life at work.

In addition to these four values shared by all our employees, we have detailed our commitments in our social policy for the different issues related to our activity:

1. Human rights: we respect international human rights obligations and principles in order to never be complicit in human rights violations;
2. Fight against child labor, forced labor and human trafficking: the elimination of child labor in all its forms is a priority in all our programs. Like forced labor, child labor is still a reality in many countries in the world today;
3. Diversity, non-discrimination and fighting harassment;
4. Health and safety of employees;
5. Quality of life at work and work-life balance;
6. Social dialogue;
7. Career management and access to training for all;
8. Commitment of our suppliers, subcontractors and service providers.

Our entire social policy is based on the 17 Sustainable Development Goals.



80%  
maturity score  
in our annual assessment  
by EcoVadis

# POLICY & OBJECTIVES

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

## Our objectives & commitments :

- TRAINING AND RAISING AWARENESS about human rights issues for all our sourcing programs stakeholders in France and abroad.
- MAINTAINING EQUALITY BETWEEN MEN AND WOMEN in the company, and particularly within the management team.
- DEVELOPING CAREERS OF EMPLOYEES through a process of mobility and skills enhancement.
- FIGHTING CHILD LABOUR in our sourcing programs.
- SUPPORT PROJECTS OF GENERAL INTEREST to through our endowment fund, MUL Foundation, for the protection of human rights in France and abroad.

As part of the internal communication of our social policy, we have carried out several internal surveys on quality of life at work and health & safety. This enables all employees to anonymously voice their concerns. It's a direct exchange that allows everyone to participate in the company's social policy. The participation rate for our first survey was 90%.

57% of men

43% of women in  
the management team  
at 12/31/2023

40% of men

60% of women  
in the company  
at 12/31/2023

35 years old  
average age  
in the company

2,22%

turnover (stable compared with 2022)

1,36%

absenteeism rate in 2023  
(increase of +65%)

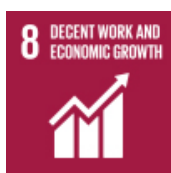
# TRAINING & GENDER EQUALITY

## TRAINING AND SKILLS DEVELOPMENT

Since 2018, we have deployed a policy of in-house training and skills development. This has enabled us to maintain a high annual internal promotion rate, as well as a high job creation rate. The aim of this initiative is to encourage the company's employees to take a keen interest in cross-disciplinary issues. Within the production teams and the R&D Laboratory, the increase in job creations reflects the dynamism of training and the strong development of skills. In a sector where know-how is key for transmitting extraction and distillation techniques, it now seems essential to maintain a high number of training hours for each employee.

Skills management	2020	2021	2022	2023
Number of training hours per employee	12H	10,86H	32H	32H
% of employees promoted	17,78	16,28	20,45	6,50

## GENDER EQUALITY INDEX



In 2023, we calculated our equality index Men/Women of the company. The purpose of this index, set up by the French Ministry of Labor, Health and Solidarity, is to assess company practices in terms of gender equality. The index is based on 100 points, and is calculated according to 4 to 5 indicators, namely:

- The pay gap between women & men;
- The individual pay rise gap;
- The promotion distribution gap;
- The number of employees returning from maternity leave;
- Parity among the 10 highest earners.

An action plan is then drawn up to improve the score of 84/100. This short- and medium-term action plan provides a clear and transparent trajectory for all employees.

16%  
job creation

100%  
of annual interviews  
completed at 31/12/2023

Gender Equality  
Index

84/100

# HEALTH & SAFETY AT WORK

## HEALTH & SAFETY AT WORK POLICY

The safety of our employees is the most important issue in our activity. All production and laboratory departments are equipped with mandatory personal protective equipment (PPE). A QHSE (Quality Health Safety Environment) team is responsible for managing site and employees safety. An internal survey was carried out in 2023 to provide feedback on the effectiveness of PPE and in-house training. This enabled us to identify improvements. This is combined with our actions in terms of risks associated with gestures and postures, risks associated with handling chemical products and risks associated with the use of solvents.

