



INTERPARFUMS  
*PERFORMANCE*  
REPORT  
ESG 2022



# CONTENTS

- ..... Editorial ..... 3
- ..... About Interparfums ..... 4
- ..... Business model ..... 5
- ..... CSR initiative..... 6
- ..... Materiality matrix ..... 7
- ..... CSR strategy ..... 8
- ..... ESG targets ..... 9
  
- ..... RESPONSIBILITIES TO CONSUMERS
- Ensure the health and safety of consumers ..... 11
- High priority to high level of naturalness..... 12
  
- ..... ENVIRONMENTAL RESPONSIBILITIES
- Optimise product life cycles ..... 14
- Commit to carbon sequestration programmes ..... 18
- Improve the environmental impact of products ..... 19
- Promotional products integrated into the CSR initiative..... 20
- Help consumers recycle their packaging ..... 21
  
- ..... RESPONSIBILITIES TO OPERATIONAL  
STAKEHOLDERS AND SOCIETY
- Build trusting relationships with licensors and distributors ..... 23
- Forge lasting industrial partnerships ..... 24
- Water: an issue closely monitored by Interparfums ..... 26
- Assess the CSR performance of suppliers ..... 27
- Make a positive contribution to society through impactful  
philanthropy ..... 29



- RESPONSIBILITIES TO EMPLOYEES .....
- A caring employer committed to everyone's success ..... 31
- Attract, support and develop talented people ..... 32
  
- MOBILISED AND COMMITTED GOVERNANCE .....
- Integrate CSR into corporate strategy ..... 37
- Act ethically and in compliance ..... 38
- Duty of care ..... 39
- Risk factors ..... 40
- Summary table of the main non-financial risks identified ..... 41
- Reporting in accordance with the principles of the TCFD (Task  
Force on Climate-related Financial Disclosures) ..... 43



## EDITORIAL

In 2022, we published record financial results with sales of over 700 M€ and operating income of 130 M€.

This performance reflects valuable brands that has been further enhanced by the signing of the Lacoste contract.

Over and above strictly operational issues with a difficult global geopolitical situation and tensions in our supply chain, in recent years we have faced challenges that have become essential.

I am of course referring to all aspects of CSR.

From now on, the question of our environmental impact must be integrated into the development of our products. By working on recycling components, reducing the weight of various materials and helping to make each of us and our partners more responsible, we are on the path to sustained but responsible growth.

On this subject, we need to rely on our partners who are also confronted with the demands of regulations and it is together that we will succeed, by maintaining the relationships of trust that have been built up over many years.

As an employer, we have taken a number of initiatives since the Company was founded. Everyone can express their potential and develop in a calm and constructive atmosphere. Some things change and evolve but one thing remains constant: the total trust I have in every member of staff, which contributes to our ability to consolidate our status as a major player in the selective perfume sector.

Interparfums turned 40 this year and I'm confident that we are better equipped than ever to meet the challenges of today and tomorrow.

Philippe Benacin

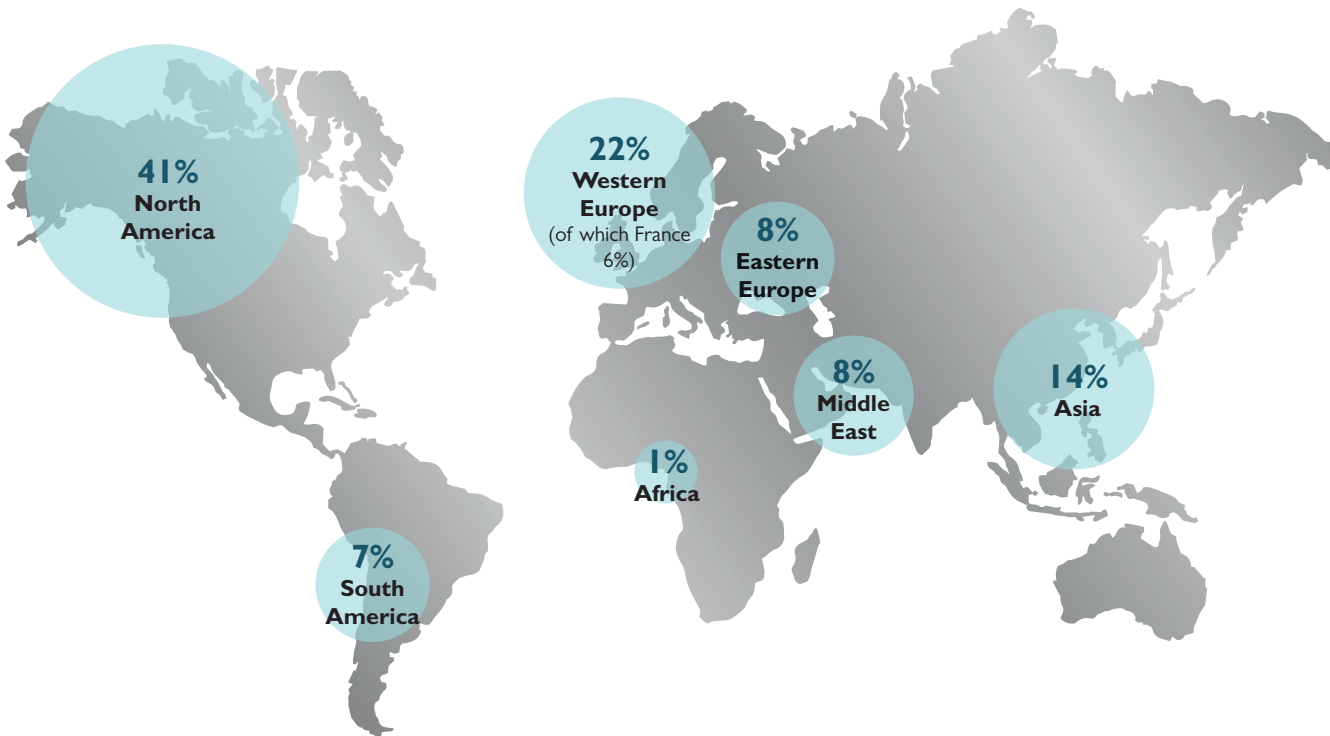




# ABOUT INTERPARFUMS

Interparfums' mission is to create and develop long-term fragrance lines for prestigious brands.

## 2022 TURNOVER BY GEOGRAPHICAL AREA



At the end of December, iconic fashion sport brand **Lacoste** and Interparfums announced the signature of a 15-year exclusive worldwide fragrance licensing agreement, effective 1<sup>st</sup> January 2024.



## PORTFOLIO OF BRANDS

- Montblanc: 26%
- Jimmy Choo: 26%
- Coach: 22%
- Lanvin: 7%
- Rochas: 5%
- Van Cleef & Arpels: 3%
- Karl Lagerfeld: 3%
- Kate Spade: 3%
- Boucheron: 2%
- Moncler: 2%
- Other brands: 1%



# BUSINESS MODEL

## Our resources

### Human

- 320 employees in several countries
- A wide range of skills
- Experienced teams
- An agile organisation
- A "responsible employer" charter

### Immaterial

- A portfolio of 12 prestige brands
- Expertise in the creation, development and distribution of prestige perfumes and cosmetics
- An entrepreneurial culture

### Industrial & commercial

- Around one hundred industrial partners
- 85% sourcing in Europe
- A close monitoring of industrial partners
- An international distribution network

### Social

- Long-standing partnerships with all stakeholders
- Commitments to patronage

### Environmental

- Taking the environmental footprint into account in product design
- A 36,000 m<sup>2</sup> HQE warehouse close to the factories
- Two warehouses close to consumer locations (North America and Asia)
- An "optimised eco-design" charter

