

The background of the entire page is a close-up photograph of several purple flowers, likely chrysanthemums, with a soft, out-of-focus effect. The colors range from deep purple to a lighter lavender hue.

# Sustainability REPORT

Inspired by the UN guidelines on  
sustainability

**CPL**  
AROMAS

# 2023

Issued / April 2023

# A Message from our CEO

## CHRIS PICKTHALL

I am proud to report on another successful year of progress towards our sustainability goals. We continued to strive for a better future for people and the planet, and we're happy to use our good fortune to continue to help those less fortunate. Our strong values of quality, responsibility, sustainability, independence, and family pride remain at the centre of our work and during 2022 we cemented sustainability into our strategy, forming the heart of many of our future strategic objectives.

We continued to reduce our environmental impact with 51% of our electricity now from renewable sources of which 21% is from onsite solar generation. We have also continued to reduce our Scope 1 & 2 emissions, with emissions this year being 47% lower than our 2018 baseline year.

This year we undertook the task of measuring our indirect Scope 3 emissions. The results of which showed that Scope 3 emissions represent 98% of our total GHG emissions. We now plan to reduce absolute Scope 3 emissions by 30% by 2030 and to achieve this collaboration is key. We value and nurture relationships and these will be more important than ever as we work together with suppliers, customers and our supply chain to reduce our impact.

We acquired the latest addition to our CPL family in Brazil, this new market for CPL, represents an exciting opportunity. We also celebrated many staff anniversaries throughout 2022, recognising our teams dedication and hard work as they reached various milestones at the company. I am very proud of our very low staff turnover levels at a time of the great resignation, and we supported our teams by matching inflation in pay reviews. We have made further investments throughout our factories, with new Kardex machines, forklift trucks and we have continued our focus on Health and Safety excellence.

A highlight was the launch our new patented biodegradable fragrance encapsulation technology; AromaCore Bio, a sustainable alternative to AromaCore that delivers longer-lasting fragrance performance without contributing to the problem of microplastics. This is our most innovative R&D project to date and we are excited to see our customers adopt this more sustainable capsule.



“

**We continue to place sustainability at the forefront of what we do, from small milestones, to achieving our ambitious goals.**



Fragrance creation is the heart of our business, and this year we launched our Sustainability Index. Our Index provides a score per fragrance against different sustainability parameters, and allows our perfumers to drive for the most sustainable fragrance at the point of creation. We aim to push this further and implement our sustainability index into our costing model, further driving sustainable creations.

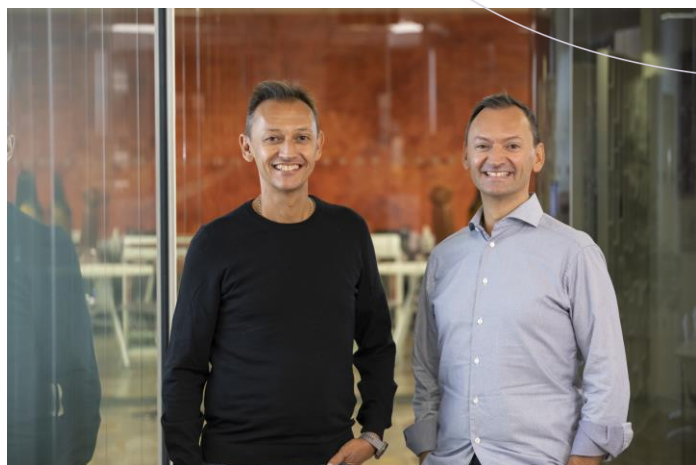
We continue to celebrate and cherish our long partnership with CAFOD who help the poorest of the poor and our support to Caritas continues, as well as our many other local community projects including India National Association for the Blind and 4get me not.

For 2023 and beyond, we look to set Science Based Targets to externally validate our objectives, begin the process of phasing out our non-biodegradable AromaCore capsules, and continue to work with our suppliers to gather life cycle assessment data for our palette.

I am encouraged by our progress as we continue to place sustainability at the forefront of what we do, from small milestones, to achieving our ambitious goals. As we look to 2023 and beyond, I look forward to creating together, sustainably.

Chris Pickthall  
Chief Executive Officer

**“We value and nurture relationships and these will be more important than ever as we work together... to reduce our impact.**



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# **Organisational Profile & Operating Footprint**

# About CPL Aromas

## OUR IDENTITY

CPL Aromas is the largest fragrance-only fragrance house in the world. We are home to some of the world's leading perfumers, and we're trusted by top brands to translate their creative vision into beautifully crafted scents. We only accept the best in what we do and innovate constantly, including products for Fine Fragrance, Laundry, Personal Care, Household and Air Care.

Founded in 1971 by brothers Michael and Terry Pickthall, our story began half a century ago, and we've been creating, innovating, and growing ever since. We are proud to remain a family run business. Headquartered in the UK, sharing best practice between regions and ensuring all our sites apply the latest industry standards. With over 700 employees working across 22 international locations, 7 manufacturing sites and serving customers in over 100 countries, our clients can be sure to receive unparalleled service and fragrance creation, wherever they are in the world.

We approach every element of our work with passion and the utmost care, pouring our creativity and energy into producing fragrances which delight the senses, and focussing our innovation to bring new ideas and insights to help our clients grow their brands. We appreciate the deeply personal experience that fragrance brings.



In the fashion and fragrance business, reputation is everything. We take pride in proactively shaping the future of the fragrance industry. We sit on many of the industry associations around the world and play a significant role in influencing the policy and guidance issued by these bodies.

We believe our role as fragrance pioneers extends beyond product development – we also have a responsibility to our clients to share industry guidance and best practice, in real time. We leverage the benefit of our insights, to make sure we communicate and educate our clients on any change which affects the fragrance sector. This is just one reason why we're a trusted partner to so many of the world's leading fragrance brands.

Sustainable, ethical, and responsible working practices are integral to our business. That's why we're actively shaping standards and supporting the next generation of fragrance innovators through our sustainable business vision.

Learn more about CPL at:

[www.cplaromas.com/our-company/our-history](http://www.cplaromas.com/our-company/our-history).



2022

## AT A GLANCE



**£129.9M**

Group Sales



**1.4M**

Hours worked  
safely



**74,971T**

Carbon emissions



**7**

Manufacturing  
sites



**700+**

Employees



**£657K**

Community  
Investments



**42**

Responsibly Sourced  
Ingredients



**6,458T**

Manufactured



**22**

Global Locations



**Top 1%**

Platinum Ecovadis  
certification

*\* putting us in the top  
1% of companies  
assessed in 2022*

# Our Operations & SUPPLY CHAIN

Our customers' requirements for sustainable products are fast-evolving and we continue to strive to be industry leaders in sustainable fragrance creation. This includes transparency and improved practices across our pallet of fragrance ingredients. At CPL Aromas, we manufacture our products using over 1400 natural and synthetic materials from over 230 suppliers. Our supply chain is worldwide and extends from the sourcing of our raw materials to delivering the finished fragrance to our customer. It is essential that we ensure our customer's expectations for consistent quality are met and that we secure a continuous supply of fragrances.



With the effects of climate change and increased demand on our natural ingredients, we ensure stability to our supply chain by obtaining a secondary source for many of our ingredients and, where possible, eliminating complex supply chains by going direct to source. Our Responsible Sourcing and Partnership Policy ensures that our suppliers are working in a way that supports people and the environment. We continue to assess and work with our suppliers to ensure compliance to our 10 fundamental principles.

We have strategically located manufacturing facilities across the globe, all operating to the same quality, safety, and environmental standards. This enables us to ensure minimum transport requirements, shorten lead times and achieve lower environmental impact, as well as a consistent quality product. Our manufacturing and supply chains are well established and the only change in the last 12 months is the addition of the newly established CPL Brazil.



# Our Ingredients

## MISSION, PURPOSE, VALUES

Here at CPL Aromas, our purpose guides all we do. As a family-owned company, it is our people who are the key to our success. It is their passion, creativity and dedication that is vital and we believe that the more diverse our business, including an expansive geographic coverage and product portfolio, the greater our ability to achieve long-term, sustainable growth as the fragrance market expands. Our purpose sets the tone and the framework from which we operate, with sustainability at the heart of our decision making throughout the business.



### 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.

#### Responsibility

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

#### Sustainable Mindset

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

#### Independence

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

#### Family Pride

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



The background of the entire page is a close-up, high-angle photograph of numerous yellow flowers, likely gerberas, with their petals and stamens clearly visible. The lighting is bright, creating a warm, golden-yellow hue across the scene. A white, thin-lined rectangular frame is centered on the page, partially overlapping the flowers. Inside this frame, at the top, is a dark blue circle containing the white number '2'. Below the circle, the text 'Our Sustainability Commitment' is written in a bold, white, sans-serif font, split across two lines. In the bottom right corner, outside the white frame, is the CPL AROMAS logo, which consists of a dark blue square containing the letters 'CPL' in a large, white, bold font, with the word 'AROMAS' in a smaller, white, sans-serif font directly beneath it.

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# **Our Sustainability Commitment**





## Sustainability Vision & STRATEGY

We take a holistic approach to sustainability, we aspire to become an industry leader in responsible perfumery. Our strategy is developed over four pillars that are at the heart of our company strategy: Environment, People, Innovation and Sourcing. Each area is essential in protecting the planet's resources and respecting the rights of the people within it and we continue to seek to go beyond our responsibility and create value that generates not only economic, but also environmental and social benefits for generations to come.

Our strategy outlines our commitments to acting on the biggest sustainability challenges affecting our business, prioritising where we can make the biggest difference. This is aligned with the 17 United Nations Sustainable Development Goals (SDGs) that set the pathways and support our 2030 strategic objectives.

Creating a sustainable future is embedded into our mission to transform our business and create long-term, profitable growth. In 2018, we set our 2030 ambitions and intermediate 2022 targets. Since we have now completed this strategic cycle, we have laid out new commitments to 2026, continuing to support our work towards our 2030 goals.

If we are to limit global temperature rise by 1.5°C, now is the time to act and face the global challenges head on. At CPL Aromas, we can see that the climate emergency will continue to be of high concern. With industry being responsible for over 20% of emissions world-wide, we recognise that businesses will continue to play a significant role in accelerating climate action. This will be achieved not only by working to decarbonise our own operations, but also through our ability to innovate responsibly and impact those within our influence.

The challenges facing our world are such that we cannot succeed alone and therefore a key part of our strategy is to work closely with our suppliers, our customers, and a wide range of other partners to widen our impact and go beyond our walls. We continue to put emphasis on engaging with all our colleagues to make sure they integrate our sustainability goals into their day-to-day activities and personal performance objectives. Consumers are seeking more responsible and sustainable products; we have a responsibility to expand our sustainable practices to not only meet consumer expectations but the needs of the planet.



Environment



People



Innovation



Sourcing

# Long-term 2030

## GOALS



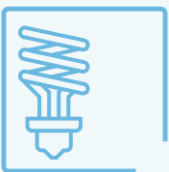
### Environment

- 100% renewable electricity
- Carbon neutral operations
- 30% reduction in scope 3
- 20% reduction in water purchased
- Zero waste to landfill



### People

- Employer of choice
- Zero Loss Time Accidents
- 100% of sites with local partnerships
- Increased global CSR projects



### Innovation

- 10% of total sales from EcoBoost
- AromaCore Bio products only
- Sustainable creations:
  - 95% Biodegradable &
  - index average of 65%
- Improved sustainability communication

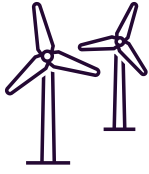


### Sourcing

- 100% supplier assessment
- Sustainable Purchasing Agreements for 10% of materials
- Provide Life Cycle Analysis data for our fragrances



# Our Performance SO FAR



**51%**

Renewable Electricity



**3.85%**

Sales from EcoBoost



**47.5%**

Reduction in Scope  
1 and 2 emissions



**66T**

Upcycled waste  
oils



**42**

Responsibly  
Sourced  
Ingredients



**£556k**

CSR Investments  
CAFOD & Caritas in  
2022

**AromaCoreBio**

Our Patented Biodegradable  
Encapsulation Technology launched.



Environment



People



Innovation



Sourcing



# Sustainability

## EMBEDDED

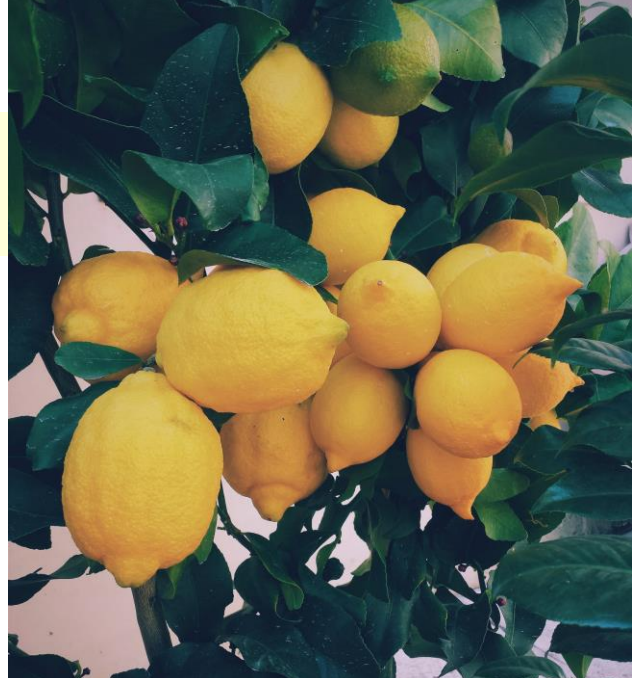
At CPL, creativity and innovation are the foundation of what we do and are key to creating sustainable, long-term value for our customers. For our sustainability strategy to be effective, we recognise the need to ensure it is embedded throughout all our activities and business relationships.

Globally, conversations around sustainability are evolving quickly. The pace of learning, change and expectations around the world are accelerating rapidly. As a responsible business, we need to be just as quick to listen and respond, internally and externally, to increase the speed and scale of our actions and impact. At the highest level, this means ensuring our policy commitments cover all aspects of our business and are adaptable as we learn more.

This year we have renewed our strategy with input from multiple stakeholders, in order to ensure we keep up with the latest understanding in climate science. Our sustainability strategy is approved and monitored at board level and rolled out at operational level through dedicated teams. The Global Operating Board and Main Board are responsible for decision making on and overseeing the management of our impacts on the economy, environment, and people. Responsibility for each priority is then allocated to the best placed board member to implement the commitments across different levels within the organisation. Where required, organisational strategies, operational policies, and operational procedures are updated to reflect revised commitments.

Our global sustainability governance model lays out the responsibilities for implementation of our sustainability strategy. The Head of Sustainability chairs our sustainability approach and is supported by our Sustainability Officers. Together they lead and embed our sustainability principles throughout the organisation.

The CPL Sustainability Team is the global and cross-functional committee that helps integrate sustainability principles more strongly into our core processes at the local level. Under the chairmanship of the Head of



Sustainability, representatives come together at least quarterly to ensure that sustainability-relevant topics and the concerns of our important stakeholder groups are considered along the entire value chain.