Workplace accidents monitoring	2020	2021	2022	2023
Frequency rate	65,3	24,3	62,72	<b>70,69</b>
Severity rate	0,41	0,31	1,27	<b>1,1</b>

## ANNUAL TRAINING AND CONTINUOUS IMPROVEMENT



In 2023, we began the reconfiguration of our production site in Pégomas. All external service providers working in the production site have also been informed of the project and were trained in chemical hazards and the site's workplace safety risks. A total of 42 safety training courses were given to contractors in 2024, in addition to the 78 training courses given to new arrivals and current employees. Trainees welcomed to our production site in 2023 also received health & safety training at their arrival.

This is a compulsory integration process in our company. In addition to our in-house training activities, we have also extended these trainings to our sourcing programs. Indeed, after having carried out several field diagnoses in our supply chains such as Benzoin in Laos or Vanilla in Madagascar, we have also created health & safety training programs locally, in our supply chains.

<p><b>78</b> Health &amp; safety training courses</p>	<p><b>2,22 %</b> training courses for external service providers</p>	<p><b>100%</b> trained employees</p>
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# TAKING ACTION TO ENSURE THE SAFETY OF PRODUCERS IN OUR SOURCING PROGRAM

## CREATION OF A SAFETY PROGRAM FOR BENZOIN PRODUCERS IN LAOS

After carrying out a social diagnosis of our Benzoin supply chain in Laos in December 2022, we developed a training program to ensure the safety of our producers. The risks identified during the social diagnosis were at a very high level in terms of health & safety for the Benzoin producers in Laos who climb trees for gemmage and harvesting benzoin gum. After analyzing the levels of importance of the risks according to the tasks performed, we created a program aimed at:

- Selecting the right personal protective equipment for producers (safety harnesses, gloves, etc.);
- Programming training sessions in producers' villages to raise awareness of risks and first aid.

Being located in the heart of the mountain plateaus of the Luang-Prabang region, it is important to prevent all risks associated with harvesting, transport and processing of benzoin gum.



<b>150</b> Protective harnesses distributed	<b>6 500€</b> Budget for the project in 2023	<b>350</b> Beneficiary producers
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#3

BIODIVERSITY & ENVIRONMENT :  
OUR PRIORITY



# ENVIRONMENT & BIODIVERSITY POLICY

## POLICY & COMMITMENTS

At the heart of our commitments to sustainability lies our environmental policy. It integrates the major issues faced by the company with measurable objectives. Our policy is constantly evolving and adapting to local, national and international regulations.

At our production sites in Pégomas and Bar-sur-Loup, we are strongly committed to the sustainability of our production processes, eco-design and the reduction of greenhouse gas emissions. The study of our extraction and distillation processes enables us to gain in energy efficiency year after year.

The regulatory framework is evolving, and training all our employees is a key factor for the integration of our environmental policy.

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

- National and European directives for ICPE industrial sites subject to registration;
- European Green deal policies;
- The IDuty of Care law;
- The Nagoya protocol for shared access to genetic resources;
- The Deforestation Regulation of the European Union.



90% EcoVadis\* score

\*EcoVadis is a rating agency specializing in sustainable development management systems.

# ENVIRONMENT & BIODIVERSITY POLICY

## CLIMATE & BIODIVERSITY OBJECTIVES

Each year, we draw up an assessment on the results we have obtained for all of our objectives related to the reduction of greenhouse gas emissions, energy consumption and quantities of waste generated.

We have included 6 major issues in our environmental policy.

Optimizing waste management and recovery

Improving employees' environmental awareness

Protecting biodiversity and plant resources

Reducing carbon footprint of our production sites

Optimizing energy consumption

Continuous improvement of our production processes

These are monitored and measured annually by the QHSE (Quality, Health, Safety, Environment) department. An action plan is drawn up for each indicator. Our environmental trajectory is thus readjusted every year.