### Governance

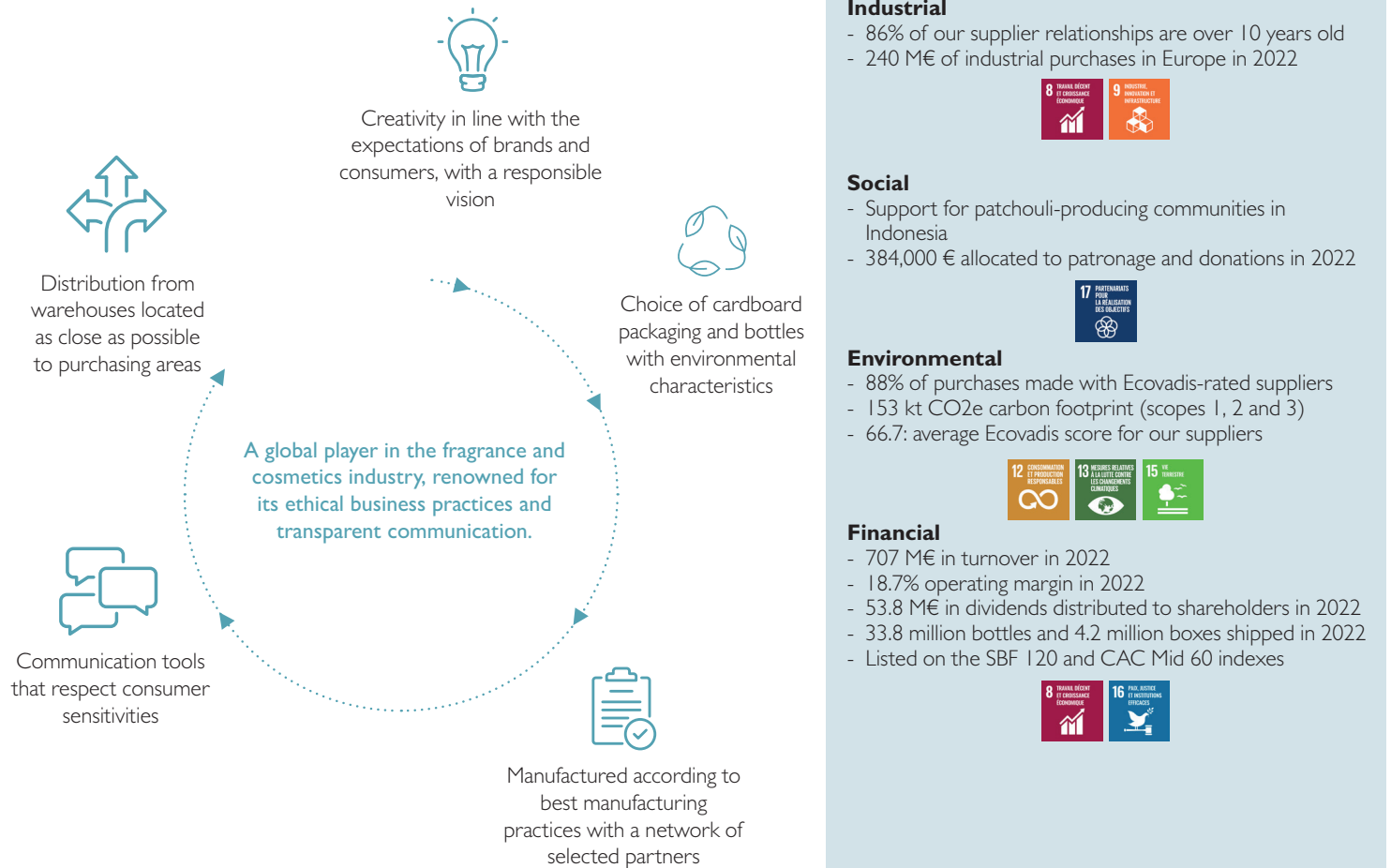
- Recognised ethical practices based on a "business ethics" charter
- Adoption of the Middlednext Corporate Governance Code
- CSR Executive Committee

### Financial

- A very strong balance sheet with net cash of 89 M€
- A Company listed on Euronext compartment A, controlled by the founders

### Trends in the perfume sector

- Growing environmental expectations among consumers and brands
- Multi-channel communication
- Increasingly stringent regulations



## Our value creation

### Human

- A motivating pay policy with employees sharing the Company's profits
- 54 M€ paid to employees in the form of remuneration in 2022
- Performance share plans every 2/3 years
- Quality of life in the workplace (HQE and BREEAM certified head office)
- 84/100 Gender equality index (France)
- Average age of 41 (France)
- Average seniority 9.7 years (France)



### Industrial

- 86% of our supplier relationships are over 10 years old
- 240 M€ of industrial purchases in Europe in 2022



### Social

- Support for patchouli-producing communities in Indonesia
- 384,000 € allocated to patronage and donations in 2022



### Environmental

- 88% of purchases made with Ecovadis-rated suppliers
- 153 kt CO<sub>2</sub>e carbon footprint (scopes 1, 2 and 3)
- 66.7: average Ecovadis score for our suppliers



### Financial

- 707 M€ in turnover in 2022
- 18.7% operating margin in 2022
- 53.8 M€ in dividends distributed to shareholders in 2022
- 33.8 million bottles and 4.2 million boxes shipped in 2022
- Listed on the SBF 120 and CAC Mid 60 indexes

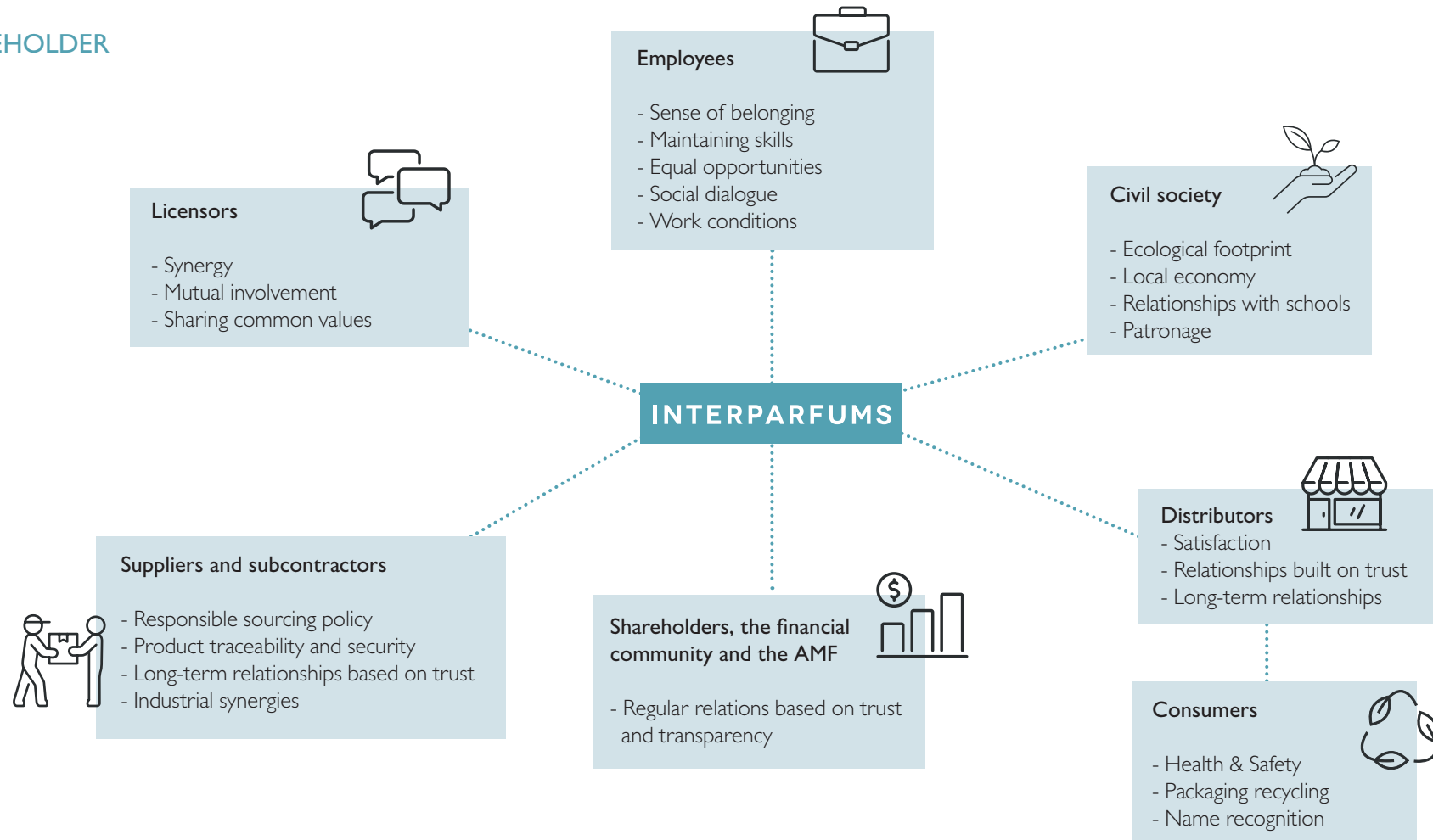




# CSR INITIATIVE

Interparfums has identified its CSR challenges based on the expectations of its stakeholders and the market. The first step was to identify them. A materiality analysis was then carried out to list the CSR challenges and highlight the priorities to be addressed in the coming years to ensure the model's sustainability.