Our leadership team of each site play a vital role in the roll-out of our strategy and integrating sustainability into objectives and embedding it into the culture of their teams. We manage sustainability by integrating processes into our Management Systems:

- Quality ISO 9001:2015
- Work Safety ISO 45001:2018
- Environment ISO 14001:2015
- Social Responsibility SA 8000:2014

CPL Aromas fully expect all staff and contractors to uphold our sustainability strategy. We commit to educating our suppliers of our policies and encourage them to align operating practices with policy objectives. Any issues identified through audits, visits and grievance mechanisms will be remediated as soon as possible.

Our attention to environmental, social, and economic responsibility including all compliance obligations allows us to be innovative and demonstrate leadership on the issues that are important to us and our stakeholders. In 2022, no non-compliances with laws and regulations were identified.

# ORGANISATION & GOVERNANCE

CPL Aromas remains committed to sustainability and responsible business practices. We are a family-owned company. Our governance is determined by our Board of Directors. The board is responsible for the overall management and direction of the company and sets the strategic goals and policies to ensure the long-term success of the company.

Our leadership consists of 2 Boards;

1. Main Board - made up of non-executive directors as well as our CEO, COO and CFO
2. Global Operating Board – CPL employees, heading up the different areas of our business, a wide range of skills and experience including, but not limited to, expertise in economy, sustainability, and people management.

Each of our Board members is responsible for setting the strategic objectives and overseeing the management of their operations. The full list of our board members can be found on our website (<https://www.cplaromas.com/>).

Our Main Board is the highest governance body of our company. They are responsible for setting the overall strategy of the company and ensuring that we operate in a responsible and sustainable manner. The Main Board receive regular updates on the company's sustainability performance. These reports provide the board with detailed information in their regular meetings on the company's performance in areas such as energy and water consumption, waste management, and supplier engagement. The board signs off publishing of the annual report, and take appropriate action to address any issues or areas of concern whilst delegating responsibilities to relevant leaders. The Main Board are the final stage for approval of all sustainability reporting.

Non shareholder executive directors and independent non-executive directors are nominated and selected by the Main Board following a rigorous selection process usually orchestrated by a recruitment consultant. Due consideration is given to factors such as skill requirements, competency gaps, independence and diversity.

Directors are required to disclose all pertinent information in order that any conflicts of interest may be identified both at the time of recruitment and during the full term of each individual's appointment.

The group Chairman is responsible for chairing the monthly Main Board meetings, with no executive or senior executive responsibilities, and preventing and mitigating any conflicts of interest within the board. Directors are required to abstain from voting on any matters dealt with by the Main Board on which they are conflicted, unless the remaining board members decide otherwise. Furthermore, as required by UK GAAP and FRS 102, any related party transactions are disclosed in our annual audited accounts, which also disclose the ultimate controlling party and are available for public inspection online at UK Companies House.

The board has a dedicated member for sustainability matters (Group Technical Director), who is responsible for reviewing and approving our sustainability policies and goals. The Group Technical director monitors the company's progress towards sustainability targets and makes recommendations to the Global Operating Board, and Main Board on how the company's sustainability performance could be improved.





# ORGANISATION & GOVERNANCE



“ Volunteering to be a member of the sustainability team enables me to develop a deeper understanding of sustainability and allows me to contribute to implement changes at CPL to lower our impact. Brogan Pakey , FM Manager

## COMMUNICATION OF CRITICAL CONCERN

CPL Aromas has robust procedures in place for the communication of critical concerns to the Main Board, or a member of the Global Operating Board. These procedures ensure that any significant incidents or breaches of compliance are reported to the board in a timely manner and appropriate action is taken to address them. Examples of critical concerns may include environmental incidents, lost time accidents, discrimination, compliance breaches etc.

As an example, lost time accidents are reported to the Group Technical Director, who will then ensure timely communication to the Main Board and Global Operating Board. An incident report is distributed to all members of the Health and Safety committee for training, communication and raising awareness with all employees. Incidents are monitored at the Global Operating Board for identification of recurrence and trends and appropriate actions to address any areas of concern are identified. They also aid in guiding our strategy and investment.

The Global Operating Board are responsible for preventing recurrence of critical concerns and ensuring compliance with laws and regulations. We take the communication of critical concerns very seriously and ensure timely action is taken to mitigate them. The Main Board are responsible for continually monitoring the performance of the Global Operating Board through regular, internal review. Given the size and nature of our business, such evaluations, whilst regular, are mostly internal.

## TRAINING & REMUNERATION

During 2022, we conducted a range of training for all our employees covering various topics on root cause analysis, diversity and inclusion, career path development frameworks, communication skills, and team building exercises. Our Main Board is committed to ensuring that sustainable development is at the heart of our business strategy and decision-making processes.

Our Main Board was involved in training on diversity and inclusion to promote a more inclusive workplace, fostering a culture of equality and respect that aligns with CPLs ingredients. We remain committed to upholding the highest standards and are continuously working to enhance our knowledge and capabilities in this area.

Remuneration for Executive Main Board directors and the GOB members is regularly assessed using third party data and any increases approved by the Remuneration Committee. Remuneration consists of a fixed salary, a performance bonus assessed against individual's annual objectives plus a set of appropriate benefits including pension. The Senior Executives may also have the opportunity to benefit from a Long-Term Incentive Plan. With regards to the Independent, Non-Executive Directors their remuneration is a fixed salary only, which is regularly reviewed to ensure it is in line with market for the skills and services provided. The board believes that a fixed salary, which does not include a financial performance-based element, is the most appropriate way to ensure the non-Executive's retain their independence.

## A Message from our Chairman

### PETER JACOBS



“ As a family business that has been passed down from one generation to the next, we recognise our duty of care to those who follow us, to leave the world a better place. Sustainability is therefore at the very heart of our business values. We don't see sustainability as a luxury or trend, but rather a necessity if we are to have long-term success. There is a global effort towards a more sustainable world; we are seeing consumers turning to more sustainable lifestyle choices and seeking out brands and products that can aid them in this. As climate change, resource depletion and environmental degradation become more widespread and prevalent, traditional business models have to be adapted.

In 2022, we undertook a strategy review, keeping sustainability at the forefront of the conversation. We believe that in order to make a real difference, sustainability has to be central to everything we do, every discussion, every decision. Our sustainability ambitions are embedded throughout our business, providing us all with a clear vision and direction to continue to provide our customers with high-quality fragrances that don't negatively impact the environment or people in it.

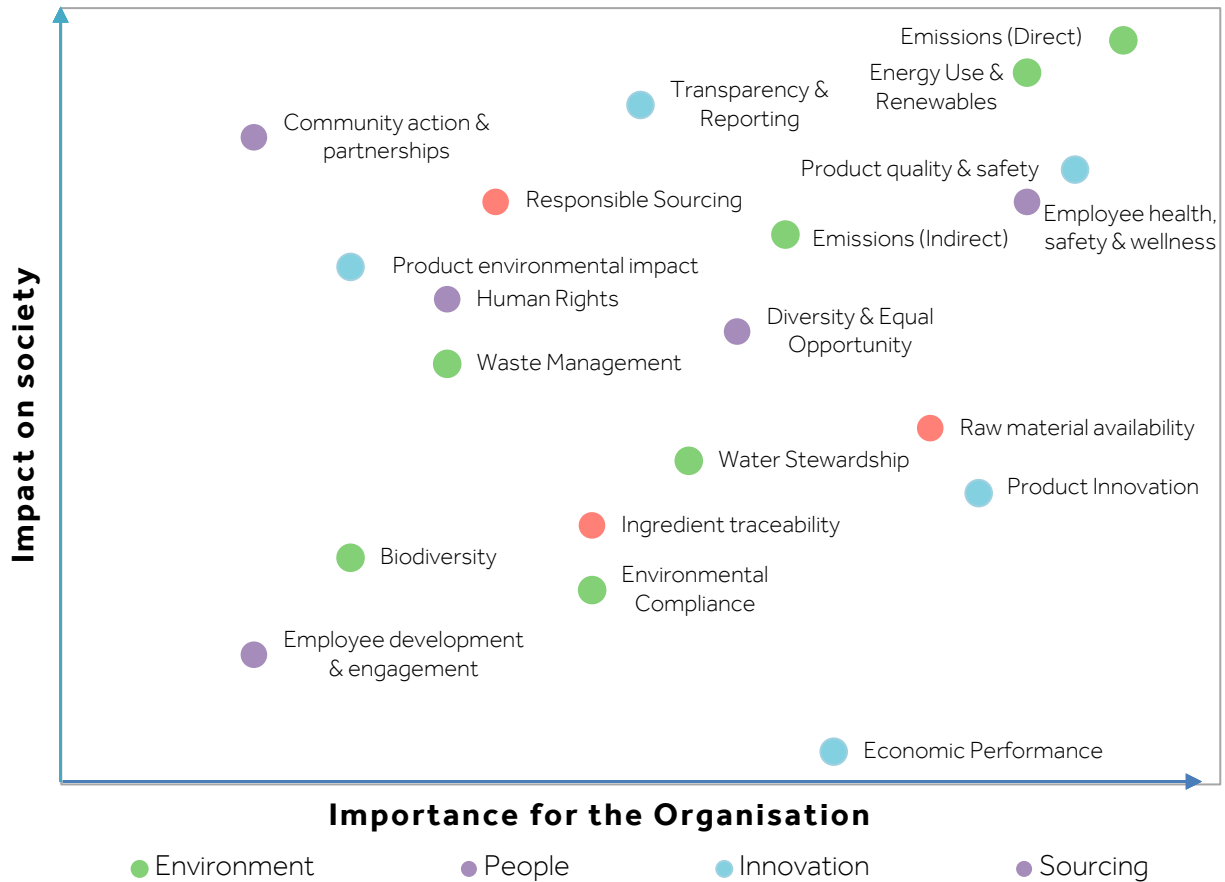
We are proud of what we have achieved so far, but we know that there is still so much more to be done. As the world continues to face urgent societal and environmental challenges, we continue to develop new technologies, initiatives, and innovative solutions, that, along with continued collaboration with our partners, will help us to meet our 2030 sustainability ambitions and play our part in leaving this world in a better position than we found it.”

Peter Jacobs  
Group Chairman



# Our Focus

## SUSTAINABILITY STRATEGY



The key aspects of CPL Aromas' sustainability strategy and reporting were identified through a materiality analysis. Actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights, were included. Each issue is prioritised from the point of view of CPL and its stakeholders.

This analysis identified the most important topics, opportunities, and risks for our business, according to their value to CPL and our stakeholders. This allows us to focus our energy and resources on the topics that have the highest priority and enables us to set objectives that will have the greatest impact.

The issues considered to be priorities from both points of view were selected for inclusion in our sustainability strategy and report. Our strategy focuses on the 20 topics identified as most material and those of greatest importance to our stakeholders. The analysis was reviewed and updated in 2022 to include new material topics. We have increased our inclusion from 10 to 20 key topics.

The information presented within this report includes coverage of the following material topics and their boundaries to reflect our significant economic, environmental, and social impacts for 2022.



# Engaging with STAKEHOLDERS

We regularly review our stakeholders and those that are key to achieving our sustainability strategy. Employee focus groups are used in the identification and engagement of stakeholders, and by focusing on those with the greatest impact and influence. From the list, we can establish the level of engagement required and prioritise our efforts towards the most important topics.

We engage directly and indirectly with our significant stakeholders on issues that are important to them and to us, and our goals and objectives are set with our stakeholders' interests in mind. We believe that regular, transparent communication with our stakeholders is essential to CPL Aromas' long-term success, and we have many avenues for dialogue, including information and feedback we receive during the ordinary course of business.

For our strategy to be successful, it is paramount we regularly engage with a diverse array of stakeholders, as it gives us a broader perspective on our approach. We receive feedback from stakeholders through a variety of mechanisms as outlined below. Through dialogue with stakeholders, we can identify relationship improvement opportunities, management of key issues, and collaborate on projects for shared benefit. This list is reviewed each year to ensure any changes do not impact our ability to achieve the intended results of our sustainability strategy.

Stakeholder Groups	Purpose of Engagement	Method of Engagement	Key Topics & Concerns Raised
<i>Internal</i>			
<b>Main Board</b>	Supporting our ability to finance new projects, transparency on strategy and performance is a key driver for improvement.	<ul style="list-style-type: none"> <li>- Board meetings</li> <li>- Briefings</li> <li>- Conferences</li> </ul>	<ul style="list-style-type: none"> <li>- Economic performance</li> <li>- Raw material availability</li> <li>- Talent management</li> <li>- Legal compliance</li> <li>- Transparency and Reporting</li> </ul>
<b>Employees</b>	Attracting, developing, & retaining a high-quality workforce, is critical to our long-term success. We create meaningful opportunities for our employees to work, gain new skills, and build successful careers, while building a diverse and inclusive workplace.	<ul style="list-style-type: none"> <li>- Talent management</li> <li>- Learning &amp; development</li> <li>- Annual performance discussion</li> <li>- SharePoint</li> <li>- Social media</li> <li>- Email</li> <li>- Newsletters</li> <li>- Sustainability teams</li> <li>- Regular updates</li> </ul>	<ul style="list-style-type: none"> <li>- Development &amp; engagement</li> <li>- Employment security</li> <li>- Good employee working relationships.</li> <li>- Safe and healthy work</li> <li>- Energy, Water &amp; Waste</li> <li>- Diversity and Inclusion</li> <li>- Business strategy</li> <li>- Women empowerment</li> <li>- Communication</li> <li>- Participation</li> <li>- Purpose of a business</li> </ul>
<b>Shareholders</b>	Transparency on strategy and performance.	<ul style="list-style-type: none"> <li>- Regular updates</li> <li>- Business performance review</li> <li>- Accounts</li> </ul>	<ul style="list-style-type: none"> <li>- Economic performance</li> <li>- Raw material availability</li> <li>- Talent management</li> <li>- Legal compliance</li> <li>- Transparency and Reporting</li> </ul>

# Engaging with STAKEHOLDERS

Stakeholder Groups	Purpose of Engagement	Method of Engagement	Key Topics & Concerns Raised
<i>External</i>			
<b>Customers</b>	Maintaining strong relationships with customers is important to meet their needs and minimise environmental impact where we can.	<ul style="list-style-type: none"> <li>- On-going dialogue</li> <li>- Customer sustainability requests</li> <li>- Customer visits and audits</li> <li>- Conferences and events</li> <li>- Webinars</li> <li>- Audits</li> <li>- Social media</li> <li>- Individual calls, Email</li> </ul>	<ul style="list-style-type: none"> <li>- Product quality &amp; safety</li> <li>- Product environmental impact</li> <li>- Innovation</li> <li>- Transparency and Reporting</li> <li>- Human rights &amp; supply chain visibility</li> <li>- Ingredient traceability</li> <li>- Responsible sourcing</li> <li>- Affordability</li> </ul>
<b>Suppliers</b>	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	<ul style="list-style-type: none"> <li>- SEDEX</li> <li>- Questionnaires</li> <li>- Audits</li> <li>- Social media</li> <li>- Individual calls</li> <li>- Email</li> <li>- Performance review</li> </ul>	<ul style="list-style-type: none"> <li>- Responsible sourcing</li> <li>- Raw material availability</li> <li>- Product safety and quality</li> <li>- Environmental impact</li> <li>- Market presence</li> </ul>
<b>Local Community</b>	Supporting our local communities is an important part of operating as a responsible business.	<ul style="list-style-type: none"> <li>- Engagement with social activities within the local community</li> <li>- Charitable activities that are organized, hosted, and implemented locally by sites around the world</li> </ul>	<ul style="list-style-type: none"> <li>- Health, safety, and wellness</li> <li>- Product environmental impact</li> <li>- Human rights</li> <li>- Diversity and inclusion</li> <li>- Transparency and Reporting</li> </ul>
<b>Law Enforcers &amp; Regulators</b>	Ensuring compliance with local laws and regulations.	<ul style="list-style-type: none"> <li>- Emerging legislation/regulation</li> <li>- IFRA consultation</li> <li>- Media</li> <li>- Membership of working groups/forums</li> <li>- Industry conferences</li> </ul>	<ul style="list-style-type: none"> <li>- Product quality</li> <li>- Safety and environmental impact</li> <li>- Responsible sourcing</li> <li>- Health, safety, and wellness</li> <li>- Transparency and reporting</li> <li>- Human rights</li> <li>- Legal compliance</li> </ul>
<b>Academia</b>	Education is key to sustainable development and is crucial to the next generation of leaders in the industry.	<ul style="list-style-type: none"> <li>- Internship programs</li> <li>- University partnerships</li> <li>- Lectures</li> <li>- Research and Development Projects</li> <li>- Internal fragrance training programs.</li> </ul>	<ul style="list-style-type: none"> <li>- Positive social impact</li> <li>- Science</li> <li>- Business growth</li> </ul>
<b>Non-Governmental Organisations</b>	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.	<ul style="list-style-type: none"> <li>- Email communication</li> <li>- Social media</li> <li>- Partnerships</li> <li>- Face to face meetings</li> </ul>	<ul style="list-style-type: none"> <li>- Environmental and social impact</li> <li>- Contribution to sustainable development goals</li> </ul>

## Reporting Process & FEEDBACK


This sustainability report covers reporting period 1st January 2022– 31st December 2022. We commit to report annually. This report has been prepared in accordance with the GRI standards: Core option. We currently do not seek external assurance regarding this report.

