

interparfums
CSR & Governance

2021

March 30, 2021



• Introduction

Philippe Benacin

Chairman-Chief Executive Officer



CSR & Governance

Introduction

- **Our responsible employment, corporate citizenship and governance practices**
 - An integral part of our values from day one
 - Striving for exemplarity (Gaïa Index)
- **In a recent past, our environmental practices were mainly based on**
 - Good Manufacturing Practices
 - a HQE certified warehouse
 - European sourcing
- **Today, our aim is to elevate the issue of environmental responsibility**
 - To the same level of development
 - To the same level of engagement

• Contents

Philippe Santi
Executive Vice President



Contents



- Our approach
- Employer values
- Social values
- Governance values
- Presentation of the *Rochas Girl* line
- The environment
- Conclusion
- Questions / Answers

• Our approach

Philippe Santi
Executive Vice President



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Observation

Practices recognized in the areas of **responsible employment, social responsibility** and **governance**

- **Employer values: A responsible employer**

An "Interparfums spirit" cultivating a sense of belonging

A proactive employee relations policy

- **Social values: Long-standing practices**

Ethical conduct

Close relations with our partners

- **Governance values: Long-proven practices**

Quality of profiles, balance between gender and independent/non-independent members

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Observation

Interparfums, a **passive** contributor to **protecting the environment**, even if...

- Application of Good Manufacturing Practices
- Audits of packaging service providers since 2015
- a HQE (High Environmental Quality) certified warehouse beginning in 2011, located at the barycentre of the industrial packaging sites
- European sourcing: 82% (of which France: 59%)

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Observation

A value chain from design to distribution

- 25 to 30 million bottles shipped per year, throughout the globe
- 3 to 4 million gift sets shipped per year, throughout the globe
- Ten packaging sites in France
- A 36,000 sqm warehouse facility in the Rouen region
- Points of sale all around the world

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Ambition

A practitioner of “**genuine CSR**”[©]

- A pragmatic strategy based on concrete actions
- A strategy adapted to our size and business model
- Quantified targets
- Medium-term objective

© Middledenext association

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Targets

Reinforcing our status as socially engaged and responsible employer

Reinforcing our corporate governance practices

Become an **active** contributor to protecting the environment

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Recent actions

Creation of an **Executive CSR & Governance Committee**

- Véronique Duretz Vice President of Human Resources
- Natacha Finateu Chief Legal Officer
- Cyril Levy Pey Corporate Communications Manager
- Axel Marot Vice President, Supply Chain & Operations
- Karine Marty Shareholder Relations
- Solange Rolland Head of Consolidation & Internal Control
- Philippe Santi Executive Vice President

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Recent actions

Adhesion to the supplier assessment platform, **EcoVadis**

- A platform used by the main perfumes & cosmetics industry players
- 21 criteria for 4 pillars:
 - The environment
 - Social & Human Rights
 - Ethics
 - Responsible sourcing

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Recent actions

Creation of working groups to integrate an “**optimized eco-design**” component in products over their entire lifecycle

- Use of environmentally responsible materials
- Reducing weight and size in glass, cardboard and plastics
- Replacement of certain materials by recycled materials or bio-sourced materials
- Strengthening relations with design houses (natural products, sourcing, traceability)

- **Employer values**

Philippe Santi
Executive Vice President



Employer values

Current situation: A proactive employee relations policy

Long-standing fundamentals

- A family-style management culture built on fostering close relations
- An "Interparfums spirit" promoting a sense of belonging
- Ethical values based notably on respecting people
- Sharing ideas and decisions
- Job preservation

Employer values

Current situation: A proactive employee-relations policy

Workplace

Quality of life

- Positions that encourage responsibility and autonomy
- Continuous attention paid to workload and psycho-social risks (a special toll-free number)
- Respecting a proper balance between professional and private life
- Managing talent (appraisal interviews, training)
- A series of charters on work life practices (good conduct, the right to disconnect outside of working hours, whistleblowing procedures, telework, gender equality)
- A commitment to combating all forms of discrimination
- Workplace well-being (Well™ certification)

Employer values

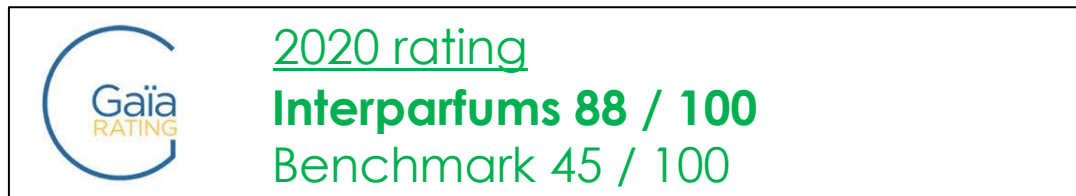
Current situation: A proactive employee relations policy

A motivating compensation policy

- Compensation levels in line with or above market practice
- An *employee profit-sharing plan* enhanced by increased or supplemental contributions
- Savings plans and an Interparfums employee stock ownership fund enhanced by company contributions
- Free mutual health insurance for the “minimum guaranteed” coverage
- A strong culture of employee stock ownership
 - Stock option plans for 100% of employees between 1994 and 2011
 - Performance share plans for 100% of employees between 2016 and 2018