## STAKEHOLDER MAP





# MATERIALITY MATRIX

After mapping all of Interparfums stakeholders, an essential exercise in a constantly changing environment, it became clear that the main ones are the licensors, employees, suppliers and subcontractors, distributors and the financial community in the broadest sense. Their expectations are identified thanks to the close links that exist with industrial partners and because of the strictly personal nature of the relationship between the historical managers and their licensors.

This approach has enabled the Company to refine its understanding of the sustainable development issues that are important to its stakeholders, and to compare them with its strategy.

Current employees express their goals and preferences during regular interviews. The financial community, for its part, has plenty of opportunities to share views at the meetings that punctuate the calendar and through the questionnaires we receive. The recent creation of an Individual Shareholders' Consultative Committee will strengthen these links.

ESG issues were rated by the CSR Executive Committee, the governance body set up to oversee Interparfums' initiative. The action plan and indicators presented in the annual report are aligned with this matrix, which will be reviewed regularly.

## MAIN NON-FINANCIAL RISKS

### Business risks

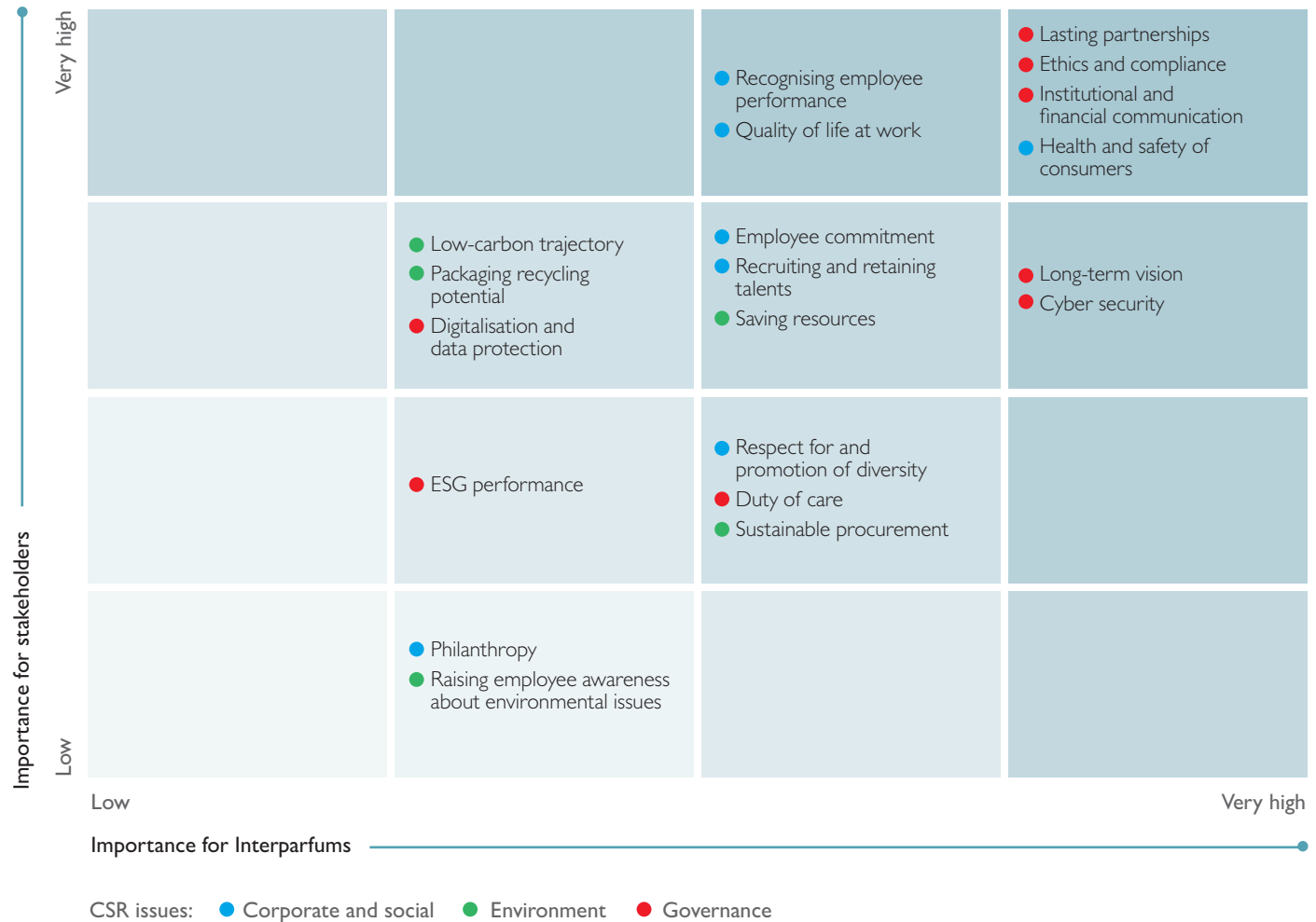
Risk related to the loss of licence concessions  
Geopolitical, health and geographical distribution risk  
Image and reputation risk

### Industrial risks

Supply and production risk  
Financial risk associated with the effects of climate change  
Product quality and safety risk

### Legal and IT risks

Intellectual property  
IT - cyber security risk





# CSR STRATEGY

The Interparfums Company is committed to a global approach to social, environmental and corporate responsibility and transparency. Year after year, it develops a CSR (Corporate Social Responsibility) policy implemented by its Operational and Functional Divisions and involving all staff. It identifies its main challenges based on several key areas: its responsibilities to consumers, the environment, operational stakeholders and society, and employees.

To support this approach, a CSR Executive Committee was set up at the beginning of 2021 at the initiative of General Management. Comprising the Operations & Supply Chain, Human Resources, Finance, Legal and Communications departments, it has formalised the Company's CSR strategy, with the ambition to:

Consolidate its status as a **responsible employer** with, in particular, the formalisation of a "Responsible Employer Charter" and reinforcement of the employee training plan;

**Reduce its ecological footprint and involve suppliers in the process**, thanks, in particular, to the introduction of optimised eco-design specifications including the reduction of packaging and the introduction of recycled and recyclable materials on each product developed.

**Measure its carbon footprint** according to the GHG protocol methodology (Scopes 1, 2 and 3) to initiate a low-carbon trajectory compatible with the Paris Agreements.

**Strengthen its sustainable development approach** by formalising a business ethics charter that can be enforced against operational stakeholders.
















9 Executive Committee meetings in 2022



# ESG TARGETS

In line with the Company's Corporate Social Responsibility strategy, the following table presents the Company's main objectives and compares them to market benchmarks such as the Sustainable Development Goals (SDGs).

SDG	2025 EXPECTED PERFORMANCE	2022-2023 SITUATION
<b>Attracting, supporting and developing all talents</b>		
	Deploy the Responsible Employer Charter	Done in 2023
	Train 70% of employees per year	32% of the employees trained
	CSR training for employees	Deployment of the <i>Work for Good</i> platform
	Raising employee awareness about disabilities	Annual intervention of a committed association/personality
<b>Proposing environmentally and socially responsible packaging</b>		
	Work with suppliers with an Ecovadis score of over 70/100	Average score of the suppliers evaluated with Ecovadis : 66.7/100
 	Propose 85% recyclable packaging	82 % of our packaging is recyclable
<b>Initiating a low-carbon trajectory</b>		
	Reduce carbon emissions from scopes 1 and 2 by 3% per year <sup>1</sup> Achieving carbon neutrality for scopes <sup>2</sup> 1, 2 and 3 by 2030	Emissions cut by 12.6% between 2021 and 2022 30.8% reduction in carbon emissions purchases <sup>3</sup> between 2021 and 2022
	Engage in contribution projects (carbon sequestration)	Initiation of a first project
<b>Strengthen our relationships with our partners</b>		
	Distribute the eco-design charter to all industrial suppliers	100% in 2022
	Committing 100% of industrial suppliers to a low-carbon trajectory	New Objectif
<b>Ethical conduct and compliance</b>		
	Deploy the business ethics charter to all stakeholders	50% of partners <sup>3</sup> have received the Business Ethics Charter (industrial suppliers)
	Raising employee awareness	Action initiated end 2023

<sup>1</sup> Baseline year: 2021.

<sup>2</sup> Scope 1 concerns direct GHG emissions associated with consumption for heating and fuel for Company vehicles.

Scope 2 concerns indirect energy-related greenhouse gas emissions, i.e., those related to electricity and the heating network to which the new headquarters on rue de Solferino is connected.

Scope 3 refers to indirect emissions in an organization's supply chain, i.e., those indirectly related to its activity, both upstream and downstream.

<sup>3</sup> As a proportion of purchases.