This report contains forward-looking statements describing the Company's objectives, projections, estimates and expectations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, laws and other statutes and incidental factors.

2018's performance data acts as a baseline from which we report progress. Where data was unavailable, we have used data from the earliest available year to populate. The most recent previous report was issued April 2022 covering 2021 data.

This year, we have reviewed the scope of sites included in our reporting, with the support of a third party. Where previous reports have covered only our Category A sites, defined as any manufacturing site regardless of the number of employees or any other site (e.g. offices and labs) with greater than 50 employees, reporting now includes all sites where we have a level of operational control. As a result of this, we identified 5 additional sites for inclusion. Due to previous gaps in data, restatements can be found on pg. 79. There were no significant operational changes. Joint ventures are excluded. All operations are included in the consolidated financial statements, found at [www.cplaromas.com](http://www.cplaromas.com).

There have been no significant changes in the list of material topics or topic boundaries from previous reports. All objectives have been established in line with and contribute toward the UN Sustainable Development Goals (SDGs). For questions regarding this report please contact us at [sustainability@cplaromas.com](mailto:sustainability@cplaromas.com).



**“ Sustainability has to be central to everything we do, every discussion, every decision.**

Nick Pickthall, Chief Operating Officer



3

# Protecting Our Planet



**CPL**  
AROMAS



## Our Environment

### OCTAVIAN GLAVAN



“ 2022 continued to highlight the impact that we as humans are having on the environment. The world suffered record-breaking floods, droughts, typhoons, and heatwaves that caused widespread human and economic destruction. Scientists said climate change was largely to blame.

Our Scope 3 reporting was one of the biggest projects for 2022. We now have the full picture of our emissions and we have been able to focus our approach across the environment and ensure that we are reducing the emissions that contribute most to our footprint. Unsurprisingly, our scope 3 emissions accounted for more than 97% of our total emissions.

The environment and its protection is really important to CPL. We are committed to ensuring we reduce our impact on the environment. I am particularly focused on ensuring we have efficient production, ensuring we are using the best equipment and optimising our procedures.

Throughout 2022, we continued to make strides towards our ambitious goals. We reduced further our dependence on fossil fuel and now generate 21% of our electricity from our solar farms in Dubai and Colombia. We optimised our cleaning process and saw water savings in Dubai of 30%

Our team are engaged in the conversation about the environment, and we regularly receive improvement suggestions from them. 2023 promises to be another year of environmental improvements. We are particularly excited to inaugurate our most sustainable factory and look to integrate some of the technology used in this new site into our existing factories.

Octavian Glavan  
Operations Director

**We are committed to ensuring we reduce our impact on the environment.**



## Our 2030 OBJECTIVES

- 1 100% Renewable Electricity
- 2 Carbon Neutral Operations
- 3 30% reduction in Scope 3 emissions
- 4 20% Reduction in global municipal water consumption
- 5 Zero waste to landfill

“

2022 saw us update our short and long term objectives to reflect a more ambitious approach.

Emily Heron, Head of Sustainability





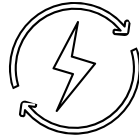
## 2022 Highlights

### PROTECTING OUR PLANET



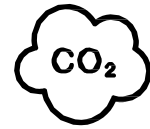
**1.80%**

increase in energy efficiency



**51%**

renewable electricity



**31%**

absolute reduction in scope 1 & 2 emissions



**400T**

CO<sub>2</sub>e saved by use of renewable electricity in 2022



**15%**

decrease in water use per tonne since last year



**38%**

reduction in landfill per tonne

### MONITORING PROGRESS



2030 Target									
100% Renewable Electricity	<table border="1"> <tbody> <tr> <td>2021</td> <td>50%</td> </tr> <tr> <td>2022</td> <td>51%</td> </tr> <tr> <td>2026</td> <td>75%</td> </tr> <tr> <td colspan="2">Scale of 100%</td> </tr> </tbody> </table>	2021	50%	2022	51%	2026	75%	Scale of 100%	
2021	50%								
2022	51%								
2026	75%								
Scale of 100%									
Carbon neutral Operations (-90%)	<table border="1"> <tbody> <tr> <td>2021</td> <td>-34%</td> </tr> <tr> <td>2022</td> <td>-47.5%</td> </tr> <tr> <td>2026</td> <td>-70%</td> </tr> <tr> <td colspan="2">Scale of 90%</td> </tr> </tbody> </table>	2021	-34%	2022	-47.5%	2026	-70%	Scale of 90%	
2021	-34%								
2022	-47.5%								
2026	-70%								
Scale of 90%									
-30% in Scope 3 emissions	Baseline established 2026 Target: -15%								
-20% in global municipal water consumption per tonne of production	<table border="1"> <tbody> <tr> <td>2021</td> <td>14%</td> </tr> <tr> <td>2022</td> <td>-3%</td> </tr> <tr> <td>2026</td> <td>-4%</td> </tr> <tr> <td colspan="2">Scale of 20%</td> </tr> </tbody> </table>	2021	14%	2022	-3%	2026	-4%	Scale of 20%	
2021	14%								
2022	-3%								
2026	-4%								
Scale of 20%									
Zerowaste to landfill	<table border="1"> <tbody> <tr> <td>2021</td> <td>24.3%</td> </tr> <tr> <td>2022</td> <td>21.4%</td> </tr> <tr> <td>2026</td> <td>10%</td> </tr> <tr> <td colspan="2">Scale of 30%</td> </tr> </tbody> </table>	2021	24.3%	2022	21.4%	2026	10%	Scale of 30%	
2021	24.3%								
2022	21.4%								
2026	10%								
Scale of 30%									

# Energy & EMISSIONS



Climate change is one of the most pressing concerns globally and requires urgent action, bold commitments, innovation, and collaboration. The latest climate science says that temperature increase must not exceed 1.5°C compared to pre-industrial levels if we are to avoid the most catastrophic effects of climate change. Reaching this goal requires that emissions fall by half by 2030 and that we reach net-zero emissions no later than 2050.

Climate change risks include those related to extreme weather events and natural disasters. It poses a risk to our business and the impacts of such events can significantly affect our supply chains, as well as social response to climate change and possible reputational impact if we fail to play our part to protect the planet. As such, we identified climate change as a key risk in our materiality matrix and have included it in the environmental pillar of our sustainability strategy.

At CPL Aromas, we know that our actions and how we do business can contribute to either worsening or mitigating the effects of climate change and we are determined to be part of the solution rather than the problem. Carbon emissions are responsible for about 80% of all Green House Gas (GHG) emissions and one of the most significant ways we can reduce our environmental impact is to reduce our carbon footprint.

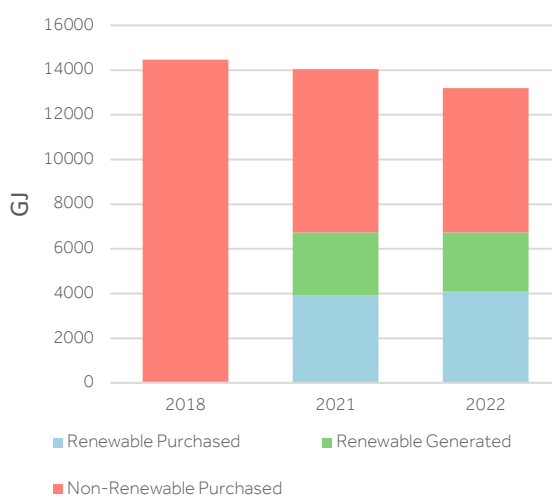
We generate GHG emissions through energy use and other activities in our supply chain. Scope 1 emissions are direct emissions from sources we own or control, including, for instance, fuel combustion in our factories. Scope 2 emissions are indirect emissions related to the use of purchased energy. Scope 3 emissions are all indirect emissions that occur in our value chain. Our efforts in these areas necessarily extend beyond CPL to include our supply chains. This is the first year we have data to report our scope 3 emissions. Scope 3 emissions cover a broad range of aspects, details on how we encourage suppliers to observe our rigorous standards are described in the chapter on Responsible Sourcing.

## 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 2022, 51% of our operations worldwide are now powered by renewable electricity, with 4 of our 7 manufacturing sites powered by 70%+ renewable electricity, 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



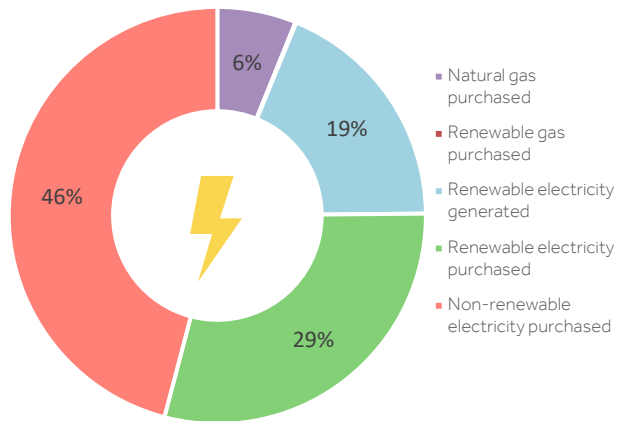
# Scope 1&2

## EMISSIONS

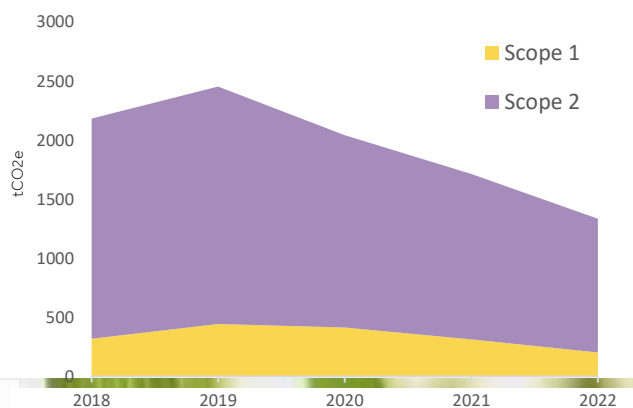
In 2021, we exceeded our initial objective of cutting operational emissions (Scope 1 & 2) in half by 2030 per tonne of product for Cat A sites. As part of our strategy review in 2022, we redefined our objective and CPL aims to reach carbon neutrality in its direct operations by 2030. This means reducing 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 2022 we reduced absolute Scope 1 & 2 emissions by 47.5% 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 36.6% vs. 2018 baseline. We have implemented 5 electric cars across our fleet, and also purchased 3 electric FLT to remove our reliance on LPG.

Source of Energy



Reduction of Emissions



## Case Study: EV CHARGING

We updated our company cars policy to include that no new diesel or petrol cars to be added to the fleet. To support this and encourage employee switching to electric vehicles, throughout 2022 we installed electric vehicle charging points for free use across our sites. Electric vehicle charging points are now available at our sites in Dubai, Brixworth, Innovation House and Spain. In 2022, approximately 8T of Scope 1 emissions were saved through the use of electric cars.



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 2022, our scope 2 emissions accounted for 1131T CO<sub>2</sub>e, a reduction of 39.2% vs. 2018 baseline. In 2022, our total energy use was 14,061 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 1.80% vs. 2018 baseline. We continue to invest in energy efficient technologies such as LED lighting and solar power.

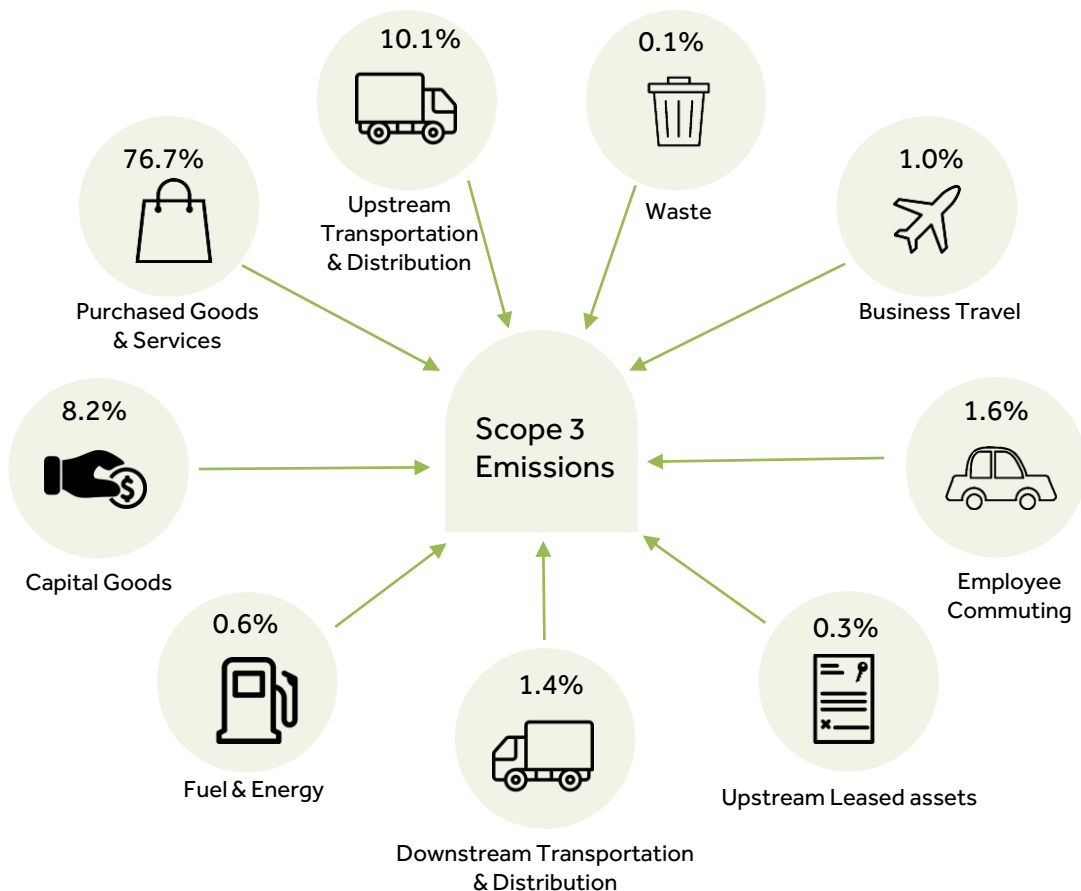
# Scope 3 EMISSIONS

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 2022, Scope 3 emissions were 73,636 tCO<sub>2</sub>e, representing 98% of our total (scope 1 + 2 + 3) GHG emissions. A majority of these Scope 3 emissions (77%) comes from purchased goods and services – over 60% from the purchase of raw materials. The remaining Scope 3 emissions include purchased 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.