Employer values

Current situation: A proactive employee relations policy



Employer values

Targets

- ➔ Formalizing employee relations practices through a ***Responsible Employer Charter***
- ➔ **Raising employee awareness** about the CSR challenges

• Social values

Philippe Benacin

Chairman-Chief Executive Officer



Social values

Current situation: Recognized business ethics

Relations with **brands** under license agreements

- A focus on developing genuine partnerships through close and regular relations with the management of each Brand
- Developing products that respect the codes of each brand
- Dedicated Interparfums marketing teams

Relations **with customers**

- Long (or very long-term) relationships with distributors
- Taking into account the specific characteristics of each market and country
- Developing products sometime in some cases specifically adapted to demands
- Sharing projects at a very early stage

Social values

Current situation: Recognized business ethics

Relations with **industrial partners**

- Long (here as well) or very long-term relationships with manufacturers in the sector
- Implementing guidelines on "Good Manufacturing Practices"
- Supporting innovation
- Financial support (financial crisis of 2008, health crisis of 2020)

Sponsorship initiatives

- EliseCare
- CEW (Cosmetic Executive Women)
- Libraries in Indonesia
- One Percent for the Planet

Social values

Current situation: Recognized business ethics



2020 rating

Interparfums 79 / 100

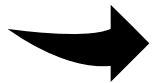
Benchmark 45 / 100

Social values

Targets



Formalizing our practices in an
Interparfums Ethics Charter
for the company's partners



Raising awareness of our partners
about CSR challenges

- **Corporate governance**

Philippe Santi
Executive Vice President



Corporate governance

Current situation: Long-proven practices

Board of Directors

10  members

Philippe Benacin

Chairman and Chief

Executive Officer

Frédéric Garcia-Pelayo

Director and Executive Vice
President

Jean Madar

Director

Philippe Santi

Director and Executive Vice
President

4 women
(40%)

Chantal Roos

Ex BPI, YSL Parfums, Gucci

Marie-Ange Verdickt

Ex Financière de l'Échiquier(*)

Maurice Alhadève

Ex IFF, Haarman & Reimer(*)

**4 independent
directors** (40%)

Dominique Cyrot

Ex Allianz(*)

Véronique Gabai-Pinsky

Ex L'Oréal, Guerlain, E. Lauder

Patrick Choël

Ex Unilever, LVMH(*)

Audit Committee

4  members (*)

2  women (50%)

3  independent directors (75%)

Corporate governance

Current situation: Long-proven practices



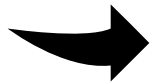
2020 rating

Interparfums 68 / 100

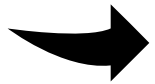
Benchmark 62 / 100

Corporate governance

Targets



Consolidating our existing
corporate governance practices



Achieving **a strict balance between**
Men / Women
Independent/Non-Independent

- ***Rochas Girl***

Philippe Benacin

Chairman-Chief Executive Officer

Victoria Rongier

Marketing Director for Rochas

Judith Gross

IFF – VP Communication



Girl

“

Girl **cares about tomorrow**, and there
will be no tomorrow without our planet.

Made with **a clean formula** and **eco-friendly packaging**,

Girl is good for you & safe for the planet!

”



