

Climate Policy

NET ZERO BY 2050

A word from the Chairman and CEO

We are at a critical moment on the path to successfully overcoming the greatest challenge of our time: climate change. Every day, across the globe, the planet is sending us a message about the enormous transformations that it is undergoing: from changing weather patterns that threaten the production of our resources, to the rise in sea level that increases the risk of catastrophic floods, supply problems and the loss of human lives.

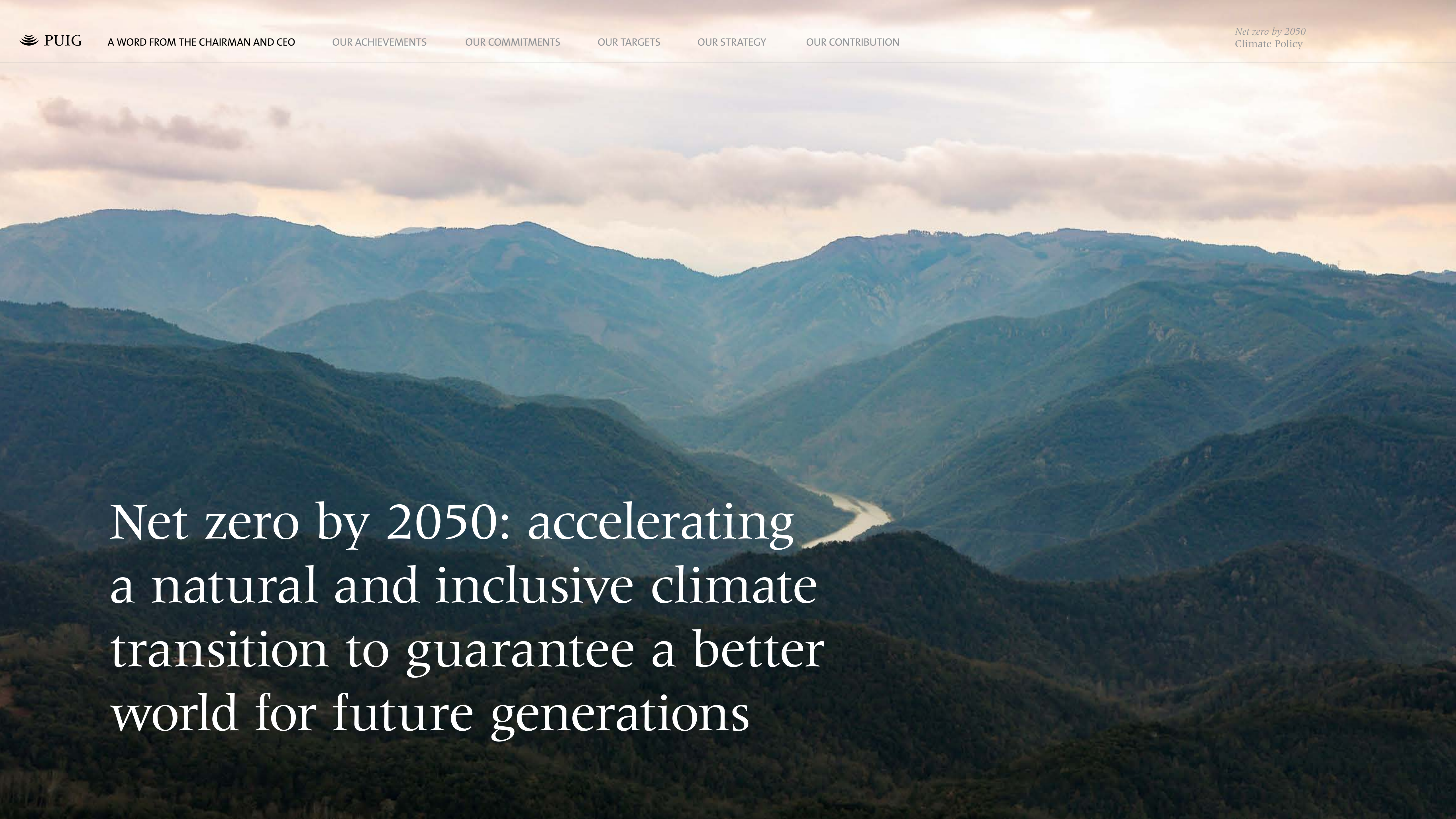
The effects of climate change touch us all and at Puig we are no strangers to the challenge. If drastic measures are not urgently taken to limit the rise in global temperature to 1.5 °C in alignment with the Paris Agreement established by the United Nations Framework Convention on Climate Change (UNFCCC), it will be much more difficult to adapt to its effects in the future and guarantee a better life for future generations.

“At Puig, we are aware of this global challenge and consider it key to our purpose of enhancing beauty and personality for a happier and more sustainable world. That’s why at a family business like ours, we continue to decarbonise our activity, as we have been doing for years. And we do it with the goal of becoming a net zero company by 2050, by creating unique and highly desirable beauty and fashion brands that empower people to reinforce their self-esteem and find their own expression, in a family company that aims to leave a better world for the next generation”.



