

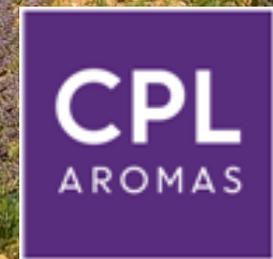


CPL Aromas

Responsible Sourcing & Partnerships Policy

Partnering with our suppliers for greater transparency

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COMMITMENT & SCOPE

Partnership lies at the heart of our approach and is key to developing shared success through sustainable practices.

At CPL Aromas, we are committed to purchasing suitable materials for the safe manufacture of our fragrances. Therefore, we have defined a set of mandatory requirements in health and safety, social, environmental and business integrity practices that form the basis of this policy.

We expect these requirements to be met by our suppliers and service providers. Evidence of compliance to this policy will be requested periodically. Beyond this, we encourage our suppliers to move from the mandatory requirements, to good practice and beyond.

UNIVERSAL REQUIREMENTS

This Responsible Sourcing & Partnerships Policy is based on our 10 Fundamental Principles. Below, we describe the mandatory requirements relevant to each of the Top 10 - Fundamental Principles which our suppliers must achieve to establish and maintain a business relationship with CPL.

TOP 10 FUNDAMENTAL PRINCIPLES

	SUPPLIERS CONDUCT BUSINESS LAWFULLY AND WITH INTEGRITY
	MATERIALS COMPLY WITH QUALITY REQUIREMENTS AND ARE TRACEABLE TO SOURCE
	HEALTH AND SAFETY OF ALL WORKERS' IS PROTECTED
	ALL WORKERS ARE OF APPROPRIATE WORKING AGE
	SUPPLIERS WORK IN A MANNER THAT MINIMISES NEGATIVE ENVIRONMENTAL IMPACT
	WORK IS CONDUCTED WILLINGLY (NO FORCED LABOUR) ACCORDING TO DOCUMENTED TERMS OF EMPLOYMENT
	ALL WORKERS ARE PAID FAIR WAGES WITH REASONABLE WORKING HOURS
	ALL WORKERS ARE TREATED EQUALLY, WITH DIGNITY AND RESPECT
	ALL WORKERS ARE FREE TO ASSOCIATE, WITH ACCESS TO REMEDIAL AND GRIEVANCE MECHANISMS
	SUPPLIERS MUST ENGAGE WITH SOCIAL ACCOUNTABILITY PRACTICES AND A PROCESS OF CONTINUAL IMPROVEMENT

1. SUPPLIERS CONDUCT BUSINESS LAWFULLY, WITH INTEGRITY

Legal Compliance: Suppliers are required to comply with all applicable laws in the countries in which they operate including laws regarding international trade, data protection and anti-trust/competition laws. All suppliers are expected to have a business ethics management plan in place.

Anti-bribery: CPL mandates that suppliers will never partake in any form of bribery, corruption, extortion or embezzlement, including any “facilitation payments”. We expect all suppliers to have adequate procedures in place to prevent bribery in all commercial dealings undertaken.

Gifts and Hospitality: CPL expects that any business entertaining or hospitality with CPL is kept reasonable in nature, entirely for the purpose of maintaining good business relations and not intended to influence in any way our decisions about how we award future business. Gifts of insignificant monetary value and entertainment arising out of ordinary corporate hospitality may be accepted by CPL but should occur sparingly and always be legitimate and aligned with company policies and be properly recorded.

Accurate Records, Reporting & Accounting: All business and commercial dealings must be transparently performed and accurately recorded in the supplier’s books and records. CPL expects all suppliers to be committed to preventing, detecting and reporting fraud, including fraudulent financial reporting, and to maintaining culture and records that mitigate any risk of fraud.

Confidentiality & Competitor Information: CPL expects all suppliers to be committed to a fair and competitive free market system, never disclosing any confidential information or trade secrets acquired during transactions with us or our competitors. All competitor information is obtained and used legitimately and in compliance with all applicable laws and regulations. No attempt is made to divulge to any information about our competitors. Likewise, our confidential information must not be shared with any third party unless expressly authorised in writing.

Anti-Money Laundering: CPL expects all suppliers to abide strictly by applicable anti-money laundering laws. There must be no actual or attempted participation in money laundering and suppliers must have all required processes and controls in place.

Reporting Issues: All suppliers are expected to have systems in place to address business integrity issues, which include means for workers (whether directly employed or not) to raise their concerns about any of these requirements in a confidential way and without fear of retaliation.