Girl

THE PRODUCT MANIFESTO

**90% NATURAL ORIGIN INGREDIENTS.
NEROLI EXTRACT WITH RELAXING
PROPERTIES.
40% OF RECYCLED GLASS.
VEGAN.**

The box



FSC CARDBOARD



ECO-FRIENDLY DESIGN
WITH SIMPLE COLOUR
PRINTING



NO UNNECESSARY
DECORATION



100% **CLEAR EXPLANATIONS**



GREEN COLOUR: **COLOUR OF HOPE,
NATURE AND POPULAR WITHIN THE
GEN Z**



MADE IN FRANCE

The bottle

Minimalist design



ROCHAS
PARIS



RECYCLED
PLASTIC CAP



WATER-BASED INK



40%
RECYCLED GLASS



100% MADE IN FRANCE

The formula

90%

NATURAL ORIGIN
INGREDIENTS

NO

COLORANTS

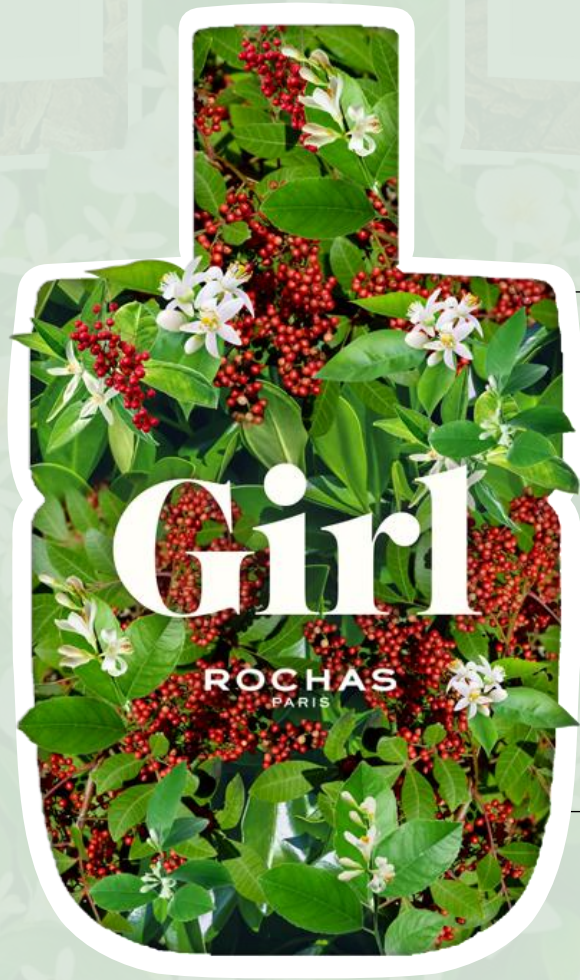
STABILISERS

BENZYL SALICYLATE

BHT

UV FILTERS

VEGAN



TOP NOTES



NEROLI



PINK PEPPER



BLACKURRAN BUD

SOURCÉS DE MANIÈRE **RESPONSABLE** ET COMPLÈTEMENT **TRAÇABLE**

TV Campaign



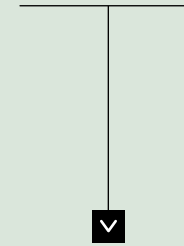
ROCHAS
PARIS

A TV CAMPAIGN SHOT IN NATURE,
FILMED IN A MODERN WAY WITH 3 REAL
FRIENDS, FOR A YOUNG AND LIVELY
SPIRIT.

Print ad



**TO KEEP THE
AUTHENTICITY OF THE PROJECT**



**The models
are not retouched!**

ROCHAS
PARIS

Beauty packshot

Girl
ROCHAS
PARIS



SPRAY GOOD - FEEL GOOD

**90% NATURAL ORIGIN
INGREDIENTS.
NEROLI EXTRACT WITH
RELAXING PROPERTIES.
40% OF RECYCLED GLASS.
VEGAN.**

ROCHAS
PARIS

Launch tools



**En acier et
réutilisable**



**Coton bio
label GOTS**



**Plastique
recyclé à 40%**



ROCHAS
PARIS



≡ MENU

Girl
ROCHAS
PARIS

 BUY NOW

A responsible fragrance

MORE ENVIRONMENTALLY
FRIENDLY MATERIALS

MOST OF THE INGREDIENTS ARE
TRACEABLE AND RESPONSIBLY SOURCED

MEMBER OF 1% FOR THE PLANET

SEE OUR COMMITMENT FOR CHANGE



ROCHAS
PARIS

Who?

A **CONSCIOUS GENERATION**, CONCERNED ABOUT **ECO-RESPONSIBILITY** & THEIR **WELL-BEING**

• The environment

Philippe Santi
Executive Vice President



The environment

Focus of 2021 work

Today, Interparfums is pursuing an environmental approach in the following areas

- Manufacturing of components
- The design of fragrances (juice)
- The manufacture of promotional (POS) tools
- Industrial packaging

The environment

Focus of 2021 work

Production of **components**

Glass bottles	Reducing the consumption of glass and systematic use of recycled glass (PCR) for launches
Packaging	Reducing consumption of cardboard and the number of references, use of sustainable FSC-certified cardboard
Gift sets	Reducing the size and number of references, use of FSC cardboard
Bath & body care lines	Use of recycled plastic, switch to service capsules
Inserts	Switch from plastic to cardboard (savings of more than 120 t/yr.)
Deco	Use of water-soluble coating and bio-sourced inks

The environment

Focus of 2021 work

Design of **fragrances** (juice)

- Continue close collaboration with the design houses
 - An olfactory creation process increasingly integrating environmental considerations
 - Natural origin ingredients
 - Sourcing and traceability
- A strong focus on CSR
 - A collaboration program with producers of high quality natural products
 - Excellent EcoVadis assessments (Top 1% of the best rated companies)

The environment

Focus of work

Production

POS (*Point-of-Sale*) advertising materials

- Developing a Charter of Good Design Practices
 - Optimizing the manufacturing policy (recycled materials)
 - Optimizing logistics (reducing weight and volumes)
 - Facilitating the separation of components for better recycling

The environment

Focus of work

Industrial packaging

- Continue to work in close collaboration with packing service providers
 - EcoVadis certified
 - European

The environment

Current situation: GAÏA index



2020 rating

Interparfums 63 / 100

Benchmark 46 / 100

The environment

Targets



Become an **active contributor**
to protecting the environment

• Conclusion

Philippe Benacin

Chairman-Chief Executive Officer

Philippe Santi

Executive Vice President



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Areas for attention or subjects for reflection

- The formalization of a complete strategy and choosing a framework of reference (17 Sustainable Development Goals of the United Nations Charter, for example)
- Eventually, an Ecovadis assessment for Interparfums
- Precise communication of non-financial information
 - Qualitative targets
 - Quantitative targets

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