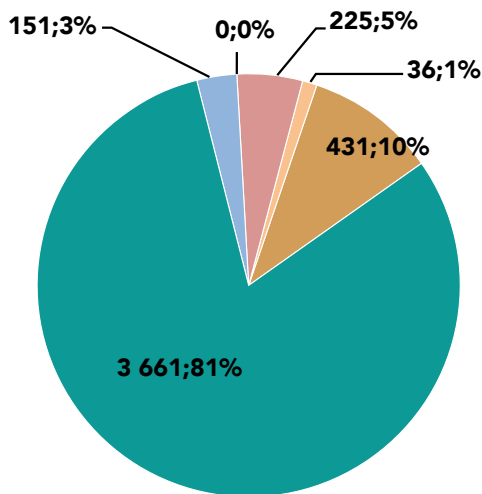


# CARBON FOOTPRINT: A KEY ELEMENT OF OUR ENVIRONMENTAL POLICY

In line with our actions related to sustainable development and reduction of our environmental impact, we have launched a carbon footprint study for the year 2022. Carried out by an external consultancy using the Bilan Carbone method, this study gives us a more precise overview of our greenhouse gas emissions.

Following the carbon footprint study, a low-carbon transition plan is currently being formalized to integrate all issues relating to energy resources, transport, purchasing, etc.... This transition plan provides a short- and medium-term guideline.

**GHG balance: GHG emissions by scope, in tCO<sub>2</sub>e and in %.**



- 1. Direct GHG emissions
- 2. Indirect emissions associated with energy
- 3. Indirect emissions associated with transport
- 4. Indirect emissions associated with purchased products
- 5. Indirect emissions associated with products sold
- 6. Other indirect emissions



4 504 Tons of CO<sub>2</sub>

62% of purchases

2 tonnes of CO<sub>2</sub>/kg of product

90% of our scope 3 emissions

# ACTIONS & RESULTS

## REDUCING ENERGY CONSUMPTION

Energy resources management is a major challenge for our extraction and distillation activities. For nearly 10 years, we have been working on real-time monitoring of energy consumption. Indeed, our aim is to produce extracts with reduced impact on the environment in terms of gas and electricity consumption. In line with our low-carbon transition plan, we have consolidated year-on-year reductions in our energy consumption, with a significant drop in electricity consumption and a slight reduction in gas consumption in 2023.

Energy consumption	2021	2022	2023
KWh consumed/ kg extract produced	0,30	0,24	<b>0,20</b>
M3 of gas / kg of extract produced	0,50	0,49	<b>0,48</b>

## PRESERVING WATER RESOURCES



At the heart of our industry's environmental concerns, in 2023 we experienced an unprecedented period of drought. The establishment of water use restrictions in our Alpes Maritimes department has resulted in a water resource management and control plan. In line with our objectives to reduce water use, we have refined the details of our consumption and implemented a number of additional measures to optimize our consumption.

Water consumption	2021	2022	2023
M3 of water / kg of extract produced	0,0034	0,0033	<b>0,0031</b>

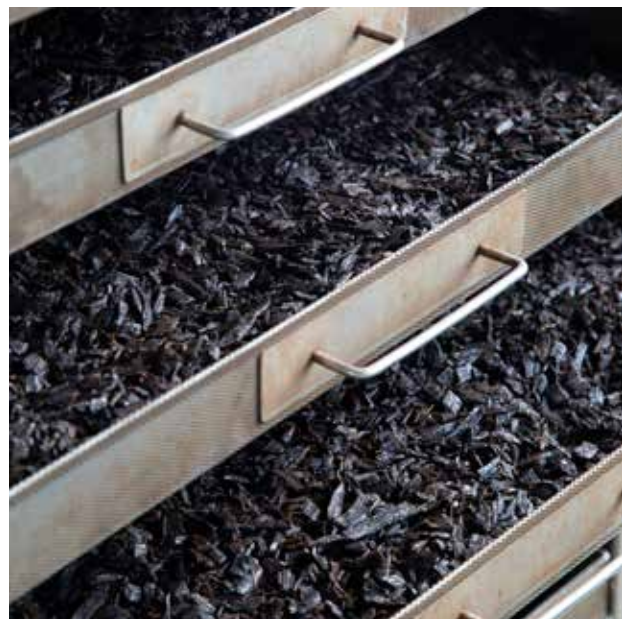
# ENHANCING THE VALUE OF PRODUCTS & CO-PRODUCTS

## A WASTE RECOVERY PROGRAM

Waste management, recovery and creation of local recycling channels are at the heart of our Flavors and Fragrances industry. In that way,, we have integrated several partnership programs following the signing of the Aroma 'Tri charter by our trade association PRODAROM in Grasse.