# Conserving Water

## WATER STEWARDSHIP

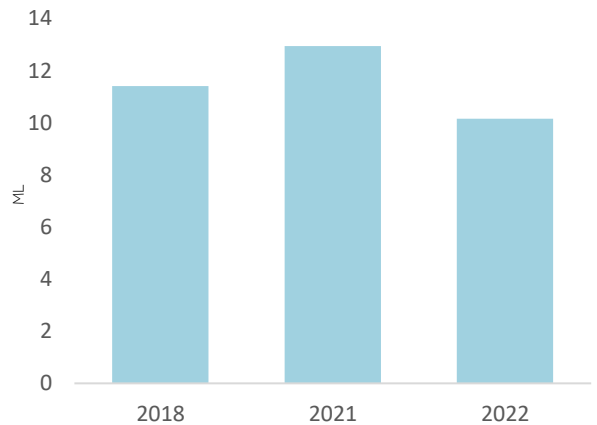
Climate change is altering weather patterns and water security around the world, causing shortages and droughts in some areas and floods in others. Shared water challenges are likely to increase in frequency and intensity in the coming decades. Declining water quality, droughts and water stress are all 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 waste water 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 2022, we withdrew approximately 10.2 MGL of water from municipal sources (1572.83 litres per tonne manufactured). This is a 2.59% 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



### Case Study:

## WATERLESS URINALS AT BRIXWORTH

This year, as part of our strategy, we replaced all existing urinals at our Brixworth manufacturing site with waterless urinals. Traditional urinals typically account for up to 35% of all water used by a site and so switching to waterless alternatives can have significant water-saving benefits. In addition to water saving benefits, they can have other benefits too, like lower odour, lower maintenance costs, and can be cleaner than flushing urinals. In 2022, our Brixworth site reduced total water consumption by over 250,000L (24%) vs. 2021.



## 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 2022, water use at these 2 sites accounted for 51% of water use globally (5.9 megalitres). Despite CPL not being an intensive water user, we have implemented several water savings projects to help minimise water consumption. For example, in 2022 at our manufacturing facility in Dubai, we began a project to reduce the water consumption through our cleaning processes. Changes made resulted in over 30% savings in water used through the process vs. the previous quarter.


Throughout 2023, our focus will be prioritised at these two sites and further operational efficiencies, water-saving technologies and initiatives are being investigated to further 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 2022, 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.



“ Minimising water consumption continues to be a priority for us particularly at water stressed locations.

Emily Heron, Head of Sustainability

# WASTE MANAGEMENT

To preserve the environment and minimise waste, we are committed to finding new ways to increase operational efficiency to reduce the amount of waste we produce. The end-of-life for materials can often be the start of something new, so our primary objective is to reduce the amount of waste sent to landfill and increase our use of alternate disposal methods.

Through operational efficiencies we can reduce the amount of waste we produce, recycle to decrease landfill disposal and, where recycling is not possible, use incineration for energy recapture and recovery. A circular economy is vital for waste management, and we have set an ambitious target of sending zero waste to landfill by 2030.

## MANAGING WASTE

In 2022 we generated a total of 726T of waste (0.112T per tonne of product). This is an 18.4% improvement on waste efficiency vs. 2018 baseline (0.138T per tonne of product). We strive to continually reduce the waste generated by our business activities including procurement, development, manufacturing, packaging, marketing and distribution. Our decisions about what materials to use have consequences in terms of waste and we strive to reuse or recycle materials where possible.

We believe in a circular economy and are committed to influence our waste streams throughout the supply chain. That is why 100% of our product packaging is fully recyclable after use. Our strict quality specifications ensure that we reduce wastage by only purchasing the best quality of materials.

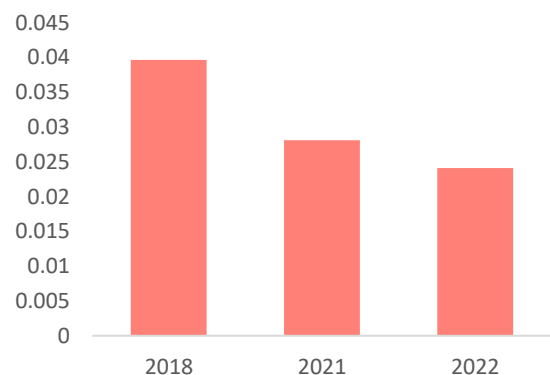
We use innovation to reduce our impact on the environment by reducing waste generated through use of our products. We developed EcoBoost and EcoBoost Plus. This fragrance technology creates high-impact fragrances at as little as 5% of the normal fragrance dosage, reducing waste from packaging, transport, energy and disposal. In addition to this, we have included solid bases to our sustainable fragrance technology EcoBoost. Solid bases call for large water reductions in formulations and

can help combat plastic pollution with reduced packaging required.

Consumer interest in sustainable products continues to grow and we develop fragrances which contain upcycled and biodegradable ingredients to address the challenge of waste and promoting circular economies. Upcycling reimagines waste to produce something new with ingredients derived from otherwise discarded natural materials, and in 2020 we launched our range of Biodegradable Fragrances.

We continually work towards a circular solution to our waste by upcycling our waste oils to be sold as potpourri. This year we upcycled 66T of waste fragrance oil (an increase of 50% vs. 2021).

Tonne of landfill waste per tonne produced



# Waste Management

## CONTINUED

### HAZARDOUS WASTE

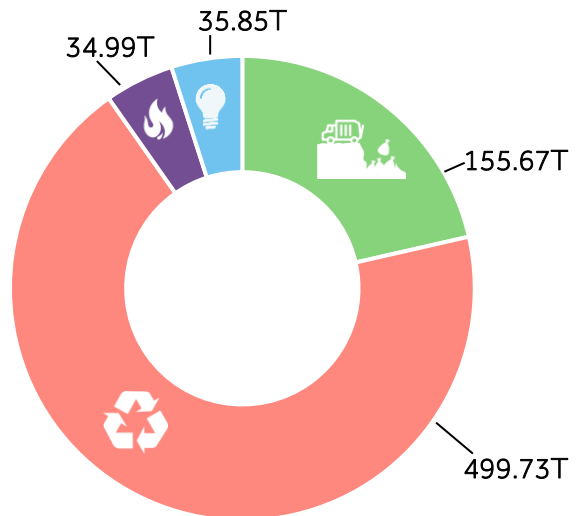
Hazardous waste is transported to offsite treatment by specialized vendors according to local legislation. We continue to work with hazardous waste vendors to ensure the best available disposal routes are utilised. 13% of all waste produced by CPL is hazardous (94.63 T in 2022). Of this 28.2T (29.8%) was recycled, 30.0T (31.7%) was sent for energy recovery, 28.7T (30.3%) was sent for incineration, and 7.8T (8.2%) was sent to landfill. We want to ensure that this waste doesn't end up in the environment. Driven by our sustainability representatives, we continue our efforts to reduce and eliminate hazardous waste streams where we can. Of our non-hazardous waste (631.5T), 471.5T (23.4%) was recycled, 5.8T (0.9%) was sent for energy recovery, 6.3T (1.0%) was sent for incineration, and 147.9T (23.4%) was sent to landfill.



**In 2022, we disposed of a total of 726.2T of waste (0.112 per T of production), a decrease of 17.6% vs. 2018 baseline.**

Total Waste (T)

- Landfill
- Recycled
- Incineration
- Energy Recovery



### ZERO WASTE TO LANDFILL

Of our total waste, 155.67T (21.4%) was sent to landfill, a 43.3% reduction vs. 2018 baseline. This is a 38.0% reduction per tonne of production vs. 2018 baseline. In addition, 499.73T (68.8%) were recycled, 35.85 tonnes (4.9%) were sent for energy recovery, and 34.99 tonnes (4.8%) were sent for incineration. Our next steps include a thorough review of our waste contracts and methods of disposal, continuing to switch to more sustainable alternatives, along with a drive to introduce more recycled content where possible. Furthermore, we continue to work with our customers to reduce the amount of packaging used by encouraging bulk orders and larger pack sizes. We also have a project to reduce the amount of virgin plastic in our containers, not only to reduce plastic waste, but also emissions associated with transport.



## BIODIVERSITY

Nature plays a vital role in the majority of industries, and the global economy is dependent on our ability to protect and restore nature, from the maintenance of arable land, to the pollination of crops, to the preservation of landscapes for tourism. The natural world is in crisis, and the impact of biodiversity loss is now one of the most severe risks identified for the next decade.

As a fragrance company, we place huge value on nature. We have an important role to play in biodiversity conservation and restoration, especially in areas where we operate directly. This is particularly important in Key Biodiversity Areas (KBA) which are home to some of the most endangered and threatened species of animals and plants on the planet. We also have a responsibility to work with our suppliers, to ensure best practices are implemented across the supply chain, particularly in the agriculture and farming of our natural ingredients.

This year we completed a full assessment of the biodiversity risk in the areas in which we operate, utilising SEDEX data, the Internal Union for Conservation of Nature (IUCN), and the RAMSAR Convention lists, to report on the inherent biodiversity risks adjacent to our manufacturing sites. This process has allowed us to identify KBAs and review the management controls we have in place to ensure we are not negatively impacting these areas. 2 of our sites are located near key biodiversity areas; our manufacturing facilities in Dubai, UAE, and Hong Kong.

Our manufacturing site in Dubai has been operational in the Jabal Ali Free Zone Area since 2015 with an overall area of 10,000m<sup>2</sup>. Our manufacturing site is located only 16 miles from the Jabal Ali Wetland Sanctuary.

Our manufacturing site in Hong Kong has been operational since 2007 with an overall area of 3623m<sup>2</sup>. Our site is situated 7 miles from the Mai Po and Inner Deep Bay wetlands.



## BIODIVERISTY

To support these KBAs, we have key measures to ensure that we do not pose any negative or harmful impacts. The KBA located near our Dubai site is aquatic in nature. Our site in Dubai does not dispose of any hazardous wastewater into the drains, instead we use specialised collection companies to collect all our hazardous waste and chemicals that are involved in the production process. Therefore we pose little risk.

In the coming year, our company is placing a strong emphasis on implementing and monitoring effectiveness of control measures, in particular with regards to our Hong Kong site, to protect local biodiversity. We will be reviewing our policies and procedures to ensure that they align with the latest best practices and will also be conducting risk assessments to identify any potential negative impacts on biodiversity, taking corrective action as needed.

We plan to partner with organisations that are working to protect biodiversity in the areas we operate. Biodiversity protection is a long-term and ongoing effort, but we are committed to doing our part. We believe that by working together, we can ensure that future generations will be able to enjoy the diverse and thriving ecosystems that our planet has to offer.

## Case Study: WATER CONTAMINATION IN BOLIVIA

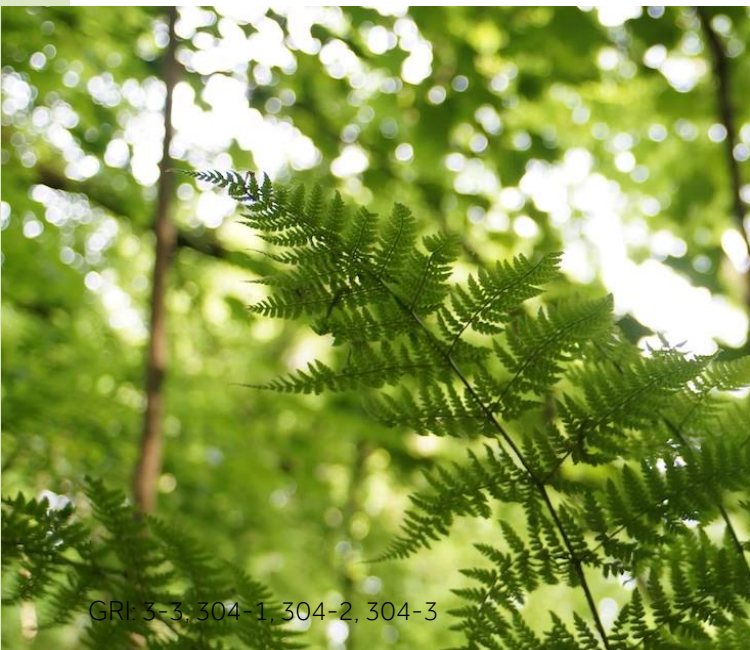


Many communities struggle to access clean and safe water. The Indigenous farming communities in the Andean Mountain range are some of the most affected. Thanks to our ongoing support CAFOD have been working with the indigenous communities to help ensure they can access clean and safe water.

To help reduce tension around water access, 34 community leaders participated in training to improve their ability to self-manage water in their communities. They learnt about alternatives to mitigate the effects of water scarcity, such as techniques for planting and harvesting.

The project has supported members to write their own written proposals to be submitted to the municipal authorities to secure resources for implementation.

Finally with the support of the project members the community have joined forces and begun a collective legal process. The aim is to address the mining contamination and hold the state accountable in ensuring all citizens have access to clean water.





## In discussion

**EMILY HERON,**  
Head of Sustainability, CPL Brixworth

**This year you celebrated 10 years with CPL. What is it that excites you about your role as Head of Sustainability?**

It's the fact that every day I get to come to work and can make a difference, not only for me but for my children and the generations that come after them. Every day we impact our future, for better or for worse, and we each have a moral responsibility to do our part to change the narrative and leave this world in a better position than we found it. Sustainability is at the heart of our corporate values, purpose, and strategic direction. It has been integrated throughout our business and seeing this integration over the last 5 years has been very exciting.

**An effective sustainability strategy requires commitment and action throughout the business. How has this been integrated throughout CPL?**

Our sustainability strategy has moved from being just a topic of consideration to one of our core values, with Responsibility and Sustainable Mindset being two of our five company ingredients. We recently updated and redefined our corporate strategy, with sustainability at the centre of every strategic objective. **Our teams across CPL have worked diligently to put sustainability at the heart of what we do, and I am grateful for their dedication and inspiration.**

**The next decade will be critical to save the planet. How is CPL moving in the right direction?**

Sustainability is a huge topic of conversation now, and that makes me incredibly optimistic. It's harder than ever to ignore what's happening to our world and we are seeing consumers turning to more sustainable choices. To ensure we are moving in the right direction, we align our strategy with the 17 SDGs set by the United Nations. While we are proud of what we have achieved so far, **we know that there is still more to be done.** It's a journey we can't undertake alone and knowledge and understanding are key. We pride ourselves on being transparent and collaboration is key to achieving our highly ambitious targets.