Marc Puig
Chairman and Ceo





Net zero by 2050: accelerating
a natural and inclusive climate
transition to guarantee a better
world for future generations

Our achievements

As a family company with over 100 years of history, it makes us proud to stay faithful to our purpose while still integrating new societal challenges. A long-term climate commitment is one of the key pillars of our increasingly more sustainable and inclusive business model to successfully overcome one of the greatest challenges that we, as individuals and as a society, must respond to.



Over the course of our first Sustainability Program 2014-2020¹ we reduced our carbon footprint by 55%² thanks to measures such as maximizing the use of local and renewable energy, eco-designing products, using more sustainable transport and compensating and neutralising emissions. To date, these measures have led to the following achievements:

13%

plastic reduction per *coffrets* tray

100%

of alcohol from natural sources

25%

reduction in logistics GHG³ emissions

100%

carbon neutral in manufacturing⁴

84%

reduction in paper consumption per employee⁶

100%

of our folding boxes cardboard from sustainably managed forests

Zero

waste to landfill⁵

100%

of renewable electricity⁷

1. The scope of this programme is the fragrance business unit in Spain and France.

2. Total reduction of the carbon footprint in GHG* emissions (t CO₂eq)/net revenues (millions of €).
* GHG: greenhouse gases.

3. KPI: t CO₂ eq./net revenues (€ M).

4. At the 4 factories.

5. At the 4 factories and 2 headquarters since 2015.

6. KPI: paper consumption (kg)/FTE full-time employee.

7. At the 4 factories and 2 headquarters.

Our commitments

In 2021, we launched our new Strategic Sustainability Plan: the **2030 ESG Agenda**⁸. It applies to the entire business -regardless of any inorganic growth- and supports our commitment to global sustainability goals by promoting best practices in environmental, social and governance matters to respond to a demanding and complex setting that requires urgent action.

As a result of launching this agenda and the evolution of our company, we have made the following commitments:

COMMITMENT 1

Contribute to limiting the rise of temperature to 1.5 °C by 2030 (in alignment with the Paris Agreement)

COMMITMENT 2

Be net zero by 2050

In doing so, we are going beyond legal requirements. To meet this commitment, we continue to align our strategy with the most demanding international standards and work to maximise our contribution to the **Sustainable Development Goals (SDGs)**. We adhere to the **United Nations Global Compact** and uphold our commitment to the ten universal principles of the United Nations, which address issues of human rights, social rights, anti-corruption and the environment; we align and validate our strategy with **Science Based Targets initiative (SBTi)**⁹ to comply with the Paris Agreement; we analyse and systematise how climate change will affect our activities following the recommendations of the **Task Force on Climate-related Financial Disclosures (TCFD)**¹⁰; and we consolidate our commitment to transparency and measures that reduce our environmental impact by completing the **Carbon Disclosure Project (CDP)**¹¹ questionnaire each year and evaluating our ESG performance on the **EcoVadis**¹² platform.



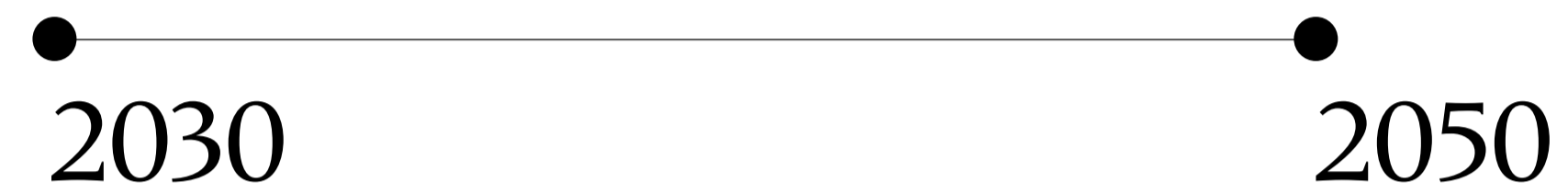
“The current challenges we face as a company, as a society and as a planet, are becoming increasingly demanding, which is why there is now a sense of urgency, a need to act more quickly and resolutely. We have to be rigorous and scientific and define indicators and metrics to measure our performance. Only then will we know if we are helping to tackle these challenges. The 2030 ESG Agenda redesigns our roadmap for the coming years and takes another step towards achieving challenging, ambitious goals, and aligning our strategy with the most relevant international standards.”

Manuel Puig
Vice Chairman and Chief
Sustainability Officer

8. ESG: Environmental, Social and Governance.
9. SBTi (Science Based Targets initiative) is an initiative led by CDP, the United Nations Global Compact, the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF) to help companies set emissions reduction targets in line with climate science and the targets of the Paris Agreement.
10. Task Force on Climate-related Financial Disclosures (TCFD) is an initiative created by the Financial Stability Board (FSB) to help companies analyse and report climate risks and how they impact the business.
11. CDP is a non-profit organisation that operates a global disclosure system for investors, companies, cities, states and regions to manage their environmental impact.
12. EcoVadis is an assessment system for managing the sustainability performance of the entire value chain.