We are working on different channels for adding value of our waste and co-products.

- Evaléco Association: 24 IBCs donated to SCIC Tetris;
- We are continuing our program to add value to our spent grain, in connection with our trade association PRODAROM. The aim is to recover all the spent grain from our extraction and distillation processes at our production sites;
- We initiated in 2019 a paper and kraft recovery program with Grasse-based association La Drisse, which became a social integration company in 2023: 91.4kg of recycled paper and 3532 tons of wooden pallets recovered by La Drisse.



# ACTIONS & RESULTS: BIODIVERSITY

## A BIODIVERSITY DIAGNOSIS FOR OUR FINE LAVENDER PROGRAM IN THE PAYS DE GRASSE REGION.

In 2023, we carried out a biodiversity diagnosis on our fine Lavender production plots in the communes of Gourdon and Caussole, which are certified organic and Fair for Life. Our biodiversity diagnosis began with the identification of AEI (Agroecological Infrastructures).



### AEI INVENTORY (AGRO-ECOLOGICAL INFRASTRUCTURES)

**17%**  
of agricultural land  
devoted exclusively  
to AEIs  
(= 12% more than  
recommended  
in scientific literature)

**9**  
types of AEI and  
biodiversity-friendly  
facilities identified

**49%**  
of agricultural area  
devoted to AEIs &  
biodiversity-friendly  
facilities



### BUTTERFLY INVENTORY

**2**  
Inventories in 2023

**8**  
Species or groups of  
species inventoried

**37**  
butterflies identified

# #4

## ETHICS AT THE HEART OF OUR VALUE CHAIN



# ETHICS & CORRUPTION: TRANSVERSAL POLICY

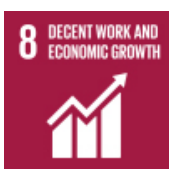
## POLICY AND COMMITMENTS

In terms of ethics and corruption, we have defined a clear and transparent policy, which is communicated to our stakeholders. Our commitments cover national and international laws on ethics and corruption:

- Law n°2016-1691 on transparency, the fight against corruption and the modernization of economic life;
- Sapin 2 anti-corruption law;
- The 1997 OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions;
- The UN Convention of 200;
- Foreign Corrupt Act Practices (FCAP).

Our anti-corruption policy sets out transparent commitments:

- 0 tolerance of corruption within the company's activities, but also with all our stakeholders;
- Training of departments identified as being at risk in order to reduce corruption risk in our value chain;
- Raising awareness of our partners, producers and service providers to map the risks related to the transport of our raw materials and aromatic extracts.



# OBJECTIVES & ACTIONS

## POLICY AND COMMITMENTS

Our commitments are set out in an action plan with 4 main challenges:

Transparency with  
all of the stakeholders  
of our supply chain

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

Reducing risks associated  
to ethics, social and  
environmental practices

Working together to  
reduce corruption risk during  
transport of raw materials

To this end, we have set up a training program in the field, combined with social audits of all our strategic supply chains. This approach, associated with our corruption risk mapping, is completed by the signature of our ethical charter by all our suppliers, associate producers, partners, service providers and subcontractors.



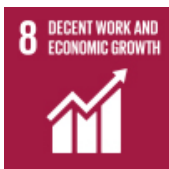
# SOCIAL & ETHICAL DIAGNOSIS OF OUR VANILLA SOURCING PROGRAM IN MADAGASCAR

As part of our sustainable development approach, we have created vertical supply chains for our strategic raw materials. These guarantee complete traceability and transparency of information in real time.

In 2023, we carried out a field diagnosis of our Vanilla sourcing program in Madagascar. The diagnosis had different objectives:

- Mapping ethical and social issues in the sourcing program;
- Analyzing the different jobs within the supply chain and making them more attractive to young people;
- Study ethical and corruption issues within the industry.

The program started in 2020, and is based on a long-term vision that includes all stakeholders. We are therefore developing the action plan with all our partner producers.