**When it comes to protection of the environment, what's next for CPL? What are the key focus' for 2023 and beyond?**

2023 will see us develop and begin to implement our carbon reduction plan, which includes working towards science-based targets. We are also focusing on reducing water consumption at our sites in water-stressed locations and to continue to divert waste from landfill to more sustainable routes of disposal. In addition, we are looking to understand our responsibilities when it comes to biodiversity, our impact across our sites and enhancing biodiversity where we can. One thing is for sure: we will keep integrating sustainability principles through every aspect of our business, and I invite you all to join us.

4

# Caring for People



**CPL**  
AROMAS



## Our People

### HATTIE HE



We are committed to a better, more inclusive workplace for all.

“ Our teams are key to our success. It is their creativity that enables our innovation and continued growth, so we hire, develop, and grow the very best talent. Throughout 2022 our team continued to grow. We now have over 700 staff globally and are committed to continue developing a diverse and inclusive workplace.

In addition, job satisfaction and ongoing professional development are essential to retain our talent, and the systems that we have in place to support this are key. That is why throughout 2022 we have been developing a new HR system, with phased implementation planned for 2023, that will allow us to better monitor and measure our progress towards our goals.

We are responsible for providing, maintaining, and improving safe & healthy conditions, equipment & systems of work for all our employees. During 2022, we have seen a decrease in the number of lost time accidents and continue to implement more training, communication and awareness of our safety procedures and safe ways of working as we move towards zero lost time incidents by 2030.

We work with people across the globe, living and working in a wide range of environments and economic situations and continue to work to ensure each person has access to basic resources, their health is protected, and they enjoy good quality of life. Our human rights and ethics policies protect our staff and those we work with and in 2022, we had no breaches related to human rights.

We also continue in our support of CAFOD and their aim to ensure that “no one is out of reach” to play our part in supporting those less fortunate than ourselves. In addition, we are committed to helping the communities in which we operate. This year we have increased the scope of our local community work, with 6 new projects planned over the next 4 years.

As we look to 2023, we are expectant. With further development of our key performance indicators and focus on improving staff wellbeing, we are committed to a better, more inclusive workplace for all.

Hattie He  
Global HR Director

Our 2030  
**OBJECTIVES**

**1**

Become an Employer of Choice

**2**

Zero Lost Time Accidents

**3**

Develop at least one local community project at each site

**4**

Increase support towards global CSR projects year on year

“

Health and Safety is our number one priority we want to ensure our employees work safely, stay healthy and be well.

Clara Castle, Safety & Sustainability Officer



# 2022 Highlights

## OUR PEOPLE



### Mental Health

Advisor At Every Site



### 2765

Hours of Learning & Development



### 90

Employee Length Anniversaries Celebrated



### £455k

Donated To CAFOD



### £101k

Donated To Caritas International



### 1,392,068

Hours Worked Safely

## MONITORING PROGRESS



2030 Target	
Employer of choice	<p><b>2021</b> Increased staff retention and diversity</p> <p><b>2022</b> 2765 hours of learning &amp; development training. Success factors implementation. 10.8% staff turnover rate.</p> <p><b>2026</b> Implement Success Factors &amp; establish KPIs</p>
Zero Lost time accidents	<p><b>2021</b>  2.16*</p> <p><b>2022</b>  1.62**</p> <p><b>2026</b>  &lt;1%</p>
At least one community project at each site	<p><b>2021</b>  54%</p> <p><b>2022</b>  54%</p> <p><b>2026</b>  100%</p>
Increase support towards global CSR projects	<p><b>2021</b> £455,000</p> <p><b>2022</b> £455,000 to CAFOD £101,028 to Caritas International</p> <p><b>2026</b> Continued CAFOD support</p>

\* Cat A sites only. \*\* All sites (13)

# Employment OF PEOPLE

Our success is linked to our people and talent. Effectively recruiting, developing, and retaining a skilled workforce is essential to meet future business requirements. Our voluntary staff turnover rate remains low at 10.8% and this year we celebrated 89 employees for their length of service to CPL Aromas, including 3 employees marking their 30th year.

As well as retaining our existing talent, this year we welcomed 123 new employees to the business where 22% of the roles advertised were newly created positions. This brings our total employees to 708 and increase of 77 since 2021 due to growing business and acquisition of our Brazil site. All employee figures are total headcount at the end of 2022. Our employees at our Spanish and French divisions are covered by collective bargaining agreements (12.5% of our employees). For employees not covered by collective bargaining agreements, we determine their working conditions and terms of employment based on local country legislation and common practice.

As an employer of choice, we need to invest time in our employees providing training and development opportunities to build on their skills and create an inspiring working environment. We are always looking for ways to increase employee engagement and motivation in the workplace, and that's why we focussed our learning and development framework this year in the following areas: team building, communication skills, career development pathways, root cause analysis and diversity & inclusion. Our framework seeks to improve both employee performance and productivity to not only develop and nurture potential future leaders but retain our top talent. In 2022 we completed 2765 hours of leadership and development training to better equip our workforce.

Within CPL, we want to continue to strengthen our workforce by attracting new talent to the business and creating an engaging and supportive environment for our existing employees. We recognise that to do that we need to continue to develop our HR processes. This year we have been implementing our Global Human Capital Management System to expand our HR capabilities and in 2023 we look forward to some of those modules coming online which will allow us greater monitoring capabilities for our objective to be an employer of choice.

To determine employee salary packages, local salary benchmarking is carried out. For all employees, benefits and insurances (such as life insurance, health care, disability and invalidity coverage, parental leave, retirement provision) are provided based on local country legislation requirements. This includes for permanent and temporary employees. The annual bonus scheme is not provided to temporary employees.

New Employee Hires	2022
All	123
Male	64
Female	59
<30 years	39
30-50 years	55
50+ years	29
UK	24
EU	8
Asia	63
Middle East	14
Americas	14
Aus, & NZ	0



# Employment OF PEOPLE

Anniversary (Years)	Number of Employees
5	41
10	21
15	12
20	9
25	3
30	3
40	1



Michaela Hawkeswood

Employee Data		2022
Number of Employees	All	708
	Male	355
	Female	353
Permanent	All	696
	Male	354
	Female	342
	UK	158
	EU	69
	Asia	295
	Middle East	122
	Americas	64
	Aus, & NZ	0
	Temporary	All
Male		1
Female		11
UK		3
EU		0
Asia		7
Middle East		0
Americas		2
Aus, & NZ		0
Full Time		All
	Male	349
	Female	329
Part Time	All	30
	Male	6
	Female	24



Rosie Sexton



Ann Booth



Desmond McIntosh



CPL has had many changes over the last 40 years, it has evolved and the wider CPL family has grown exponentially.

Michaela Hawkeswood, Lab Manager



# Human Rights AND ETHICS

As a family run business, we are committed to upholding the highest standards of ethics and human rights in all our operations and business relationships. We recognise that respecting human rights is not only a moral imperative, but also a critical component of our long-term success. In our commitment to respect human rights, we have developed a policy in line with internationally recognised human rights standards. These policies include the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, International Standard SA 8000® issued by SAI (Social Accountability International), and the UN Guiding Principles on Business and Human Rights.

In our policy, we give particular attention to at-risk and vulnerable groups of stakeholders, including children and ethnic minorities. We are committed to ensuring that our activities and business relationships do not contribute to human rights violations. Our policy commitment has been approved by our highest governance board (Main Board) as we strongly believe it is imperative to our business operation and success.

Links to our policy commitments are available to any stakeholders upon request, and we ensure that they are communicated effectively to all relevant parties, including our employees, business partners, and suppliers. Each of our sites undergo an annual self-assessment audit to ensure compliance with our policy, and swift action is taken to address any violations that are identified. We believe that by upholding these values, we can create long-term benefit for all our stakeholders and contribute to a more sustainable and just world.

As an organisation, we recognise the importance of conducting our business with integrity, transparency, and in compliance with all legal and ethical standards. Corruption poses a risk to our business and reputation, and we

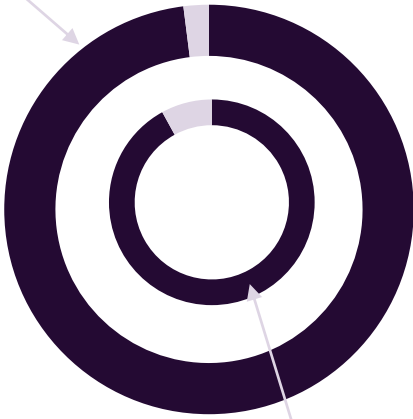
take strict measures to prevent and address such risks. In 2022, all our direct operations were assessed for risks related to corruption and bribery, and through the assessment, no risks relating to corruption were identified.

We have established policies and procedures to address and prevent corruption risks. Our Anti-Bribery & Corruption Policy apply to and are communicated to all individuals working at all levels and grades, including senior managers, officers, directors, employees (whether permanent, fixed term or temporary), consultants, contractors, trainees, seconded staff, home workers, casual workers and agency staff, volunteers, interns, agents, sponsors, or any other person associated with the Company, its subsidiaries, or their employees. It also applies to third parties including potential clients, customers, suppliers, and distributors. This policy is promptly communicated to all employees through the Employee Handbook and all suppliers through our responsible sourcing policy. It is regularly reviewed and updated by our Main Board members with changes duly communicated to all relevant stakeholders.

Along with the diversity and inclusion training received by 585 members of our team in 2022, our main focus for 2023 is to expand the knowledge of all our employees and board members, implementing training on anti-corruption and bribery for all relevant staff. We encourage all stakeholders to report any suspected incidents of corruption and a whistleblower policy is established to protect those who report such incidents from retaliation. In 2022, there were no confirmed incidents of corruption reported. We are committed to upholding high standards of ethics and integrity in our operations and will continue to take appropriate measures to prevent and address any corruption risks.

# Diversity & EQUAL OPPORTUNITY

98% CPL employees feel that CPL encourages D&I



92% CPL employees feel they are treated fairly

Diversity and equal opportunity sit at the heart of everything we do, from how we recruit to the way we develop our employees. Our ethics policy is designed to reinforce a culture of belonging by providing a working environment free from discrimination, where everyone is respected, heard and valued. We seek to foster a culture that is inclusive for all, beyond gender to include ethnicity, identity, sexual orientation, different abilities, age, and variety in life backgrounds and experience.

Our approach is focused on hiring, developing and retaining the best people regardless of their background. A diverse workforce, supported by an inclusive and caring environment that respects and nurtures people, is a way to improve and continually boost creativity and business performance. We know education and awareness is key in helping us achieve this, so we've introduced diversity and inclusion training for all employees annually. In 2022, 1717 hours of diversity and inclusion training were delivered to 585 employees.

Directors	
Male	11
Female	5
<30 years	0
30-50 years	9
50+ years	7

Senior Managers	
Male	20
Female	15
<30 years	1
30-50 years	17
50+ years	17

Rest of the Workforce	
Male	324
Female	333
<30 years	133
30-50 years	397
50+ years	127



We have diverse staff in terms of gender, nationality and age ranges. In 2022, 31% of directors were female and the number of females at senior management level was 43%.

In 2019 we completed a gender pay gap analysis that revealed no gender pay gap inequality with pay differences mainly due to seniority and years of experience. This exercise was carried out on a country-by-country basis. Annual basic salary for permanent employees was used for the analysis, variable bonus, commission or social security contributions were excluded. The analysis showed our recruitment and remuneration guiding principles are working and well aligned with our Employer of Choice aspirations. Germany, France, GMs, GOB and Country Heads have been excluded from this analysis due to their small group size. We continue to monitor our approach to salary offerings during the recruitment phase as well as reviewing salaries on an annual basis. In 2023 we aim to complete another full review of our gender pay gap analysis.



## Health & SAFETY

CPL Aromas is committed to zero lost time accidents by 2030, the safety and wellbeing of our employees is a priority, and this is reflected in our health safety and wellbeing (HSW) strategy. Our HSW strategy is in line with ISO45001:2018 following the Plan, Do, Check, Act cycle which is underpinned through our 8 pillars of safety.

So far 1 of our manufacturing divisions is certified to ISO45001:2018 Occupational Health & Safety Management System and we are committed to 100% of our manufacturing divisions working in accordance with ISO45001:2018 by 2030 covering all employees, contractors, and activities on site.

Identifying hazards and reducing health and safety risks on site is fundamental to ensure employee, visitor and contractor safety. Globally we have identified a list of core risk assessment requirements based on common work-related hazards. It is the responsibility of the QSHE manager together with the team to reduce risk by applying the hierarchy of control as well as sharing the lessons learnt with the team.

Employees have a duty to take care of their own health and safety and that of others who may be affected by their actions at work. At CPL Aromas our employees are encouraged to challenge any situation they believe could cause injury and ill health as well as reporting any unsafe conditions or activities. Employees can report directly to local H&S representatives, QSHE Managers or through our online safety management software which is accessible to all employees. Our Ethics policy outlines our commitment to protect employees against reprisals.

All incidents and near misses are reported, recorded, and investigated through our safety management software. Our process of incident investigation is based on root cause analysis to establish the immediate, underlying and root cause to inform the corrective action required,



using the hierarchy of control. The level of investigation required is proportionate to the consequence and likelihood of the incident reoccurring. Employees, supervisors, and managers are included in all stages of the investigation process. The results of incident investigations are communicated on a local and global level to drive continual improvement of the health and safety management system.

Employee involvement in the management of health and safety is essential and contributes to the effectiveness of the management system. At CPL Aromas we engage employees in risk assessment evaluation, process updates and internal auditing as well as providing access to health and safety information through the management software, department briefings, training, and use of visual management boards. Each site has a health and safety committee consisting of employee representatives from each department to review safety activity and decide on measures to be taken to improve performance.

Health and Safety training is key in developing safety awareness for employees as well as ensuring they have the skills to conduct their job role safely and understand the associated risks. We engage our employees in core training requirements that are in line with our top work-related hazards. Employees also receive training relevant to their activities in addition to ongoing toolbox talks. This year we have extended our training programme to help embed a culture of health and safety at work and at home.

# Health

## & SAFETY

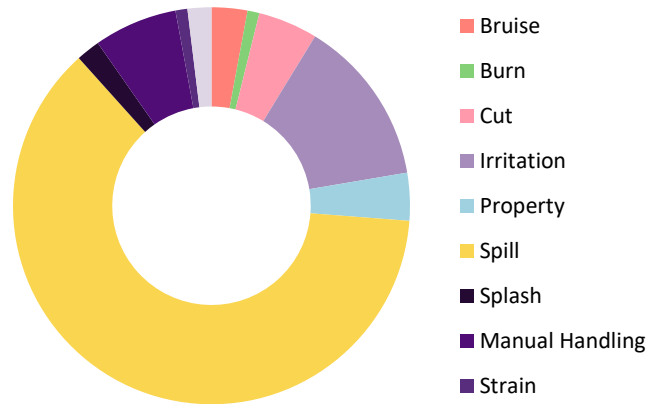
We look to prevent and mitigate any negative occupational health and safety impacts through several approaches. We continue to ensure the compliance of our classification and labelling for all finished products that we sell, produce and ship, to communicate the hazards related to our products.

Our Global Regulatory Team ensure that regulations are understood and adhered to. A stringent and regular health and safety assessment is carried out on all our ingredients. The team review Safety Data Sheets of raw materials to ensure our systems are up to date, and these SDS are available for all employees. Similarly for our fragrances, we provide up to date documentation to all of our customers.