# RESPONSIBILITIES *TO* CONSUMERS

The Company is responsible for marketing the cosmetic products it sells and for assessing their safety. It also relies on information provided by perfumers, who assess the safety of the raw materials used to make the fragrances.



# ENSURE THE HEALTH AND SAFETY OF CONSUMERS

The Company carries out skin and eye safety tests on the products it markets. In accordance with EC regulation 1223/2009, none of these tests are carried out on animals. Dermal safety tests are carried out on healthy adult volunteers and ocular safety tests on cultured cells. The Company has taken account of the REACH regulation (EC Directive No. 1907/2006 of 18 December 2006) on the registration, evaluation and authorisation of chemicals with all its suppliers. All the technical and organisational measures required to comply with REACH have been implemented within the Company. It is not subject to registration as a downstream user of substances. However, it wanted to remain active to ensure that the registrations went smoothly and that the compliant chemical substances in its products continued to be supplied.

Perfumes contain alcohol (> 78%). This ingredient is not classified as an endocrine disruptor and is tolerated in cosmetics on the basis of a favourable opinion from the SCCS<sup>4</sup>, an independent study organisation appointed by the European Commission.

The Company has taken the initiative of contacting its various subcontractors and suppliers to ensure that they effectively comply with the necessary registrations, notifications and requests for authorisation from those upstream in their supply chain. Interparfums has proactively communicated with all its suppliers to commit to supplying items that do not contain any substance listed in Appendix XIV (substances of very high concern). To date, no supplier has declared the presence of substances subject to authorisation in items supplied to Interparfums.

**No ingredient** present in our products is classed as a known endocrine disruptor.<sup>5</sup>

**0.04** claims per million products sold in 2022

Cosmetovigilance is a system for monitoring and recording undesirable effects associated with the use of cosmetics in humans. It concerns any undesirable effect, serious or otherwise, which has occurred under normal or reasonably foreseeable conditions of use of a cosmetic product or which is likely to result from misuse. Interparfums processes and analyses the cosmetovigilance cases reported to it. A procedure defining the steps to be taken when a complaint is received is systematically applied and corrective measures are systematically deployed.

<sup>4</sup> Scientific Committee on Consumer Safety.

<sup>5</sup> These 16 families of products, the list of which is published by the ECHA (European Chemicals Agency), are banned and, of course, are not present in our products.



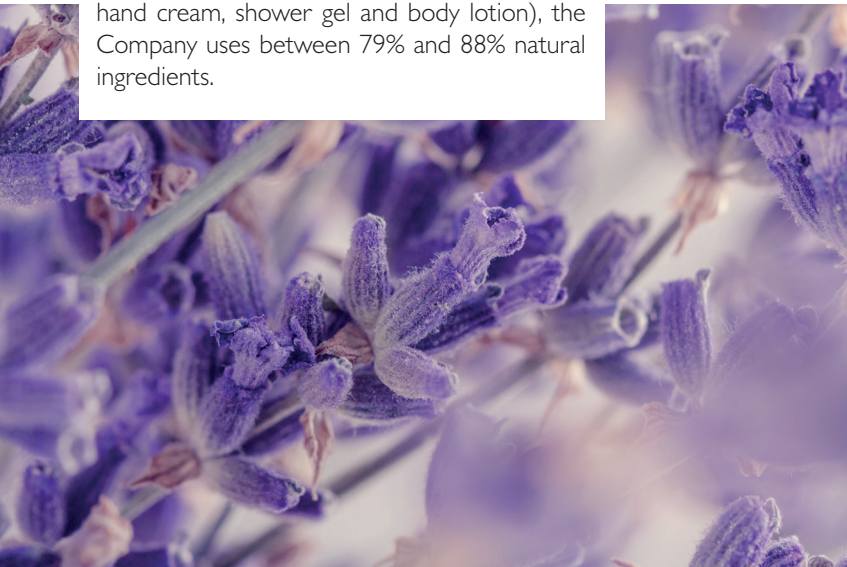
# HIGH PRIORITY TO HIGH LEVELS OF NATURALNESS



## NATURE: A SOURCE OF INSPIRATION

Interparfums uses only plant-based alcohol in all its fragrance lines, essentially beet alcohol, 99.5% of which is natural. The remainder is made up, depending on the line, of a variable proportion of natural ingredients. All the perfumers we work with have concentrates with a proportion of ingredients certified to ISO 9235 or ISO 16128. The proportion of natural fragrances is therefore over 80%.

For its other products (aftershave balm, hand cream, shower gel and body lotion), the Company uses between 79% and 88% natural ingredients.



## THE ROCHAS GIRL FRANCHISE

The launch of Rochas' first low environmental impact line in 2021 was the first eco-design initiative to be led by Interparfums teams. This proposal allowed us to test with *Rochas Girl* the possibilities available to us in this area, taking our thinking as far as possible. The aim was to offer consumers a fragrance that met their expectations in terms of environmental engagement. This project combined the codes of luxury perfumery with a new awareness by modernising the Rochas portfolio, in an inclusive and eco-responsible approach. *Rochas Girl* is made from 90% natural ingredients, with neroli extract with relaxing properties, and is vegan. Its glass bottle contains 40% recycled glass (PCR), which is the maximum level currently proposed by glassmakers, and its cap is made from recycled plastic. Its cardboard case is FSC-certified, printed with water-based ink and without unnecessary decoration. It is made in France. Its formula contains no colourants, stabilisers, controversial additives or UV filters. It contains a reduced number of allergens. In the same vein, a refill is now available for even less impact on the environment.

The multi-channel advertising was consistent with the product, with an advert filmed in the Paris region, with pictures of unretouched models conveying an authentic image. FSC certified cardboards point-of-sale advertising was also used. With *Rochas Girl*, Rochas also wanted to join the "1% for the planet" initiative, redistributing 1% of turnover generated to various charities.

The new version of *Rochas Girl*, *Rochas Girl Life* launched in spring 2023, offers a direct refill and its bottle is made from 40% PCR<sup>6</sup> glass.



*Rochas Girl Life*, a vegan eau de parfum made from 93% natural ingredients.

**Moncler:** naturalness at the heart of its products.

All Moncler fragrances, particularly those in the Collection Les Sommets Moncler, have a naturalness rate of over 85% according to ISO 16128.

<sup>6</sup> Post Consumer Recycled.



# ENVIRONMENTAL RESPONSIBILITIES

The Company does not directly manage industrial sites but is involved in developing an environmental policy in collaboration with its subcontracting partners and suppliers, throughout its value chain, particularly in the following areas:

- choice of ingredients;
- choice of techniques and materials;
- recycling and waste disposal measures;
- reducing CO<sub>2</sub> emissions.







# OPTIMISE PRODUCT LIFE CYCLES

## ..... INNOVATE WHILE RESPECTING BIODIVERSITY

Perfumes are designed with the help of proposals developed by our perfume partners, whose shared objectives are to reduce the pressure on endangered natural resources using biotechnology and upcycling.

*Rochas Girl Life*, launched in spring 2023, contains:

- Jasmine Absolute, a traceable ingredient made from a green solvent of 100% plant origin.
- Upcycled Rose Essential, a combination of recycled rose water and essential oil.

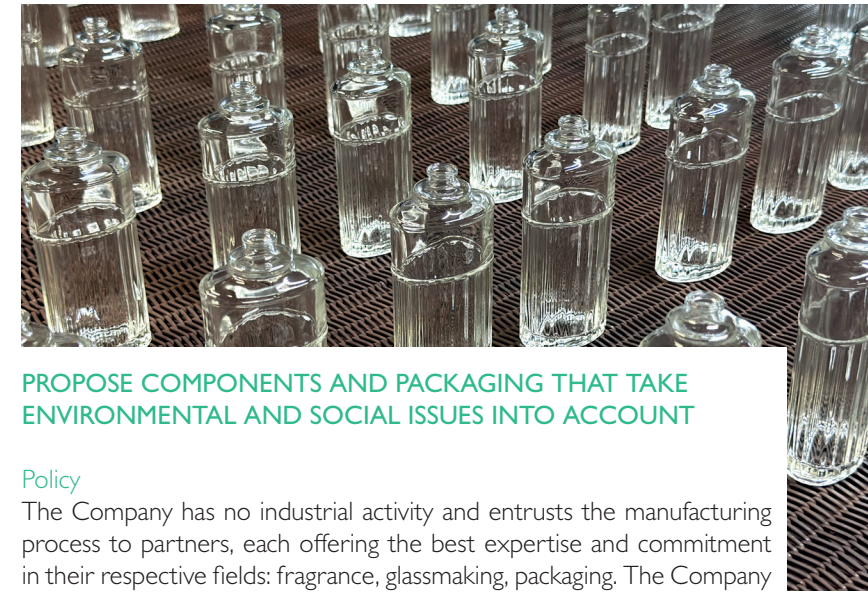


*Karl Classique Gray* is made from a juice extracted from an upcycled raw material. The latter comes from oak wood extracts, developed from residual wood shavings from cooperage operations used to make oak barrels for maturing wines and spirits.