90 Producers interviewed

100 Children included in the study



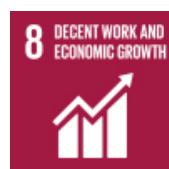
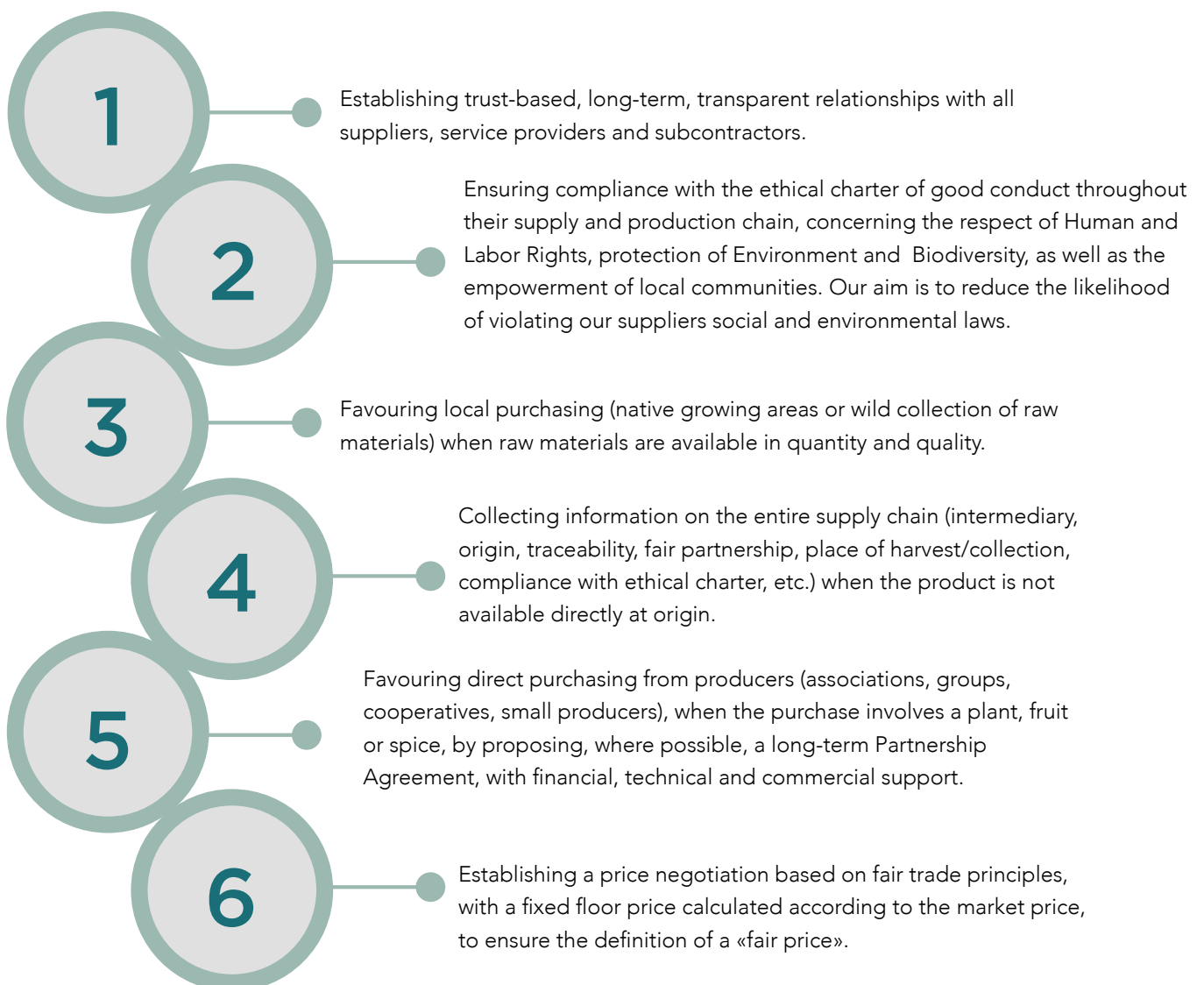
# #5