Our experts partake in many industry body working groups, for example RIFM, IFRA and CTPA, ensuring the safety of the materials within our industry and helping to guide our customers with the most up to date information.

Finally, as part of our supplier assessment we validate commitment to health and safety as one of our 10 fundamental principles within our responsible sourcing policy.

2022 Reported Incidents



## WELLBEING

Throughout 2022 we maintained our focus on mental health and wellbeing. We now have a trained mental health first aider at each of our sites who can offer guidance and support to our employees. We also commit to ensuring all managers receive mental health awareness training and skills to provide support to their teams. Our aim is to train all managers as Mental Health First Aid Champions by the end of 2023. The physical and mental wellbeing of our employees and their families is important, and through our intranet and email communication we continue to offer ongoing guidance about relevant wellbeing topics.

Our wellbeing strategy aims for an inclusive workplace that nurtures a healthy mind, healthy body, and healthy team. Looking to 2023, we want to expand the support that we have available to employees and provide a platform offering information and guidance in line with CIPD Seven pillars of wellbeing. Additionally in 2023 we want to assess the status of employee wellbeing in order to tailor our approach and ensure resources are focussed towards the most effective initiatives. We will continue to expand our knowledge and research to allow us to implement the best wellbeing practices for our employees.

	All	Male	Female
Fatalities	0	0	0
Number of LTA	11	11	0
Lost Time Accident Rate (LTAR)	1.62	3.22	0
Number of Injuries (non-LTA)	22	21	1
Injury Rate (IR)	3.23	6.16	0.30
Lost Days	60	60	0
Lost Days Rate	1772.0	15.8	0
Absentee Days	15848	8801	7048
Absentee Day Rate	0.087	0.098	0.076
Number of Employees	708	355	353
Number of Days Worked	169,920	85,200	84,720
Number of Hours Worked Safely	1,359,360	681,600	677,760



## Supporting Communities & CORPORATE RESPONSIBILITY



“ CPL Aromas are proud of our long-standing partnership with CAFOD. Started by my father Terry Pickthall over 20 years ago we continue to work with CAFOD to champion the rights of people living in poverty throughout the world. We are humbled by the extraordinary work carried out by this inspirational organisation.

Once again, this year we supported CAFOD with our largest ever donation which is distributed to specific projects in regions throughout the world. Each year we look forward to learning how our contribution has made a real difference to the lives of those less fortunate than ourselves, especially those projects which we continue to support year on year.

Over 14 million people were displaced as a result of the conflict in Ukraine, in response to the disaster we also donated £101,028 this year to CAFOD's sister organisation Caritas International to support their ongoing efforts against the attacks.

Throughout 2022, we raised awareness of CAFOD's lifesaving work and projects throughout our social media platforms as well as engaging our employees once again raising money during their Walk for Hunger Campaign as well as the annual London Marathon.

Nick Pickthall  
Chief Operating Officer

**We are humbled by the extraordinary work carried out  
by this inspirational organisation.**



# CAFOD

Just one world

The Guatemalan population is under extreme threat due to the effects of climate change with 52% of the population in Chisec living in extreme poverty. Many indigenous people earn a living through small scale farming but sadly their crops are being affected by extreme weather leading to poor harvests.



In response, many indigenous farmers were advised to adopt modern farming techniques using chemical farming products. However, these products and practices often cause harm to the environment and are unaffordable for farmers living in poverty.

Thanks to CPL's support CAFOD have been able to support 184 women and 111 men of all ages across ten rural and indigenous communities in Chisec who are experiencing the worst effect of climate change.

Awareness-raising, training workshops and ongoing technical assistance has helped farmers to adopt climate change adaptation measures. The training has strengthened their knowledge of local, traditional, and green farming techniques, using native seeds and products that are more environmentally and economically sustainable for rural communities. With an emphasis on crop risk management the main interventions from the first commissions have been:

- o The revaluation of native seeds and safeguarding of seed diversity through using airtight bags.
- o Training in soil conservation.
- o Identifying forest areas which need protection and restoration.
- o Identifying diseases in small livestock and learning how to treat them.
- o The incorporation of risk management in agricultural and agroforestry activities



**EVERY SECOND COUNTS** is a fund specifically set up to alleviate the immediate impact of hidden, silent, or protracted emergencies. The need for humanitarian help and protection has reached an all-time high. More than 80 million people have been forcibly displaced around the world due to persecution, conflict, violence, or human rights violations, almost half of whom are children.



As well as continuing to support disaster affected communities CPL Aromas donated an additional £101,028 to support CAFOD's sister organisation Caritas Internationalis in response to the attacks against Ukraine.

# Supporting Local Communities

## LOCAL COMMUNITIES



We have an objective to support at least one community partnership at each of our sites by 2030. 54% of our sites have already achieved this objective. Throughout 2023 we will continue to support those divisions who are in the process of identifying a partnership in their local community.

## 4GET-ME-NOT ALZHEIMER'S ORGANISATION

Our Dubai team have developed their partnership with the charity 4get-me-not. The Alzheimer's organisation seeks to promote the quality of life for those with dementia as well as creating awareness on the importance of giving proper attention to their wellbeing and quality of life.

This year the team have been involved in multiple social activities such as the Groovy Grandparents event. Studies have shown that seniors who are engaged in regular activities like playing bingo improves their self-esteem, enhance feelings of control, lessens depression and best of all improves cognitive functioning.



## EDUCATIONAL PARTNERSHIPS



We have long established partnerships with several education establishments that we are proud of. Each year our site in Colombia partner with the University to welcome two new student interns.

At Brixworth we continue to support two employees completing an apprenticeship within our Research and Development facility. With a blend of internal mentoring & support, classroom sessions and virtual teaching, CPL create an encouraging environment where our employees can strengthen their capabilities.

Kia Edwards – One of our apprentices





## In discussion

**NABI HASAN KHAN,**  
QSHE Manager, CPL Dubai

**As a relatively new member of the CPL family, what attracted you to CPL and the role as QSHE manager of Dubai?**

I joined 5 months ago, I was attracted to CPL because it is an international company, and my role is focused on Quality, Health & Safety, and Environmental sustainability. This role aligns with my previous experience in Health & Safety and Quality management systems, and I see many opportunities for growth and knowledge development in the sustainability field.

**What does sustainability mean to you and how is it embedded in your day to day role?**

**Sustainability to me means meeting our current needs without compromising the ability of future generations to do the same.**

In my role, I strive to reduce our energy consumption, decrease water usage, prevent unnecessary waste, and promote the use of reusable items. I also focus on educating and training our staff on sustainable practices.

**A key component of our sustainability strategy includes Caring about People, how does CPL Dubai ensure the safety and wellbeing of all and contribute to improving the lives of the people we work with?**

At CPL, we prioritise the human, social, economic, and environmental components of sustainability. We have a strong policy for Health & Safety, and we are committed to maintaining a safe and healthy work environment for our employees. I am responsible for ensuring that we provide appropriate equipment, conduct regular workplace audits, comply with all legal and regulatory requirements as well as our CPL corporate policies and procedures. It is essential that we continually improve and encourage the participation in health and safety matters for all of my colleagues.

**What's next for you and your team? What are the key focus' for 2023 and beyond?**

We strive to create a sustainable and caring work environment for all our employees and we think it's really important to acknowledge and celebrate a job well done.

Additionally, we are working to digitalise our processes, which brings many benefits such as increase efficiency, productivity, lower operational costs, improved customer experience, higher agility and increased transparency.



**5**

**Let's create  
together**





## Our Innovation

### TIM WHITELEY



We desire to shape the future of the fragrance industry through innovative thinking.

“ We work to optimise our innovative technologies to have as reduced an impact as possible. We desire to shape the future of the fragrance industry as our approach to innovating responsibly considers the potential impact of our processes and products on the wider environment. Driven by our research and development team, we create new technologies and processes that limit the environmental impact of our products and encourage better choices, engaging with our customers to develop products that are more sustainable.

Throughout 2022 we have continued to develop new EcoBoost fragrances. EcoBoost sales have continued to grow reaching a new record in the final quarter of 2022 of 4.9% of total sales. We continue to extend our palette of EcoBoost Plus fragrances, ensuring we have a vast collection of fragrances available for our customers.

This year, we also launched our new patent-pending, biodegradable encapsulated fragrance technology **AromaCore Bio**. This technology has been 4 years in development and is now being actively sold by our sales team around the world. Communication, education and transparency are key facets of our strategy, and this launch was supported by Webinars for our key customers. The capsules are biodegradable based on external OECD 301F testing making them fully compliant with the upcoming EU microplastics regulations due to be implemented in 2023. In addition, the capsules are Vegan compliant and contain > 70% Natural Origin Content (ISO16128). The initial palette of fragrances launched in 2022 will be further extended early in 2023 following successful scale up trials. Work has continued developing our AromaCore Bio Plus combined liquid and encapsulated fragrance offering, and this will hopefully launch in Q1 2023. The AromaCore Bio has initially been developed to work in laundry products, primarily fabric conditioner and laundry liquid, and in 2023 we will look to extend this across to other household, and to leave-on cosmetics and wash off toiletries areas.

As for our other technologies, we have been working hard to extend our AromaSpace portfolio, with new bases being added regularly throughout the year. Investment in extra headspace sampling equipment has allowed us to sample locally to our divisions and find new exciting plants, fruits or odours of interest.

Tim Whiteley  
Group R&D Director

## Our 2030 OBJECTIVES

1

10% of sales from EcoBoost fragrances

2

Develop a sustainable, biodegradable capsules technology for AromaCore

3

95% biodegradable & index average of 65%\* (New in 2022)

4

Improve internal and external sustainability communication

“

We innovate constantly and ensure we are in touch with the latest technology launches.

Veronique Bradbury,  
Global Technical Innovation Manager





# 2022 Highlights INNOVATION

## EcoBoost

**3.85%**

EcoBoost sales



**83.65%**

average biodegradability  
of creation



**53.13%**

Average Fragrance  
Index Score

## AromaCoreBio

**AromaCore Bio**

launched



**Ecovadis**

Platinum certification



**FSI**

Fragrance Sustainability  
Index Launched

## MONITORING PROGRESS



2030 Target							
10% of sales from EcoBoost fragrances	<table border="1"> <tbody> <tr> <td>2021</td> <td>3.01%</td> </tr> <tr> <td>2022</td> <td>3.85%</td> </tr> <tr> <td>2026</td> <td>7.5%</td> </tr> </tbody> </table>	2021	3.01%	2022	3.85%	2026	7.5%
2021	3.01%						
2022	3.85%						
2026	7.5%						
Sustainable biodegradable capsules technology	2021: In development 2022: <b>Launched</b> 2026: Phase out non-bio AromaCore						
95% average biodegradability of creations	<table border="1"> <tbody> <tr> <td>2021</td> <td>N/A</td> </tr> <tr> <td>2022</td> <td>83.65%</td> </tr> <tr> <td>2026</td> <td>90%</td> </tr> </tbody> </table>	2021	N/A	2022	83.65%	2026	90%
2021	N/A						
2022	83.65%						
2026	90%						
FSI average of 65%	<table border="1"> <tbody> <tr> <td>2021</td> <td>N/A</td> </tr> <tr> <td>2022</td> <td>53.13%</td> </tr> <tr> <td>2026</td> <td>55%</td> </tr> </tbody> </table>	2021	N/A	2022	53.13%	2026	55%
2021	N/A						
2022	53.13%						
2026	55%						
Improve Sustainability communication	2021: New branding, website launch, webinars, blogs, social media presence 2022: <b>Webinars, blogs &amp; social media presence</b> 2026: Battenhall, increase social media presence, webinars etc						

## Economic Performance

### TONY LLOYD – Chief Financial Officer

The Group's sales of £129.9m for the financial year 2021/22 represent a record year and grew year on year by 16.7%. The Group's charitable donation to CAFOD remained at £455,000, whilst total community investments grew by 5.3%.

All our markets continued to feel the impact of COVID-19, some more than others, reflective of the product mix and differing country by country responses to the pandemic. As COVID-19 continued to be a challenge for the Group, we operated with caution and deployed preventative measures across all our sites with the objective of keeping staff working in safe conditions, whether that was in one of our factories, offices or whilst working from home. It was through these measures and the ongoing support and collaboration of all staff that we were able to safely operate all our factories throughout the year and do what we do best, providing our customers with great fragrances.

We continued to be successful in utilising solutions to overcome the disruption to the supply chain caused by Brexit. We managed supply to our EU customers from both our UK and Spanish factories, whilst finding ways to simplify the added bureaucracy, for both our customers and the Group, that has been a consequence of Brexit.

The construction of our factory in Malaysia progressed significantly during the year, and we look forward to commencing operations in the near future. This will be the Group's most technologically advanced factory and will provide significant capacity to service our growing Southeast Asia business.

We have also commenced the implementation of a replacement for our existing ERP system, which will bring further efficiencies and standardisation to the way we operate across the Group.

The ongoing economic impact of COVID-19, disruption to logistics, rising global energy prices, substantial increases in raw material input costs and the Russian invasion of Ukraine are factors expected to negatively impact our performance during the financial year 2022/23.

GBP (000)	18/19	20/21	21/22	% YoY
Sales	105,333	111,299	129,890	16.7%
Operating Costs	49,536	54,644	59,308	8.5%
Employee Wages and Benefits	23,204	26,589	30,106	13.2%
Community Investments	492	471	496	5.3%

“ We continued to be successful in utilising solutions to overcome the disruption to the supply chain caused by Brexit.



## Innovation

# SUSTAINABLE PRODUCT INNOVATION

Innovation is a key value of our business – we innovate to drive sustainable business through creative thinking and innovative approaches toward company growth, as well as new technologies. Companies are dealing with unprecedented combinations of economic, social, environmental and technological trends, that require sophisticated and innovative, sustainable management.

Consumers are increasingly aware of climate change and resource depletion, and this guides the focus of innovation at CPL. Our goal is always to create fragrances that delights and infuses happiness, collaborating and helping our clients grow their brands and delight their customers. Sustainability is a key part of our innovation, adding value by developing products that benefit both the environment and society. This means finding more efficient production practices, reducing waste generated and minimising the overall impact on the environment and human health.

Product innovation is essential to driving long-term sustainable growth. Our aim is to create cutting edge, forward thinking, fragrance concepts and technologies that help drive our customers' business. We take innovative approaches and directions to explore and solve the challenges of fragrance development that our clients face. We have a dedicated research team who strive to break new ground, look differently at challenges, and reinvent and enhance formulations that make it possible to create better fragrances, whilst reducing environmental impact and waste. By doing so we have created breakthrough products that have revolutionised existing markets and unlocked entirely new ones.

## EcoBoost

A strong culture of innovation is critical to developing fragrances that minimise their negative impact on the environment. EcoBoost and EcoBoost Plus remain our most sustainable technology. By creating high impact fragrances at just 10% or 20% of the normal dosage with no compromise in strength and quality, we can create fragrances that have a significantly lower environmental impact.

Every time a customer switches from a standard fragrance to an EcoBoost fragrance, an average of 90% of the carbon footprint is saved. This is amplified even further if an EcoBoost Plus fragrance is selected.

Our sales teams continue to work with our customers to drive EcoBoost sales, with EcoBoost accounting for 3.85% of total sales in 2022 – an improvement on last year.