At every stage of the purchasing process, the Company looks at the exact requirements and the need to reduce unnecessary costs and wasted resources:

- reduce waste at the product's manufacturing, consumption and end-of-life stages;
- recycle imperfect products, particularly at the manufacturing stage;
- repair to extend the life of the material or product, particularly pallets.



## PROPOSE COMPONENTS AND PACKAGING THAT TAKE ENVIRONMENTAL AND SOCIAL ISSUES INTO ACCOUNT

### Policy

The Company has no industrial activity and entrusts the manufacturing process to partners, each offering the best expertise and commitment in their respective fields: fragrance, glassmaking, packaging. The Company asks them about their CSR strategies, in addition to the Ecovadis assessment, and works with them to incorporate the environmental issues identified at each stage, in particular the choice of materials used in components, waste treatment and reducing the carbon footprint.

An optimised eco-design charter was formalised in 2022 and shared both internally and externally to ensure that the possible options in this area are clear to all stakeholders. The aim of this charter is to highlight the Company's best practices for optimising the eco-design of the products it develops. The objectives for each product category are clearly stated: glass, decoration, covers, wedges and cases. Promotional products are not forgotten either with boxes, tubes and point-of-sale advertising. This is a global approach that will enable the Company to prepare for the regulatory obligations of the French AGECL law (anti-waste law for a circular economy).





..... Manage the environmental impact of our operations

The Company uses an HQE (High Environmental Quality) certified warehouse located in Normandy France, for its logistics and storage needs. This certification covers improved insulation, lighting using presence detectors, Ecolabel finishing materials, centralised technical management for energy control, rainwater recovery and efficient waste sorting.



The Company constantly monitors energy and water consumption indicators to identify opportunities for improving energy efficiency in lighting, heating and ventilation throughout the logistics site, such as modulating ventilation flow rates and programming weekend heating/ventilation slow-downs.

To this end, the warehouse lighting is switched off automatically when employees are on a break outside and the temperature in the warehouse is kept at 11°C. This energy management also includes measures to manage the recharging schedules of the electric forklift trucks during off-peak hours at night, with a low consumption of 280 kW maximum instead of 600 kW during the day. Monthly electricity consumption reports are drawn up and in the event of significant peaks in consumption, the Company analyses the causes of this over-consumption in order to remedy the situation where necessary. Finally, to help preserve the environment, the Company has installed dedicated parking spaces for bicycles and electric terminals for cars on the logistics site.

	2020	2021	2022
Total energy consumption in kWh	1,246,020	1,845,715	1,753,729

**TO REDUCE THE TRANSPORT OF FINISHED PRODUCTS, THE COMPANY SET UP ITS WAREHOUSE IN A REGION LOCATED AT THE CROSSROADS OF ITS SUBCONTRACTOR SITES.**

**IN 2018, IT OPENED A NEW WAREHOUSE IN SINGAPORE WITH THE AIM OF PROMOTING SHORT DISTRIBUTION CHANNEL IN ASIA-OCEANIA.**

.. Waste

The Company closely monitors its waste production at warehouse level.

In 2022, 26.8 tons of waste were recycled through various channels (plastic, pallets, paper and cardboard). In addition, 5.46 tons of non-hazardous waste were incinerated with heat recovery.



Logistics

Actions undertaken in collaboration with the warehouse and goods dispatch manager as part of the improvement and optimisation of inter-plant transport and the logistics platform have contributed to a reduction in the number of lorry turnarounds.

As regards transport to distributors, the Company uses road transport for shipments in France and Europe and sea transport for America, Asia and the Middle East. The Company makes very limited use of air transport, reserving it for unavoidable emergencies. Some promotional products manufactured in Asia are sent directly to American distributors without being imported and stored in France.



## MEASURE THE CARBON FOOTPRINT OF OUR ACTIVITIES

The carbon footprint has been calculated for scopes 1 and 2 for 2020, 2021 and 2022. Scope 1 covers direct greenhouse gas emissions (gas and fuel consumption by Company vehicles), while Scope 2 covers indirect emissions associated with energy (electricity consumption). The sites studied were the warehouse and offices of the Paris head office. On rue de Solférino, the premises are connected to the City of Paris heating network and to a district cooling network that uses the cool temperature of the River Seine to cool the water in the distribution network. The emission factors for these two networks are very favourable in terms of carbon footprint. Gas consumption is now reduced to that of the warehouse.

In addition, the solar panels on the roof have the potential to produce 6 MWh of renewable energy.

The Company also has 21 Company cars, mainly for its sales teams.

in tons of CO <sub>2</sub> equivalent	2020	2021	2022
Scope 1	208	226	205
Scope 2	25	29	30
<b>Total</b>	<b>233</b>	<b>255</b>	<b>235</b>

The variations between 2021 and 2020 are linked to the periods of lockdown relating to the pandemic in 2020. In 2022, the Company has moved its head office to BREEAM and HQE-certified premises, which are expected to reduce energy consumption by around 30%. In addition, the use of renewable energies and the Paris heating network will also help improve this balance sheet.

Given the move in spring 2022, comparisons between 2021 and 2022 should be made with caution. However, greenhouse gas emissions improved by almost 8% over the period.

In 2021 and 2022, a full scope 1, 2 and 3 carbon footprint has been calculated using the GHG protocol method and either emission factors available in databases, monetary ratios, or data shared by suppliers. 2021 is therefore the reference year chosen by Interparfums for its carbon trajectory.

We are convinced that it is by involving our suppliers in our approach that we will be able to make progress on a low-carbon trajectory. For the moment, only 51% of suppliers within the Ecovadis scope are tracking their carbon footprint, and only 25% have carried out a study covering all scopes (1, 2 and 3). However, in 2022, 60% of purchases were made from suppliers who had provided their carbon footprint. 82% of purchases of goods and services for production are made from suppliers located in Europe, who will be subject to the CSRD regulations (with a deadline depending on their size) and will therefore initiate the process of measuring their carbon footprint. If they so wish, we will support them in terms of methodology so that they can make progress on these crucial issues.

in tons of CO <sub>2</sub> equivalent	2021	2022
<b>Scope 3 Upstream</b>		
Products and services purchased	166,934	144,320
Fixed assets	2,668	3,839
Emissions from fuels and energy not included in Scope 1 or 2	55	48
Upstream freight transport and distribution	729	1,050
Waste generated	17	23
Business travel	494	265
Commuting to work	Negligible	Negligible
Upstream leasing assets	-	-
Other indirect upstream emissions	-	-
<b>Scope 3 Downstream</b>		
Downstream freight transport and distribution	129	279
End of life of products sold	3,659	2,878
Downstream leasing assets	-	-
<b>Total scope 3</b>	<b>174,685</b>	<b>152,702</b>





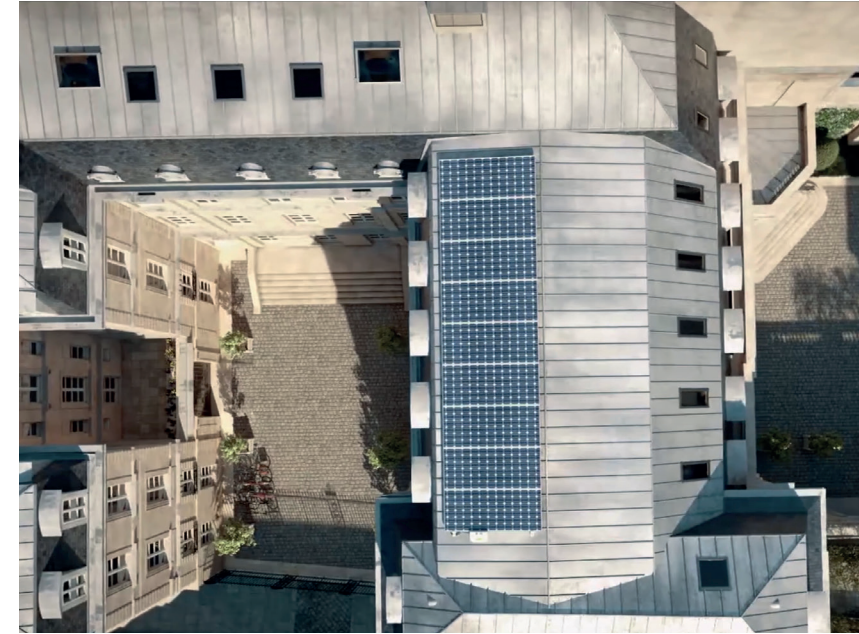
The variations observed between the two years can be explained by changes in suppliers, some of whom are more advanced in terms of carbon strategy. More assets were tied up over the period and fewer business trips were made.