RESPONSIBLE PURCHASING:  
A LEVER FOR ACTION OF OUR  
SUSTAINABLE DEVELOPMENT POLICY



# RESPONSIBLE PURCHASING POLICY

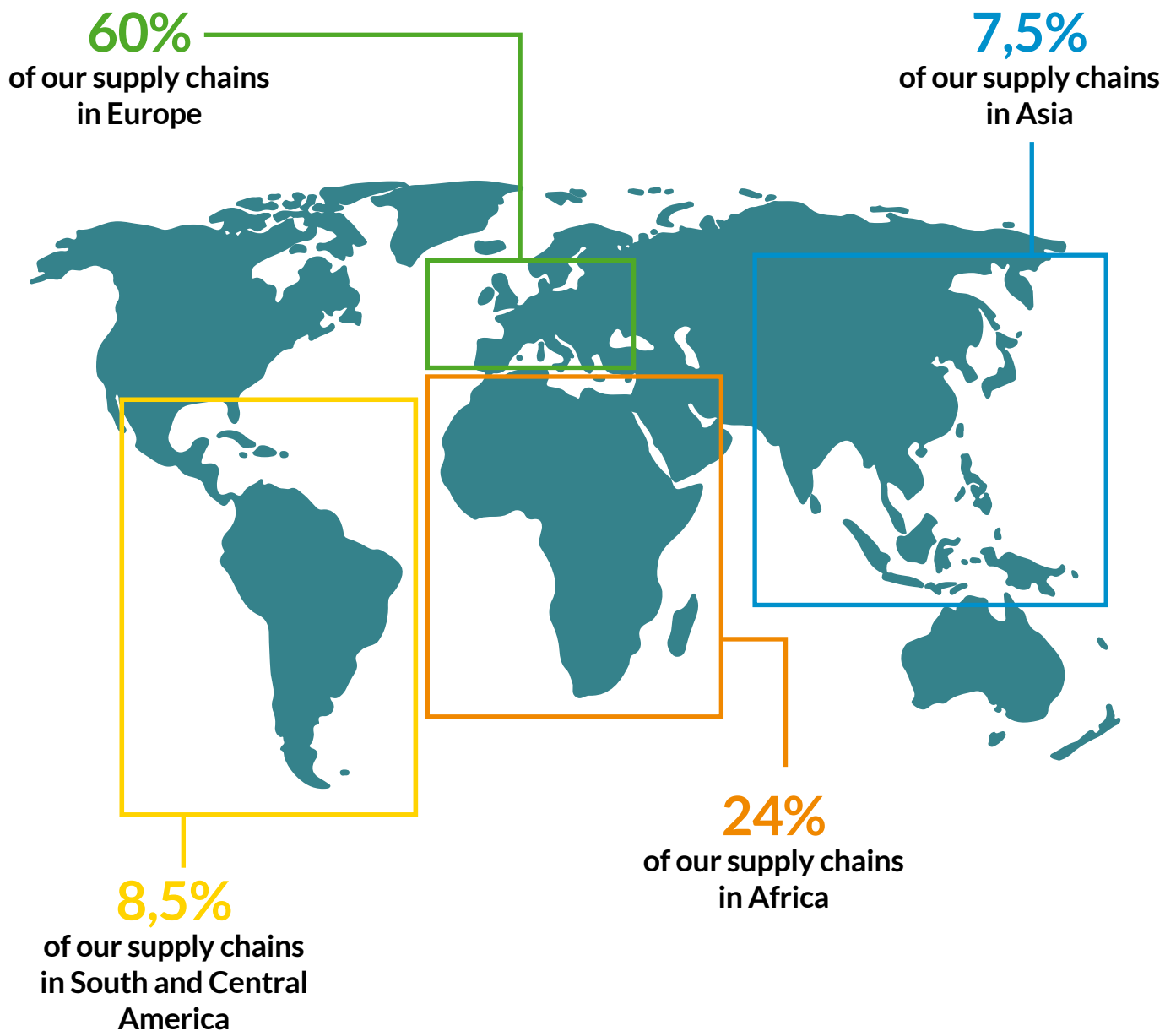
We have adapted our sustainable development policy into a specific responsible purchasing policy to supervise all our sourcing programs. As an integral part of our DNA as a historic company in the Grasse region, our policy has several objectives:



# OUR SUSTAINABLE SOURCING PROGRAMS

As part of our responsible purchasing policy, we have anchored in the company's DNA programs to develop fully traceable, secure supply chains using quality raw materials. Our supply chain strategy is based on the following key principles :

- Real-time information;
- Traceability from raw material to production plot;
- Origin tracked and promoted by local know-how according to the terroir of production.