### EcoBoost benefits include:

- Less energy used during manufacturing
- Less waste generated through reduced packaging
- Reduces your Scope 3 emissions
- Fewer sourcing requirements
- Less emissions generated through transport



# AromaSpace

AromaSpace was born out of the intrinsic link between scent and emotion, with nature having a positive effect on our wellbeing. This fusion of skills has enabled us to produce beautiful, true to nature fragrances and recreate odours from the wonderful world around us.

Our techniques are non-destructive so do not have a negative impact on biodiversity. We now have 19 AromaSpace ingredients and continue to grow our palette adding to our collection with flowers and fruits not typically sold as perfumery ingredients.

**“AromaSpace is building on the idea of headspace, with the aim of providing an effect in application that is identical to the natural experience. With AromaSpace, we want our consumers to live the smell of the element we are mimicking in use, as if they were there.”**

Rawya Catto, Dubai Sales General Manager



Our analysts interpret the data from multiple techniques to produce a detailed chemical composition of an original scent. This skeleton formulation is compounded & adjusted to recreate the odour of the source material, and often gaps are found, as components may be unavailable. Taking the analysis as a starting point, CPL perfumers use their expertise to fill these gaps, transforming the raw data into a fragrance.

These then become unique bases that are added to our palette and are exclusive to CPL perfumers to use in their creations. Recent additions include Coffee Bean, Elderflower and Pear. And of course, the Weeping Silver Lime tree, the star ingredient of Penhaligon's Highgrove Bouquet.”

## Case Study:

### MATCHA AROMASPACE BASE

#### Botanical Source:

Green tea leaves from *Camellia sinensis*

Matcha AromaSpace has top notes of roasted cocoa bean with a herbal note of mate leaf. It has a green floral heart with notes of jasmine and green tea. The base note is sweet with notes of hay and tonka bean.

Matcha makes the heart of a fragrance richer with its floral note of tea leaf and jasmine, reinforcing white floral notes and bringing a naturality thanks to its green leafy herbaceous note.



**“ Matcha AromaSpace brings a yummy addictive hook to fragrances with its gourmand facet of roasted cocoa and tonka beans.**

Julie Pluchet  
Senior Perfumer

Innovation

## SUSTAINABLE PRODUCT INNOVATION



### AromaCoreBio

Our AromaCore technology has the ability to lock in fragrance within an outer wall, which can be broken under pressure to release long lasting fragrance performance. This technology however contains micro-plastics, so over the past four years our Research and Development team have been working to develop a biodegradable capsule to replace our existing technology. This year we launched our new patented biodegradable fragrance encapsulation technology; AromaCore Bio.

AromaCore Bio is a sustainable alternative to AromaCore that delivers longer-lasting fragrance performance for fabric care applications without contributing to the effects of climate change. This is our most innovative R&D project to date and we are excited to see our customers adopt this more sustainable capsule. Our next steps will involve working with our customers to phase out all our non-bio AromaCore products by 2026.

Our first patented technology, the team worked tirelessly to innovate and create our biodegradable encapsulation technology. Throughout the development of the AromaCore Bio capsules we focused on performance to ensure we meet our customers requirements. We used our existing AromaCore FF capsules as the benchmark.

The new AromaCore Bio product can be used in combination with any suitably performing liquid fragrances and is fully Vegan compliant, and the shell has > 70% Natural Origin Content (ISO16128).

“

**AromaCore Bio will allow our customers to deliver lasting fragrances while achieving their sustainability objectives**

Tim Whiteley, Group R&D Director



## Innovation

# PRODUCT SAFETY & LABELLING

We strive to provide fragrances that are of the highest quality and meet both safety and legal requirements. We are certified to ISO 9001, ISO 14001, and ISO 45001 and these standards help form the basis for all our manufacturing processes and handling procedures. Where sites are not certified, they operate in accordance with the standards, following strict global policies and procedures.

### Product Safety


Our Global Regulatory Team ensure that regulations and cultural requirements in all our target markets are understood and adhered to. A stringent quality, health, safety, and environmental assessment is carried out on all our ingredients. We have a programme of ongoing review for all our raw materials. Our experts partake in many industry body working groups, IFRA, RIFM and CTPA, ensuring the safety of the materials within our industry and helping to guide our customers with the most up to date information.

We have seen a growing divergence of regulations as Great Britain has left the European Union, and it has been critical to ensure we are maintaining our compliance. Our work with the

UK regulatory bodies has been essential throughout this year. In 2022, CPL did not identify any non-compliance with health, safety, or product labelling regulations with respect to our products. To confirm compliance, we have to maintain information on all of our materials, related to their hazard classification and their environmental and safety impact. This enables us to be able to confirm the safe use of fragrances (including within the customers' products) and disposal. All of our fragrances sold are subject to these requirements.

### Product Quality

Quality is something we at CPL pride ourselves on. Our values are built around ensuring we are the best at what we do and innovate constantly. Through our quality management system, we ensure our product quality by consistent procedures across the group, encompassing raw material supply and quality, manufacturing process etc. We regularly monitor our performance and compliance through our objectives and key metrics. We conduct regular training of our teams to ensure we have industry experts throughout our organisation. We have had zero product recalls in 2022.



“ We work hard to ensure our fragrances are compliant and that we are able to provide the best, most current information for our customers.

Laura Hernando, Global Regulatory Manager



# Communication & TRANSPARENCY

Communication and transparency are important to both CPL and our stakeholders. It is necessary for us to build faith and confidence with our stakeholders, and this is best achieved through transparency across our operations. Transparency builds trust with our employees, customers, suppliers, and so on, inspiring confidence they are working for and with a company with high ethical standards. One of our values at CPL is to nurture long-term relationships and to encourage trust and respect.

When transparency is integrated into corporate culture, employees are more engaged and committed to the vision of the company. Transparency is achieved through direct and clear communication. We have an objective to improve our internal and external communication to gradually build a more transparent corporate culture.

We have seen a growing consumer trend for ingredient transparency and product safety information. In a digital world, where we have the answers at our fingertips, it is no surprise consumers have such high expectations across all their everyday purchases.

2022 was the year things returned to a 'new normal'. Events such as Incosmetics in Paris and BeautyWorld in the Middle East returned, bigger and better. CPL were pleased to take part hosting an innovative stand that focused on sustainability and creativity combined, showcasing our latest innovative technologies. Global Marketing focused on highlighting our technologies and trend sets and working closely with the R&D teams. We saw the launch of AromaCore Bio, new AromaSpaces and AromaFusions, and introduced more video content into our assets.

We continued the momentum of connectivity with colleagues and customers, continuing the webinars from the previous year and introducing roundtable discussions into the mix.

"CPL evolved from the original 'contemporary perfumers limited' and as such we remain a contemporary company, keeping up with key trends in the macro and micro environment. Ensuring CPL is honest, approachable and at the forefront of change. We continue to drive CPL's message of enthusing happiness through scent whilst keeping a sustainable mindset, providing regular updates on the business to the wider team and our audience. We strive for a better future, working together to reach it."

Emily Austin, Senior Marketing Executive



## Innovation

# 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 will enable 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 hope is that the index will enable our customers to:

1. Have the visibility of a fragrance's sustainable properties
2. Make informed decisions when selecting their fragrances
3. Choose more sustainable fragrances
4. Identify the pillars of sustainability most important to them, clearly seeing how a particular fragrance performs in these areas



Our understanding and awareness of the sustainability challenges our world faces is constantly evolving. In order to meet the needs of our planet and society, we need to be flexible and evolve with it. Our index gives us the ability to see where we are now and make changes for the better, whilst also being flexible enough to incorporate further data as it becomes available to us, allowing us to meet the challenges of tomorrow head on. Let's create together... sustainably.

We have added a new objective this year to monitor the index scores for new creations, to ensure our perfumers are creating more sustainably and collectively work towards our sustainability strategy.



## In discussion

**PATRICIA ROTH,**  
Laboratory Co-Ordinator, CPL Brazil

**What does sustainability mean to you and how is it embedded within your day-to-day role?**

For me, **the most important aspect of sustainability is the ability to interact with consumers in a conscious way**, in order to positively impact the environmental and natural resources, and to ensure a better future for ourselves and future generations. In our day-to-day operations, we focus on reducing waste generation, separating recyclable and reusable materials, reducing the use of plastic, and conscious use of water. At CPL Brazil, it is mandatory to manage waste generation and to use water and energy responsibly. We also take advantage of natural light to reduce energy consumption and use glass bottles instead of plastic cups.

**Sustainability is integral to CPL and how we operate – what do you see as the next steps for CPL Brazil?**

As our next steps, there are many, some that are simple, and others that will take time and investment. We plan to completely replace our plastic cups across the site with more sustainable, re-usable alternatives. Long-term, we look to include solar panels as a measure of partial electrical supply. We also prioritise training and development for our team members and care about the mental and physical well-being of our staff. Our goal for the coming year is to meet for 15 minutes to carry out stretching exercises twice a week, and to schedule a monthly activity to share something we are reading or listening to, to promote a positive and comfortable team culture.

**CPL Brazil is a new addition to the CPL family - what excites you about being a part of CPL? What do you see as our strengths?**

As a Laboratory Coordinator at CPL Brazil, I have been with the company since its inception in July 2022. I am enthusiastic about CPL's products in the world of perfumery and innovative technologies, I find developments fascinating, and I am happy to be part of the CPL team in Brazil. One of the strengths of CPL is its organisation and well-disseminated policies for training and global alignment, which are structured by competent and knowledgeable professionals. As a team, we are learning and improving daily.

**How do you feel the integration has gone so far? What opportunities do you see this providing for CPL?**

This is a period of transition for us with lots to do. We are working on creating a library of creations and projects. During the integration period, we have been making progress on several topics related to sustainability, including quality, health and safety, and the environment. CPL is also making investments to improve and adapt to our operations in Brazil, as well as helping employees to make the transition smoothly. The support from the teams in Colombia and the UK is invaluable and we are very grateful.



6

## Sourcing Responsibly



**CPL**  
AROMAS

## Sourcing

### Nick Moore



“

Our company takes great care in sourcing the raw materials for our fragrances from ethical sources. We have established strong relationships with suppliers who share our commitment to environmental and social responsibility. We will continue to cherish those relationships and prioritise those values in our procurement practices. Despite market challenges and record high raw material prices, we remain committed to finding innovative solutions to minimise our impact on the environment and promote fair labour practices throughout our supply chain.

We have implemented initiatives to support sustainable procurement within our organisation. For instance, introducing a preference for purchasing eco-friendly products and services, and encouraging our suppliers to adopt sustainable business practices.

A great example of the progress we've made in 2022 is the development of a responsible purchasing agreement for 6 strains of Cistus from Spain. Our partner shares our commitment for ethical and environmental sourcing and portrays that through the following practices:

- A. Redundant cistus waste is stored and used as fuel to power the biomass boiler on site which produces steam for the entire production unit.
- B. The condensed water, recovered hot at the end of the operation, is used to heat the supply water reserves of their boilers, therefore limiting amount of external heat input required.
- C. Our partner supports their local community by providing funds to maintain their local college and supports their local football team by maintaining their football pitch.

Finally, through initiatives such as sustainable procurement, ethical sourcing, and corporate social responsibility, we are working to make a positive impact on the world and creating a brighter future for everyone.

Nick Moore  
Global Purchasing Director

Our 2030  
**OBJECTIVES**

**1**

Assess 100% of suppliers for their commitment to sustainability

**2**

Develop responsible purchasing agreements for 10% of ingredients

**3**

Provide Life Cycle Analysis data for our fragrances

“

Championing progress, preserving nature, embracing diversity – our unwavering pledge.

Jo Brown ,  
Fragrance Ingredients Buyer





# 2022 Highlights

## SOURCING



**100%**

of Category A & B suppliers committed to our Responsible Sourcing Policy

**Sedex** Member

**35.5%**

Of supply chain visible through SEDEX



**41%**

of supply chain assessed for commitments to sustainability



**42**

Responsibly sourced ingredients (11 since 2021)


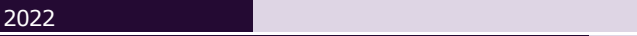






**15**

Upcycled ingredients

## MONITORING PROGRESS



2030 Target	
Assess 100% of suppliers for their commitment to sustainability	2021  31.71%
	2022  41.46%
	2026  90%
Develop responsible purchasing agreements for 10% of ingredients	2021  2.14% (9.48%*)
	2022  2.9% (12.8%*)
	2026  10% (33%*)
Provide Life Cycle Analysis data for our fragrances	2022: <b>New objective</b> 2026: Collate LCA for 50% of top 100 RMs

\*% of natural materials with responsible purchasing agreements – to previous objective of 10% of naturals.

# Reducing Impact

## IN OUR SUPPLY CHAINS

At CPL, we have implemented sustainable practices across all departments, with sourcing being at the forefront. Our supply chains stretch globally, are complicated to manage, but the implementation of our Responsible Sourcing Policy in 2019 has given us a framework to assess and work with our suppliers.

Our Scope 3 reporting exercise further cemented the requirement to focus on our supply chain, since over 75% of emissions can be attributed to our purchased goods and services. Therefore, it is essential that we partner with our suppliers to encourage the use of best practice across our supply chains in order to have a positive and sustainable impact on societies and the planet.

We have continued our supplier sustainability assessment program. To date, we have assessed 54 suppliers against their commitment to our policies, from over 230. These suppliers account for approximately 41% of our supply chains by quantity of product purchased.

To assess our suppliers, we begin by identifying the key sustainability risks and impacts associated with each stage of the production process. Including raw material extraction, processing, manufacturing, and distribution. Next, we conduct in-depth assessments of each supplier, evaluating their performance on a range of sustainability indicators:

1. Environmental impact
2. Quality and traceability
3. Social and labour practices
4. Business Ethics
5. Continual Improvement

We also seek out third-party certifications such as ISO standards, Ecovadis ratings, CDP ratings, and UEBT, to verify the sustainability of our suppliers' practices. Based on the results of these assessments, we work with our suppliers to develop actions plans to help them achieve excellence. Assessing a global and complex supply chain is a challenging task as different organisations are at different stages of their sustainability journey.

We regularly review and assess the progress of our suppliers to ensure that we are continuously improving the sustainability of our supply chains. We also regularly review our Responsible Sourcing Policy to ensure that it reflects the latest best practices in sustainability.

### Case Study:

## BUYING SUSTAINABILITY TRIP

This year, a team from various departments and divisions, visited one of our suppliers. The objective was for the team to better understand our raw materials and how they are processed. During the trip, the sustainability team were able to complete their assessment of the supplier, and as a result of the visit 6 raw materials were able to be classed as Responsibly Sourced.



## Responsible Sourcing

# AGREEMENTS

CPL places a strong emphasis on responsible purchasing agreements of raw materials to drive sustainable practices across our supply chain. Sourcing our raw materials is a crucial aspect of our operations, and we are dedicated to ensuring that our ingredients are sourced in an ethical and sustainable manner.

This year, we updated our 2030 objective from having purchasing agreements for 10% of our naturals, since we had achieved this (12.8%) to include purchasing agreements for 10% of all of our raw materials. We are pushing the boundaries and ensuring that our supply chain remains a key focus for sustainability. This year saw our number of responsibly sourced ingredients increase to 42 materials, an increase of 11 since 2021.