Our targets



2030

50%
reduction in absolute
scope 1 and 2 GHG¹³
emissions compared
to 2019.

30%
reduction in absolute
scope 3 GHG emissions
compared to 2019.

100%
renewable electricity
consumed at all centres.

100%
carbon neutrality
in scopes 1 and 2¹⁴.

2050

100%
net zero, neutralising
residual emissions
through our own projects.

13. Greenhouse Gases.

14. We reached this objective in 2021 by funding emission compensation projects and we are committed to maintaining it.

Our strategy

To accelerate this natural and inclusive climate transition, our climate strategy is integrated into the six pillars of the 2030 ESG Agenda:

 Product Stewardship

 Sustainable Sourcing

 Responsible Logistics

 Responsible Manufacturing and Facilities

 Conscious Living

 Nature Stewardship



01 Product Stewardship

Caring for the products we make

We apply circular economy measures in the life cycle of our products to reduce the carbon footprint and promote climate adaptation. We are accelerating the transition to cleaner, natural ingredients and materials, which reflect our climate commitment.

02 Sustainable Sourcing

Caring for how we obtain resources

We get our suppliers involved in improving transparency and collaborating on climate issues since we know they are a key part of achieving our climate ambition. That's why we've launched the Ambition 2050 Suppliers Program to reduce the impact of suppliers in our value chain and guarantee both traceability and certification of ingredients and materials; all with the aim of reducing the emissions generated through insetting¹⁵ initiatives that contribute to our net zero commitment.

03 Responsible Logistics

Caring for how we move merchandise

We work to optimise distribution and reduce the impact of the carbon footprint from the transport of our products by investing in the decarbonisation of logistics and the supply chain. Through our Ambition 2050 Suppliers Program, we collaborate with our logistics fleet to transform our processes and implement new low-carbon forms of distribution.



15. Compensation of GHG emissions through projects within the company's own value chain. Insetting projects are designed to generate carbon reduction and storage, while creating a positive impact on communities, landscapes and ecosystems.

04 Responsible Manufacturing and Facilities

Caring for our production and facilities

We continue to reduce the climate impact of our facilities by promoting the use and local self-sufficiency of renewable energies to accelerate the energy transition of the communities where we are present. We implement solutions to increase circularity and eliminate waste and achieve zero waste to landfill. And we minimise water consumption by investing in reuse and reduce systems through our dry factory project¹⁶.

05 Conscious Living

Caring for the ESG practices of our stakeholders

We promote education and climate awareness throughout the value chain. We develop training programmes for our staff so they can be ambassadors and activators of our climate commitment. We support suppliers to move forward with and ensure that we achieve the Ambition 2050 Suppliers Program. And we engage our customers and local communities to reinforce our commitment to a better world.

06 Nature Stewardship

Caring for our planet and its biodiversity

We innovate in the conservation of biodiversity throughout the value chain to generate a positive impact on the climate. And, through insetting initiatives, we promote conservation projects for the ecosystems and natural habitats involved in our value chain to encourage the capture of residual emissions from our activity and become a net zero company by 2050.



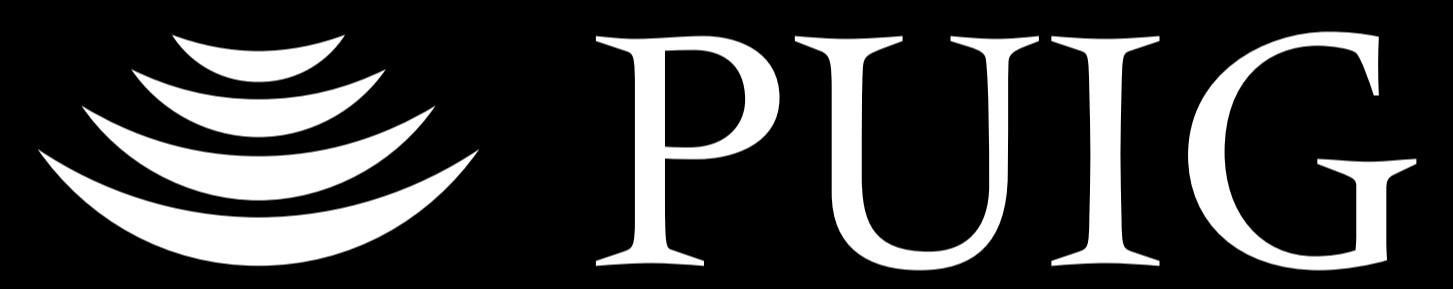
16. A facility that reuses 100% of the process water in a closed circuit.

Our contribution



Aware that firm and coordinated steps are needed in the fight against climate change, at Puig we aim to share our challenge with everyone. We want to inspire our value chain and other companies in achieving this goal.

That's why we work to clearly and transparently report each of our achievements. We actively participate and collaborate with other companies, institutions and initiatives dedicated to curbing global warming and promoting sustainability at a local and global level. And, in doing so, we're speeding up a natural and inclusive climate transition that guarantees a better world for future generations.



  puig.com