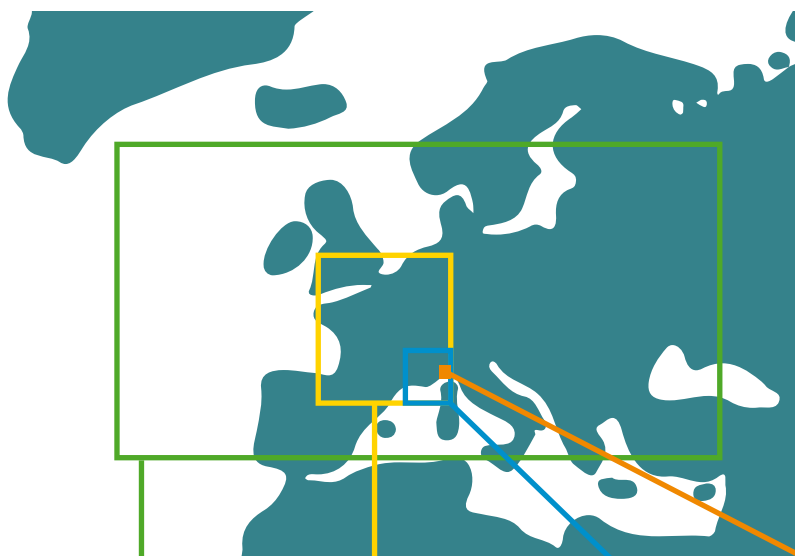


# ACTIONS & RESULTS

At the heart of our responsible purchasing policy, we want to make as many purchases as possible directly from the source. In order to reduce the number of intermediaries in our supply chain, producer support programs are key to our purchasing strategy.

## A LOCAL BUYING STRATEGY DIRECTLY FROM PRODUCER

Buying locally from producers is now a key point in our responsible purchasing strategy. Reducing the number of intermediaries in our supply chain is a major challenge. The traceability of our raw materials is audited according to a specific responsible purchasing reference system. Each year, the supplier assessment enables us to prioritize the strategic raw materials and audits to be carried out throughout the year.

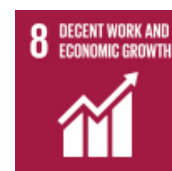


**91,6%**  
in Europe

**66,3%**  
in France

**28,3%**  
in the South  
of France  
PACA

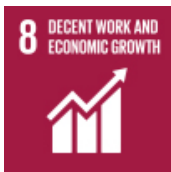
**17,41%**  
in the  
Alpes Maritimes



# DEVELOPMENT OF A BENZOIN SOURCING PROGRAM IN LAOS

Since 2022, deep in the mountains of the Luang Prabang region of Laos, we have been developing a partnership program with local producers of Benzoin Siam gum. This gum comes from specific gemmage and harvesting processes whose know-how has been passed down from generation to generation within local communities.

## CARRYING OUT A SOCIAL DIAGNOSIS OF THE SOURCING PROGRAM



In 2023, we continued our risks mapping actions in the Benzoin sourcing program in Laos. A program has been created in order to reduce health and safety risks.

Thus gemmage and gum harvesting are carried out with bare hands, on high trees. The risk of accident or minor injury is therefore very high. After discussion with the growers, we approved the shipment of safety equipments (harnesses for working at height, suitable gloves and protective hats). Each grower was thus able to receive all these equipments.

Specific training courses on the use of safety equipment as well as first-aid gestures in the event of a fall, cut or injury, will be provided.