These agreements outline strict guidelines for the sourcing and procurement of ingredients, including requirements for fair labour practices, incorporation of renewable technologies, environmental protection, social contributions, and traceability. These materials demonstrate excellent sustainability practices and are farmed in ways that promotes biodiversity and protecting the environment.

## UPCYCLED

Upcycling is the process of taking waste materials and turning them into new products of equal or greater value. In the context of fragrance production, examples include using spent plant material or by-products from distillation and transforming them into new materials.

This year, we have continued to grow our palette of upcycled ingredients, offering exciting new collections to our customers. We now have 15 upcycled ingredients available for our perfumers to use in their creations.

We continue to upcycle our waste oils from our manufacturing process, which are transformed into new products, this year we have upcycled 66T of waste oils.



**My favourite Responsibly Sourced Ingredient is our Cardamon oil, it adds character & supports any top notes. It is a great way of adding an interesting twist to a fragrance.**

**I love the fact that it is cultivated by smaller producers, who support their communities, by building wells for clean water and supporting the education of girls.**

**Claudine de Vogel,  
Senior Perfumer**



**66T**

Waste Oil Upcycled



## Beyond our RM Supply chain

### SUPPLY CHAINS

We are looking beyond our materials that we purchase, and reviewing everything that we buy. With that in mind, our IT partners have been a big focus for this year.

“2022 saw us implement further our strategy by transitioning our workloads from on-premises data centres to sustainable cloud solutions. This has provided us significant carbon efficiency then on-premises options. During 2023, we hope to facilitate further transparency of our IT supply chain by vetting our IT partners against our sustainability goals, and implementing changes as needed. We are committed to accelerating the sustainability strategy by ensuring we use sustainable cloud infrastructure and source only from sustainable IT partners”

Alfred Muthunathan, Chief Information Officer

### Case Study:

## RESPONSIBLY SOURCED CORRIANDER LEAF OIL



#### HARVEST & EXTRACTION

Coriander is extracted from January to April. The oil is produced by steam distillation of the fresh herb brought to its unripe fruition (green fruit) state. A concrete and absolute are then produced.



#### USE IN PERFUMERY

Used mainly in fine fragrance, due to its unique highly aldehydic notes – a rarity when 100% natural. The oil is used to enhance the top-notes of chypre and cologne fragrances.



#### SOURCING SUSTAINABLY

100% of the biomass waste is recycled into compost and they have biomass boilers to reduce their carbon footprint. Our supplier's cultivation are UEBT certification.



#### MANUFACTURING MINDFULLY

Our supplier has installed a closed loop system to recycle their cooling water from the manufacturing process.



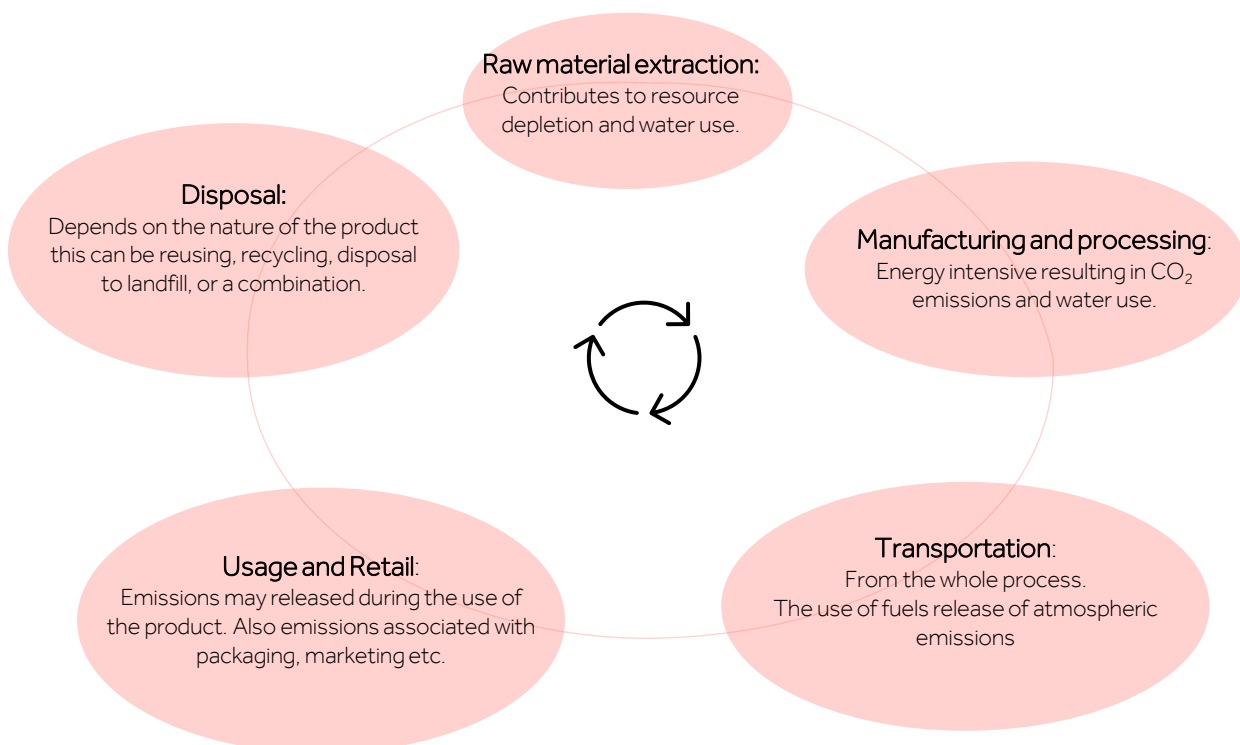
#### COMMUNITY & PARTNERSHIPS

Our supplier has a foundation that supports many projects in the area where their farms and factory are located. The aim of the Foundation is to serve the community, the factory, and farm located in the Nile delta. The service is aimed at promoting socio-eco-environmental awareness and sustainability in a sector and area.

# Life Cycle

## ASSESSMENTS

Providing a Life Cycle Assessment (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 CO<sub>2</sub> emissions into the atmosphere during each life-stage of the product.



Our aim is to collate information on our palette, utilise LCA data, industry averages and our own emissions data to provide a LCA for each of our fragrances. 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.

To date we have LCA data for several of our materials and are working in collaboration with our suppliers to collect more in 2023. Any LCA data must conform with ISO standards and recognise measurement tools.



“

A sustainable ingredient isn't just about where the material comes from, but the life cycle it leads and the impact it has on the planet throughout its life from extraction to disposal.

Charlotte Purcell,  
Group Technical Director



## In discussion

**URSULA CABALLERO,**  
Marketing Executive, CPL Spain

### **What has been your journey with CPL and the evolution of your role within the industry?**

I joined CPL Aromas nearly 2 years ago, as a Marketing Executive. My role involves identifying opportunities for customers and staying up to date with market trends, and working to understand our customers' needs better. The marketing sector is in constant evolution. Trends emerge and are constantly evolving, and it is my job to find a way to harness these opportunities for each customer. A key trend (and hopefully one that is here to stay) is sustainability. We are seeing consumers more interested in purchasing items that are kinder to the planet and people and that is exciting.

### **What does sustainability mean to you and how is it embedded within your day-to-day role?**

To me, sustainability means carrying out activities that can be maintained over time without harming the environment, resources, and society. In my day-to-day work, I receive a lot of information about sustainability, and I find it interesting to discover new ways of being sustainable and identifying new approaches to this topic. Finding ways to translate this into something of interest to our customers is exciting and collaboration is key so we both play our part.

### **A key component of our sustainability strategy includes working closely with our suppliers. You recently went on a visit to one of our suppliers. What was your experience? What did you learn?**

It was a very enriching experience in every way. It helped me to understand better the sector by experiencing the production of the different ingredients all derived from Cistus. The trip enabled me to see the full process from the plants growing, through to the finished oil that we purchase. We were able to smell all the different resulting grades and meet the team to better understand the process. Most important was to see that our supplier had the same aspirations for a sustainable future. Many of our principles aligned, particularly those related to the environment.

It was a great team building event, that highlighted the importance of sustainability, collaboration, and responsible supply chains.

**I consider it more important than ever to ensure that our fragrances are sustainable and that collaboration with our suppliers and customers is essential to achieve a more sustainable future.**



A close-up photograph of several purple tulips in various stages of bloom, set against a soft, out-of-focus purple background. The tulips are the central focus, with their petals showing detailed texture and color variations from deep magenta to lighter lavender. A white rectangular frame is superimposed over the middle of the image, containing the number 7 and the text '2023 & Beyond'. A white curved line also sweeps across the bottom of the frame.

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**2023 & Beyond**

## Plan for 2023

# A MESSAGE FROM CHARLOTTE PURCELL

Group Technical Director

As we move into a new year, it is essential that we set our intentions for 2023.

I have been really pleased with our progress this year and having the visibility of our full emissions has enabled us to focus on areas of our business that we hadn't done previously. Our total emissions allow us to set new objectives and stretch the business to achieve even more.

In 2023 we have 4 key areas that we plan to focus on together with our teams.

1. **SBTi** – this year we plan to commit to setting 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. **AromaCore** – with the launch of our AromaCore Bio, our most innovative technology to date, we will begin the process of phasing out our non-biodegradable capsules. Removing these materials from the market and ensuring that we only provide biodegradable encapsulated fragrances moving forward.
4. **Life Cycle Assessments** – 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 2023.

2022 has been a year of consolidation, the teams remain committed to supporting the sustainability journey that we are all on and I look forward to seeing what we can achieve over the next years as we drive to be the most sustainable fragrance company that we can be.

Together with our suppliers and customers, we can drive change and ensure a better future.

Let's create together...sustainably



“

Let's create together, sustainably.  
We can drive change and ensure a better future for the next generations and for the planet.





**8**

# Appendix



## Appendix 1

# EXTERNAL INITIATIVES



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



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



**National Association of the Blind**

We partner with the NAB (National Association of the Blind) in Mumbai to provide education and employment opportunities to the visually impaired in India's fragrance industry.



**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.



**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 grown to 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 and management systems. CPL Aromas has ranked in the top 1% of companies participating in the 2021 EcoVadis Corporate Social Responsibility (CSR) assessment.



**GRI**

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



**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



**National University of Colombia**

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

## Appendix 2

### MEMBERSHIP OF ASSOCIATIONS



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.



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.



**National Association of the Blind**

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



**Student Industrial Attachment Program**

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

**RSPO**

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.

**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.



**International Organization for Standardization**

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.

# Appendix

## GRI CONTENT INDEX

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### Omissions

GRI Standard	Reason	Explanation
2-20 Process to determine remuneration.	Confidentiality constraints	As a company with a clear and integrated governance and ownership structure, our process to determine remuneration is straightforward and transparent. Our Main Board determines remuneration based on job responsibilities, performance, and industry standards. Given the clearly defined responsibilities of our Main Board and the robust remuneration determining process, we have determined that it is unnecessary to report on GRI 2-20 in our sustainability report.

# Appendix

## SUMMARY OF PERFORMANCE

Environment	2018 (baseline)	2021	2022
<b>Emissions: Scope 1 &amp; 2 (t CO<sub>2</sub>e)</b>			
Scope 1 emissions	342	314	204
Normalised per tonne produced	0.0484	0.0430	0.0316
Scope 2 emissions	2223	1626	1131
Normalised per tonne produced	0.3141	0.1980	0.1751
Combined Scope 1 & 2 emissions	2545	1709	1335
Normalised per tonne produced	0.3602	0.2410	0.2067
Scope 3 emissions	-	-	73,636
Normalised per tonne produced	-	-	11.4023
Combined Scope 1, 2 & 3 emissions	-	-	74,971
Normalised per tonne produced	-	-	11.6090
<b>Energy (GJ)</b>			
Total Energy Consumption	15630.4	15003.8	14060.8
Normalised per tonne produced	2.21	2.14	2.18
% of renewable energy	0.00	48.2	51.1
Renewable Direct Energy Generated on site (solar panels)	0.00	2810.32	2625.24
Renewable Indirect Energy (purchased)	0.00	3924.04	4111.32
<b>Water withdrawal (L)</b>			
Municipal	11410781	12947691	10157425
Normalised per tonne produced	1614.58	1844.13	1572.83
<b>Waste Generation (T)</b>			
Total Waste	964.79	805.11	726.16
Normalised per tonne produced	0.137	0.115	0.112
Hazardous Waste	212.94	83.53	94.63
Non-Hazardous Waste	751.86	721.57	631.53
<b>Waste Disposal (T)</b>			
Landfill	274.63	195.29	155.67
Normalised per tonne produced	0.039	0.029	0.024
Recycled	546.73	549.88	499.65
Normalised per tonne produced	0.077	0.078	0.077
Incineration (without energy recovery)	17.55	20.55	34.99
Normalised per tonne produced	0.002	0.003	0.005
Incineration (with energy recovery)	125.89	39.39	35.85
Normalised per tonne produced	0.018	0.006	0.006
<b>Emissions: Scope 3 (t CO<sub>2</sub>e)</b>		<b>Emissions (t CO<sub>2</sub>e)</b>	<b>% of Scope 3</b>
<b>Upstream</b>		<b>72,609</b>	<b>98.3%</b>
Category 1: purchased goods and services		56,468	76.7%
Category 2: capital goods		6,033	8.2%
Category 3: fuel and energy related activities		474	0.6%
Category 4: upstream transportation & distribution		7,410	10.1%
Category 5: waste		85	0.1%
Category 6: business travel		719	1.0%
Category 7: employee commuting		1,214	1.6%
Category 8: upstream leased assets		206	0.3%
<b>Downstream</b>		<b>1,027</b>	<b>1.4%</b>
Category 9: downstream transportation & distribution		1,027	1.4%
<b>Total Scope 3</b>		<b>73,636</b>	<b>100%</b>



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 factors. 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.

This year, we have reviewed the scope of sites included in our reporting, with the support of a third party. As a result of this, we identified 5 additional sites for inclusion. This has led to an adjustment of the 2018 figures. To account for this, for these additional sites we used the most recent data collected, along with our understanding of how the sites have changed over the past five years, to estimate previous years data. There were no significant operational changes at any of these sites

## Appendix

# SUMMARY OF PERFORMANCE

People	2018 (baseline)	2021	2022
<b>Workforce</b>			
Number of employees	488	573	708
Permanent Employees	483	543	696
Temporary Employees	5	19	12
New Employee Hires	121	123	107
<b>Health &amp; Safety</b>			
Lost-time accidents (LTA)	7	14	11
Lost-time accident rate (LTAR)	4.33	2.15	1.62
Fatalities	0	0	0
Absentee days	-	11589	15848
<b>Community Partnerships &amp; CSR</b>			
% sites with community partnerships	20%	86%	54%
CSR Investments	240,000	455,000	556,028

Innovation	2018 (baseline)	2021	2022
<b>Financial disclosures</b>			
Total sales £M	91.5	130.5	129.9
Total tonnage produced	7067.33	7021.01	6457.80
EcoBoost sales %	1.65%	3.01%	3.85%
Average biodegradability % for new creations	New	New	83.65%
Average FSI % for new creations	New	New	53.13%

Sourcing	2018 (baseline)	2021	2022
<b>Responsible sourcing</b>			
% of supply chain assessed	0.04	31.71	41.46
% of natural Sustainable Purchasing Agreements	1.33	9.48	12.80

All data presented is for calendar year 2022, with the exception of financial data which is based on fiscal year 20-21. Supply chain assessment % is calculate based on quantity of product supplied.

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Let's create  
together