	2021	2022	Variation 2021/2022
Carbon footprint (scopes 1, 2 and 3) - in t <sub>eq</sub> CO <sub>2</sub>	174,940	152,937	- 12.6%

Interparfums carbon intensity is at the low end of its sector. The significant change between 2021 and 2022 is also linked to the increase in sales.

	2021	2022	Variation 2021/2022
Carbon intensity - in kg of CO <sub>2</sub> per k€ of turnover	312	216	- 30.8%

Once the carbon footprint measurement stage had been completed, it was found that 42% of production purchases were made from suppliers with targets for reducing their carbon footprint by 2030 (often in line with the European *fit for 55*). We believe that this is not enough to achieve our ambitions, and we will be continuing our dialogue with them to increase the number of partners involved and thus avoid carbon emissions.



Interparfums wants to ensure that its climate trajectory is in line with the most recognised standards. A first step is to align its reporting with the principles of the TCFD (*Task Force on Climate-Related Financial Disclosures*), as shown in the table on page 43.



# COMMIT TO CARBON SEQUESTRATION PROGRAMMES

At the end of 2022, Interparfums teamed up with *TerraTerre*<sup>7</sup>, a young French Company with a mission to connect farmers committed to the ecological transition and companies wishing to contribute to the global goal of climate neutrality by 2050.

## How does it work in practice?

Interparfums is currently financing one of the 1,700 farmers committed to low-carbon transition. **In other words, we support farmers switching their farms to sustainable agriculture**, which in five years' time will enable us to benefit from carbon credits equivalent to the efforts made by the farmer on his farm.

## More specifically, how are changes in agricultural practices turned into CO<sub>2</sub> equivalents?

For agriculture to be more sustainable, farmers need to change their practices, and this requires funding. These resources enable farmers to implement virtuous practices on their farms, such as planting intermediate cover crops, which improve the agronomic qualities of the soil and reduce the amount of fertiliser they need to use. Fertilisers emit greenhouse gases, so using less of them generates "carbon credits" which will be reallocated to Interparfums at the end of the period (in 2025). Their quantification is verified by a body and the project is certified by the Ministry of Ecological Transition.



## Which farmer has Interparfums chosen to support?

We felt it was important to **support a farmer whose business is related to ours**. Since the alcohol in our perfumes comes essentially from **sugar beet**, we have chosen a farm that mainly

grows sugar beet and also wheat, rapeseed, maize, sunflower and more. This farm is in **the Loiret region** and thanks to the *TerraTerre* platform we can follow the various stages of its transition. The farm's objective is to reduce and sequester carbon by 960TeqCO<sub>2</sub> over 5 years.

**BY 2030,  
ALL COMPANIES WILL  
BE OBLIGED TO REDUCE  
THEIR GREENHOUSE GAS  
EMISSIONS BY 40%.**

**URGENT ACTION IS NEEDED.**

**THIS REQUIRES A STRATEGY  
OF REDUCTION, AVOIDANCE  
AND CARBON SEQUESTRATION  
TO RAPIDLY CHANGE COURSE.**

## What impact is this initiative expected to have?

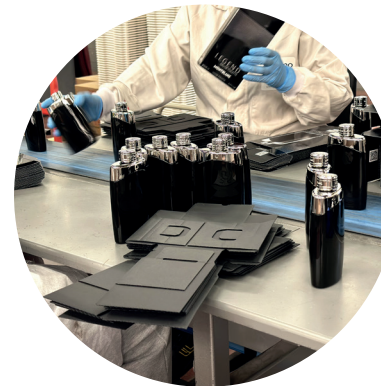
Supporting sustainable agriculture means contributing to our region's carbon transition; it also means having multiple positive impacts, known as co-benefits, such as improving water quality, reducing the use of fertilisers, increasing biodiversity, etc.

<sup>7</sup> <https://www.terraterre.co/>



# IMPROVE THE ENVIRONMENTAL IMPACT OF PRODUCTS

Action to prevent environmental risks and pollution begins with the choice of techniques and materials, which must be optimised.



Roll-out of the  
Interparfums  
eco-design  
charter to  
all its industrial  
partners



To reduce the impact of its activities, some of the bottles produced by the Company are coloured by applying a water-soluble solution, making it possible to obtain a partly biodegradable colour with no harmful impact on the natural environment. For the rest of its product ranges, the Company is pursuing its objective of gradually phasing out the use of "solvent-based" lacquers, with a view to using "water-based" lacquers for all its product ranges, in accordance with the 2005 law aimed at reducing emissions of Volatile Organic Compounds into the air. The Company has also phased out the use of thermosets in its bath/shower lines in favour of recyclable plastics.

To reconcile the quality and aesthetic appeal of its products with environmental imperatives, the Company is committed to **reducing the volume of packaging** and selecting **appropriate materials** at every stage of product development, to ensure that they can be recycled or disposed of under optimum conditions. Recyclable glass bottles are manufactured using a system that recovers, crushes and remelts the waste. The introduction of waste management indicators in 2013 has helped the Company improve its

monitoring of waste rates for its glass bottle decorators. **Its primary objective is to adopt a continuous improvement approach and reduce its waste over time. The second objective is to reprocess this waste and reintroduce the bottles into the production circuit.**

The Company has also put in place measures to recover subcontractor waste resulting from excess production or from components on discontinued products. **The recovered waste is then sorted before being destroyed.**

The Company has also rationalised Companying boxes and secondary packaging (perfume cases and boxes) to optimise pallet filling, reduce cardboard purchases and cut transport volumes by reducing empty space. The Company is now imposing a minimum number of pallets per lorry.

Finally, the **tester boxes are entirely recyclable.**





# PROMOTIONAL PRODUCTS INTEGRATED INTO THE CSR INITIATIVE

In-depth work has been carried out on promotional products, which represent a significant volume of units: over 4.5 million gift sets and almost 3 million GWPs (gifts with purchases). The aim was to challenge each of the components in these segments throughout their life cycle. It turns out that all the components are produced and assembled in France, Spain and Italy. 46% of our GWPs are labelled Made in France (candles, kits, etc.).

**Initial results:** the packaging for our boxes and cases has long been made from FSC-certified cardboard and paper. The transport crates have also been FSC-certified since 2022.

The design of the boxes also takes environmental concerns into account, with a choice of two formats, each with 3 recipient heights to match the volume of perfume. In addition, because of new specifications from certain distributors, the boxes will be subject to further developments. The new configuration will enable us to reduce our use of PS (polystyrene) plastic by more than 200 tons and our use of 100% recycled APET plastic by 40 tons. The wedges in the boxes must be sturdy for transport, resistant when stored in damp or hot conditions and cost-effective. Proposals for recyclable APET wedges have been made for certain Rochas lines.

With regard to the plastic tubes used for the brands' scented bath/shower products, a study

has been carried out based on the components: skirt, head and cap, to reduce the quantity of plastic used and ensure that they are eligible for recycling.

Thanks to an innovative proposal from a supplier, in 2022 the new capsules helped reduce the amount of virgin PP plastic used by 3.6 tons. The replacement of virgin plastic in the boxes has begun, with the essential steps of testing compatibility with the formulas. In 2022, 60% of tube have been made from PE PCR, saving 16 tons of virgin PE plastic. PVC has definitively been banned for perfumery items.

Lastly, more than 50% of tubes are recyclable, and more than 2 million of them contain no or no more carbon black (making them difficult, if not impossible, to recycle).

Another action aimed at reducing the consumption of unnecessary packaging is to discourage its use and replace it, particularly polybags.

This drive to improve our product offering continues without compromising on quality and is based on proposals from suppliers.

GWPs are a major driver of consumer decisions. The CSR initiative extends to their selection. Our five suppliers are already assessed by Ecovadis, and their average score is 77.6 (4 are Platinum and 1 Gold according to the 2022 ranking), which is well above the average score for their sector (which is either 39 or 47, depending on the Company). We are therefore exercising our duty of care in this area and, in addition, will be sharing our ethics charter with them in 2023. The search for eco-labelled products is also a priority: OekoTex for terrycloth fabrics, GOTS for cotton...