2. MATERIALS COMPLY WITH QUALITY REQUIREMENTS AND ARE TRACEABLE TO SOURCE

Quality Management: Suppliers must operate a quality management system. The purchasing of materials is carried out to defined procedures and quality standards. It is our policy that all orders are confirmed in writing clearly defining the product/service required. Product specifications are held to facilitate this. Verification of purchased product is not a part of the contract between CPL divisions and their customers.

Traceability & Transparency: Sourcing sustainably requires being able to trace purchased goods to source, with access to reliable data regarding origin and processes. Transparency is the foundation for assessing and monitoring supply chain risks, as well as engaging with our suppliers to support progress towards our policy.

We expect our suppliers to support our commitment to full traceability by having full knowledge of, and taking ownership and responsibility for, their own supply chains back to the primary production level.

For natural origin ingredients, suppliers must confirm either the country of cultivation/harvesting, or the country of origin of the essential oil from which the material is extracted. Information should also be collected on the harvesting, cultivation, drying, fermentation processes etc. as well as the process of production, transformation and extraction e.g. distillation, solvent extraction.

3. HEALTH AND SAFETY OF ALL WORKERS' IS PROTECTED

CPL expects all suppliers to ensure the following:

- a) a safe and healthy workplace
- b) effective steps are taken to prevent potential health and safety incidents and occupational injury or illness
- c) safe and hygienic accommodation (where applicable)
- d) access to safe drinking water
- e) satisfactory sanitation
- f) adequate emergency exits
- g) appropriate safety equipment and adequate training for the tasks carried out
- h) access to emergency medical care in the event of a work place injury

Where hazards cannot be eliminated, suppliers must provide workers with appropriate personal protective equipment as needed at its own expense.

It is expected that all suppliers will have procedures in place to ensure that requirements with regards to occupational health and safety are identified kept up-to-date and communicated.

4. ALL WORKERS ARE OF APPROPRIATE WORKING AGE

Suppliers must not employ children before they have completed compulsory education and not before the age of 15. Young workers must work only outside of school hours and must not do work that deprives them of attending school or that is hazardous or unsafe to their physical and mental health and development.

5. SUPPLIERS WORK IN A MANNER THAT MINIMISES NEGATIVE ENVIRONMENTAL IMPACT

All suppliers: An environmental management system must be in place to manage the following principles:

- a) Environmental compliance obligations are met to control and reduce impacts on the environment
- b) GHG emissions are monitored and reduced, and energy is used efficiently
- c) Emissions to air, effluent discharge and noise are managed according to applicable local laws
- d) Water usage is monitored, reduced and used efficiently. Suppliers must take additional measures in water-stressed areas.
- e) Waste is effectively managed and disposed of according to applicable local laws. Steps are taken to eliminate and reduce unnecessary waste and, where possible, waste is recovered, used as a resource and/or recycled.
- f) Packaging to be kept to a minimum. Steps should be taken to supply in optimal sizes or quantities of materials wherever this can be practically achieved.

Natural suppliers only: In addition to the above, suppliers of natural raw materials are expected to adopt the following principles:

- a) All suppliers must take steps to identify and protect biodiversity, and peat lands (regardless of depth) must be conserved.
- b) Best practices must be implemented to maximise yield without negatively impacting the environment or local community.
- c) Suppliers are expected to manage wild harvesting practices to ensure sustainable regrowth.
- d) Waste and harvest losses must be minimised.
- e) Where applicable, soil conservation practices must be in place.
- f) Fire must not be used to prepare land.
- g) Animal welfare must be respected.
- h) Harmful agricultural chemicals must be eliminated, and chemical usage reduced.

6. WORK IS CONDUCTED WILLINGLY (NO FORCED LABOUR) ACCORDING TO DOCUMENTED TERMS OF EMPLOYMENT

No Forced or Compulsory Labour: Suppliers must not use any forced or compulsory labour, prison labour, or human trafficking. They must not retain original identification papers or withhold any payment in order to force personnel to continue working for the organisation. No employment fees or costs are to be borne by workers.

Documented Terms of Employment: All workers, both permanent and casual, are provided with employment documents that are freely agreed and which respect their legal and contractual rights.

7. ALL WORKERS ARE PAID FAIR WAGES WITH REASONABLE WORKING HOURS

Fair Wages: Suppliers must pay fair wages that meet at least legal or industry minimum standards, or collective bargaining agreements (where applicable).