**350** Producers benefiting from the project

**2** Training courses completed in 2023

# FAIR TRADE CERTIFIED PROGRAMS

## FINE LAVENDER - PAYS DE GRASSE

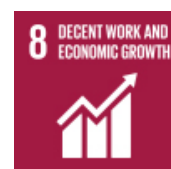
Creation of the program in 2019 with the planting of 3 hectares of fine Lavender in the commune of Caussols. Integration of an additional producer to develop the project locally.

- Guarantee of a floor price for the purchase of Fine Lavender;
- Payment of a 5% development premium to the producer in addition to the Lavender purchase price;
- Creation of an association to support fine lavender in the department.

The Fair for Life certification program, implemented in 2022, has enabled us to structure the supply chain and promote Lavender cultivation that reduces its impact on environment and biodiversity:



- No tillage;
- No irrigation;
- Maintaining natural habitats for biodiversity;
- Installation of beehives near Lavender plots.



# FAIR TRADE CERTIFIED PROGRAMS

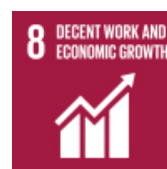
## FAIR TRADE ORGANIC LEMON ESSENTIAL OIL - SICILY, ITALY

In Sicily, in the heart of the Palermo region, we have developed a partnership program with a historic family company, Agrumaria Corleone. Since 2023, we've been working with a network of producers certified organic and Fair for Life. This is the first fair trade certification for a citrus supply chain in Europe.



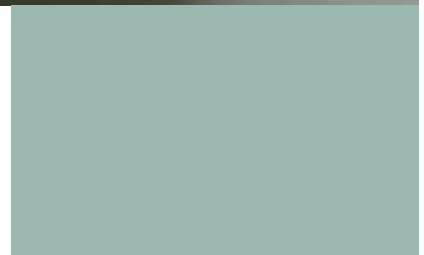
The Fair for Life certification program provides additional guarantees for producers by offering:

- A floor-price for the purchase of fruits;
- A 10% development premium given to each grower in addition to the purchase price of the lemons;
- A social audit to prevent health, safety and environmental risks.



#6

CONCLUSION &  
2024 TRAJECTORY





# OUTLOOK 2024/2025

The year 2023 saw an acceleration in climate change in all regions of the world. Waves of extreme heat are intensifying, periods of rain are becoming rarer, and populations are migrating in certain regions of the world. As a result, we have pursued all our programs with the aim of reducing the environmental footprint of our extracts and improving working conditions throughout our supply chains.

Today, social issues are at the heart of our sustainable development trajectory. Health, safety and sustainable remuneration of all members of our sourcing programs are issues we address with all our stakeholders. Internally, employee training and skills development are key to the company's sustainable development success. Social diagnoses carried out within our strategic supply chains are the basic principles for the development of complementary social programs.

Responsible purchasing and ethics are important levers for action for raising awareness and training our customers, partners, suppliers, service providers and subcontractors. We are committed to share our approach and actions with partner organizations such as Global Compact France. Finally, our Responsible Purchasing and Ethical charters, signed by all our suppliers, service providers and subcontractors, underline our commitment to involve all our stakeholders.

Lastly, with regard to environment, in 2023 we achieved our carbon footprint study for all our activities integrated into scopes 1, 2 and 3. This enables us to quantify our greenhouse gas emissions and create a low-carbon transition plan for our activities. This environmental accounting system provides detailed figures for greenhouse gas emissions by activity. Our raw materials purchases account for 62% of our greenhouse gas emissions. This provides us a basis for reducing our emissions in the years ahead.

# OUTLOOK 2024/2025

## HUMAN RIGHTS



90% EcoVadis score

50/50 parity between men  
& women in the company

0% turnover

0% absenteeism

+20% training hours  
per employee

Score of 90  
to the gender equality index

0 work-related accidents  
with sick leave

## ETHICS



95% EcoVadis score



80% signature  
our ethical charter

## RESPONSIBLE PURCHASING

2 new fair trade  
certified projects

+20% increase in on-site  
audits of our suppliers

## ENVIRONMENT



95% EcoVadis score



ISO 14 001 certification

-20%  
GHG emissions

-5%  
in water consumption

100%  
waste recovery





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# THE NATURE, OUR CULTURE

Find out more about our communication  
on Progress digital version

[www.gazignaire.com](http://www.gazignaire.com)