In 2024,  
except for fragile items,  
**promotional products  
will be wrapped in  
Kraft paper**  
rather than plastic.

# HELP CONSUMERS RECYCLE THEIR PACKAGING

**Cardboard packaging** for perfumes sold by Interparfums can be recycled if the correct procedure is followed. The optimised eco-design charter recommends using traditional glass (i.e. soda-lime glass), which is recyclable, and avoiding technical glass (i.e. boro-silicate glass), which is not.

Since January 2022, European regulations have made it compulsory to display the **Triman logo** with instructions on how to recycle waste. **This has been done for all products sold by Interparfums.**

In addition, some retailers have launched individual initiatives to collect packaging for cosmetics and perfumes, rewarding consumers who return them. These channels are monitored and traceable by the brands. We encourage this approach.

We are taking part in the Selective Perfumery working group run by the Institut du Commerce, which aims to mobilise brands and distributors around the issue of collecting and recycling plastic in-store advertising in France. This collective approach also brings together in-store advertising manufacturers already committed to eco-design and potential dismantling.

Parcels sent by our e-commerce subsidiary Divabox are plastic-free and made from FSC-certified cardboard, which can be recycled in the same way as tissue paper. Gift packaging is made from natural cotton and can be reused over and over again.

We also rely on the quality of the products we give as gifts to our customers to ensure that they are long-lasting, easy to wash and durable.

**All these actions reflect Interparfums determination to integrate circular economy initiatives into its business model.**







# RESPONSIBILITIES TO OPERATIONAL STAKEHOLDERS AND SOCIETY

As it carries out and develops its activities, Interparfums has identified the following challenges:

- Maintain a high level of relationship with its licensors through synergy, mutual involvement and the sharing of common values;
- Develop long-term partnerships with its suppliers and subcontractors through close collaboration in information exchange, in particular about their CSR approach, their carbon footprint and their trajectory;
- Develop long-term, trust-based relationships with its distributor customers.





# BUILD TRUSTING RELATIONSHIPS WITH LICENSORS AND DISTRIBUTORS

Since signing its first license agreement in 1988, Interparfums has developed a significant portfolio of luxury brands under licence. Contact with Luxury Houses is systematically initiated by the historic managers who develop and maintain a close relationship with the licensors.



**IT IS IN UNDERSTANDING THEIR  
WORLD AND PROPOSING PRODUCTS  
THAT RESPECT THE UNIQUE  
CODES OF EACH BRAND THAT THE  
RELATIONSHIP BECOMES UNIQUE  
AND PRIVILEGED.**

Through close collaboration between the marketing departments and the brands, which has increased over the years, products are developed according to the desires and collections of each brand, to offer a unique fragrance that represents shared values.

The small scale of our teams and our permanent, privileged contact mean we develop perfect knowledge of the universe, maintained over the years to offer brands quality products that support their brand image.

**Interparfums has developed long-standing relationships with its distributors in each of the countries or regions in which it operates.** More than 60 employees use their expertise in France and over 100 countries to distribute its fragrances. As each continent and region of the world has its own tastes, identity and olfactory culture, as well as its own sensitivities and attachment to a brand, there is no single

destination and it is crucial to develop close commercial relationships with our distributor customers, to provide optimum service to the consumer.

Every two or three years, Interparfums organises a seminar lasting several days, bringing together all its distributors from around the world. This seminar, scheduled for 2024, will be an opportunity to present all the brands and products on offer, to meet all the distributors and involve them closely in the Company's development, and for the distributors to meet the employees with whom they work closely on a daily basis.





# FORGE LASTING INDUSTRIAL PARTNERSHIPS

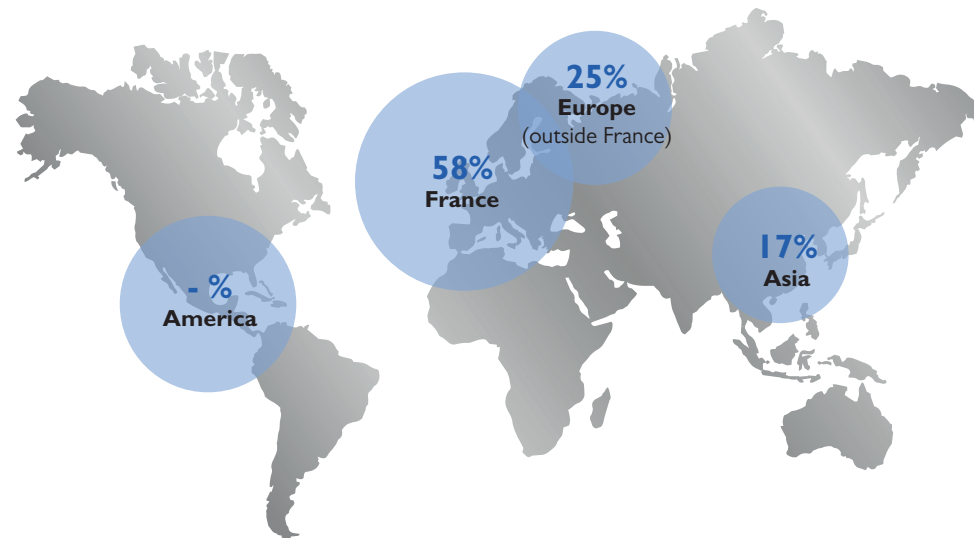
## SHARE INFORMATION WITH INDUSTRIAL PARTNERS

Most of the subcontractors' factories and the warehouse for storing finished products are in Haute Normandie (France). The activity generated by Interparfums thus contributes to the development of the local economy.

100% of the perfumers we work with answer the CDP *Climate Change* questionnaire. Their grades are above B, which is a reassuring performance for Interparfums. This means that they are dealing with climate change and biodiversity at the right level. Ratings of this level reflect a mature analysis of climate risks and opportunities.

The *Forests* questionnaire is also important for Interparfums, a Company that pays close attention to the management of natural areas and considers it essential not to introduce raw materials responsible for deforestation in any country.

## GEOGRAPHICAL ORIGIN OF PURCHASES MADE BY THE OPERATIONS DEPARTMENT

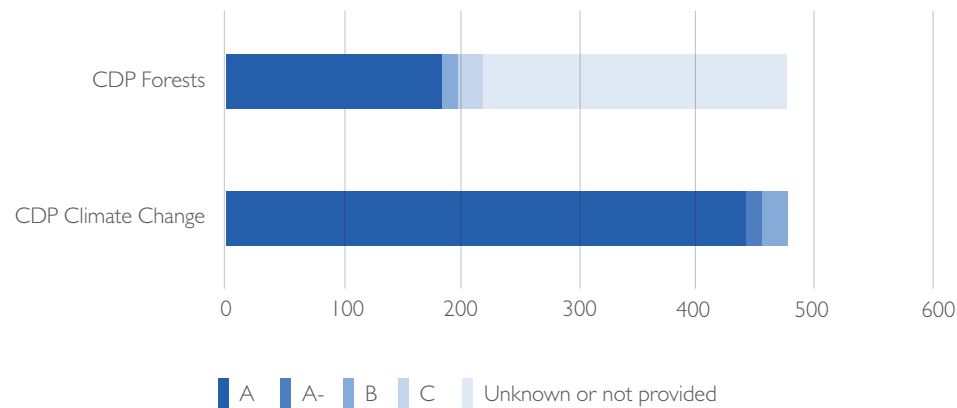


2022

34%  
Supplier share  
assessed by Ecovadis,  
certified ISO 14001

25%  
Supplier share  
assessed by Ecovadis,  
certified ISO 45001 /  
OHSAS 18001

Distribution of perfumes according to the scores obtained by perfumers in the CDP questionnaires





## RUN A QUALITY MANAGEMENT SYSTEM WITH CONFIDENCE

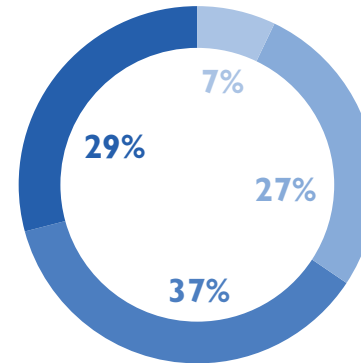
The Company maintains very long-term relationships of quality and trust with the majority of its suppliers, subcontractors and other service providers. They are essential partners for the Company in meeting its needs for raw materials, packaging and promotional products. Because of the demands in terms of quality and performance, the choice of and relationship with its partners in production represent a major challenge for the Company.

As well as working with them to manage costs, quality and innovation, the Company is committed to developing a sustainable and responsible partnership with them that respects social and environmental issues.

The Company has introduced specifications for purchasing, logistics and Best Manufacturing Practice standards for its subcontractors.