Working Hours: Suppliers are expected to comply with applicable laws, collective bargaining agreements and industry standards on working hours, breaks and public holidays. All overtime work must be on a voluntary basis.

8. ALL WORKERS MUST BE TREATED EQUALLY, WITH DIGNITY AND RESPECT

Equal Treatment and Non-Discrimination: Suppliers must treat all employees with respect and dignity and must not engage in or support discrimination in hiring, remuneration, access to training, promotion, termination or retirement based on race, caste, birth, religion, disability, gender, or any other condition that could give rise to discrimination. Harassment and abuse will not be tolerated.

Dignity & Respect: CPL expects suppliers to treat all personnel with dignity and respect. They shall not engage in or tolerate the use of corporal punishment, mental or physical coercion or verbal abuse of personnel. No harsh or inhumane treatment is allowed.

9. ALL WORKERS ARE FREE TO ASSOCIATE, WITH ACCESS TO REMEDIAL AND GRIEVANCE MECHANISMS

Freedom of Association: All workers must have the right to form, join and organise trade union(s) of their choice and to bargain collectively on their behalf with the supplier. The supplier shall respect this right and effectively inform workers of this right.

Grievance Procedures: All workers must have access to remedial and grievance mechanisms.

10. SUPPLIERS MUST ENGAGE IN SOCIAL ACCOUNTABILITY PRACTICES IN A PROCESS OF CONTINUAL IMPROVEMENT

Social Accountability: CPL expect all suppliers to engage with social accountability practices. Examples are, but not limited to: wellbeing initiatives for employees and other stakeholders; local community enhancement projects (such as education, health, nutrition); corporate social responsibility and charitable initiatives; ethical partnerships with suppliers etc.

Continual improvement: CPL expect all suppliers to engage in a process of continual improvement and to verify their processes and practices in line with this policy. We aim to provide the necessary support to suppliers where improvement is required.

POLICY IMPLEMENTATION

SUPPLIER MANAGEMENT SYSTEMS

CPL expects all suppliers to implement management systems that allow compliance with this policy, including the following as a minimum:

- **Risk Management:** Mechanisms to identify, assess and manage risks in areas addressed by this policy.
- **Documentation:** Retaining adequate documentation to demonstrate compliance, which may be reviewed by CPL upon reasonable notice.
- **Communication:** Communicating this policy to all relevant employees and departments.

ASSESSMENT & AUDITING

We will verify alignment of supplier practices with the requirements of this policy. The extent of assessment or monitoring is commensurate with the type of product or service supplied. Supplier visits/audits are carried out discretionarily as the product/service or poor supplier performance dictates. Records of these visits/audits will be maintained.

CPL reserves the right to audit any supplier's facilities. Any results of audits will be provided to the supplier with areas for improvement clearly identified. We expect any supplier audited to resolve findings promptly and to provide supporting documentation as requested.

CONTINUOUS IMPROVEMENT & REPORTING

CPL expects suppliers to monitor and verify their performance and to continuously improve in line with this policy. Any noncompliance must be reported to us without delay. We encourage suppliers to raise concerns about ethical compliance of behaviour of a CPL employee or representative, and to report such concern to us. This can be done by contacting your usual business contact at CPL.

RESPONSIBLY SOURCED INGREDIENTS

DEFINITION

Our Top 10 - Fundamental Principles define the quality & traceability, safety, environmental protection, business integrity and social accountability requirements, with which we expect all our suppliers to comply, in order to ensure our materials are produced, grown, made or sourced in a way that is not having a negative impact on people or the planet.

We have developed the CPL Responsible Ingredients Assessment, a pragmatic method of measuring the performance of suppliers to these 10 principles. 'Responsible Sourced' ingredients are those materials achieving excellence, identified as being produced, grown, made or sourced in a way that goes above and beyond basic compliance, where efforts are being made to positively impact people and/or the planet.

ASSESSMENT & AUDITING

In order to classify materials as responsibly sourced, CPL will confirm alignment of supplier practices with the requirements of this policy and evaluate performance using Responsible Ingredients Assessment. Supplier audits are carried out to verify suppliers are going above and beyond compliance and identify positive impact to society and/or the planet. Records of these visits/audits will be maintained, along with gathered evidence. We expect any supplier audited to resolve audit findings promptly and to provide supporting documentation as requested.