In addition, the Company has drawn up a business ethics charter that will be binding for its partners, to ensure that they comply with the rules of ethics, morality and law that the Company is committed to respecting. This ethical charter will be shared with them in the second half of 2023, using a tracking platform and an electronic signature. Its roll-out can thus be measured and improvement plans can be requested from partners.

The specifications, website and business ethics charter form the basis of the Company's commitments to working closely and constructively with suppliers and partners.



Typology of suppliers by Company size (scope of Ecovadis' assessed-suppliers)

- Very small
- Small
- Medium
- Large

The framework that the Company has set itself for its actions with suppliers and subcontractors includes commitments to optimise performance and to ensure fluid and transparent communication through the use of this supplier website. It makes it possible to identify the needs of the Company and its suppliers and to decide on the appropriate measures to ensure that these needs are met. The Company supports its suppliers in their efforts to improve services if their contributions do not meet expectations.

Through the specifications and the website, the Company and its suppliers commit to achieving a common objective, consisting in particular of:

- innovating through improved service quality and added value;
- increasing the solidity of products, reducing defects and reducing the need for after-sales service;
- researching and developing new techniques to create new products or improve existing ones.

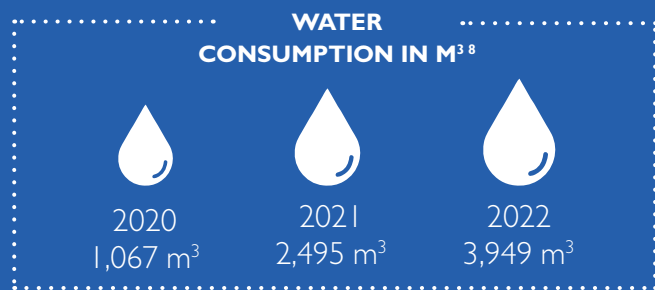
Since 2013, all our packagers have been implementing the ISO 22716 international standard on Best Manufacturing Practices, which sets out guidelines for the production, checks, packaging, storage and dispatch of cosmetic products. It is the practical development of the Quality Assurance concept, through the description of the plant's activities.

Against this regulatory backdrop, regular audit campaigns of all packaging plants carried out by the Quality department in accordance with the ISO 22716 standard have been introduced. The purpose of these audits is to ensure that packagers maintain a good level of traceability. All plant activities have been reviewed, including the processes for receiving raw materials and packaging items, manufacturing, packaging and quality control. These reports have demonstrated that the Company's subcontractors comply with ISO 22716 Best Manufacturing Practices and in particular the traceability required for all fragrance production.



# WATER: AN ISSUE CLOSELY MONITORED BY INTERPARFUMS

Given Interparfums business model, water is a key topic for some of its partners. Water consumption for the Company's direct operations is for sanitary use in the offices and warehouse and cleaning in the warehouse.



In 2021 and 2022, two water leaks, which have now been resolved, were responsible for the increases in consumption.

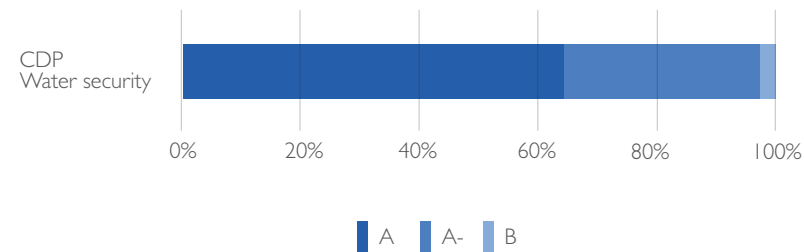
However, water is a material issue for some of Interparfums partners. These include sugar cooperatives and perfume manufacturers.

Sugar cooperatives make the alcohol used in our perfumes, mainly from sugar beet. They have long incorporated resource conservation into their CSR strategies. A number of best practices have been introduced, such as water recycling. Industrial sites supply nearby farmers with water from sugar mill ponds to irrigate

their fields. This activity, known as fertigation, also has the added benefit of adding mineral elements to the soil. Another cooperative reuses 100% of the water contained in the beet it processes. This technique enables it to avoid using 5 million m<sup>3</sup> of water a year. Agricultural practices are evolving in parallel and the cooperatives' member farmers are following the SAI Platform (Sustainable Agriculture Initiative) guidelines. Over 75% of the beet grown by these cooperatives is certified gold or silver SAI worldwide. Cooperative farmers are supported in their efforts to improve their farming practices, particularly with regard to water management.



Breakdown of perfumes according to the scores obtained by perfumers in the CDP Water Security questionnaire



<sup>8</sup> Water consumption only concerns the warehouse. At head office, water is only used for sanitary purposes and is therefore considered negligible

# ASSESS THE CSR PERFORMANCE OF SUPPLIERS

As part of its CSR strategy, Interparfums has teamed up with Ecovadis to assess the CSR performance of its supply chain and suppliers. Ecovadis operates a global platform for assessing and sharing CSR performance, and their assessment method is based on international CSR standards.

In 2022, 119 suppliers were assessed or in the process of being assessed, representing 88% of Interparfums purchasing activity. As part of a continuous improvement approach, Interparfums' objective is to monitor and encourage the CSR performance of its suppliers in 4 major areas: Environment, Social and Human Rights, Business Ethics and Responsible Purchasing.

## RESULTS OF ECOVADIS EVALUATIONS



Number of suppliers assessed

91



Average score (overall score)

66.7 / 100



Environment score

69.5 / 100



Social and human rights score

66.9 / 100



Business ethics score

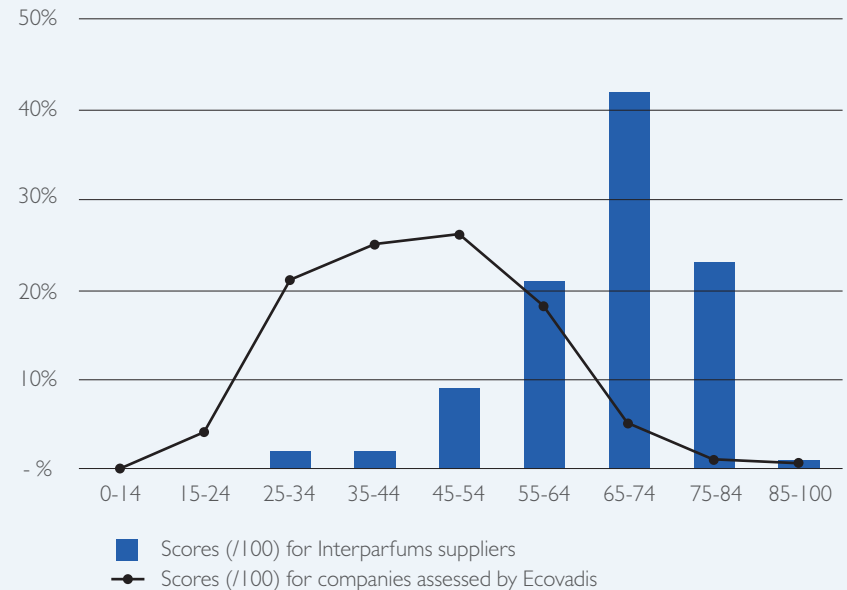
60.7 / 100



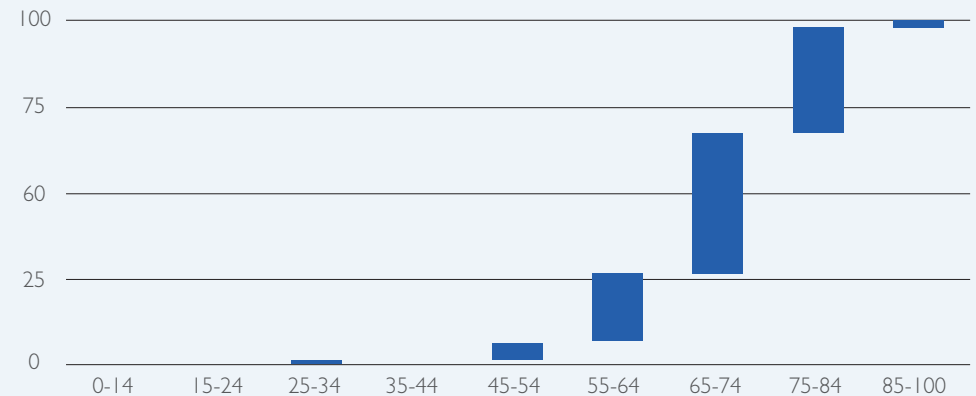
Responsible purchasing score

65.3 / 100

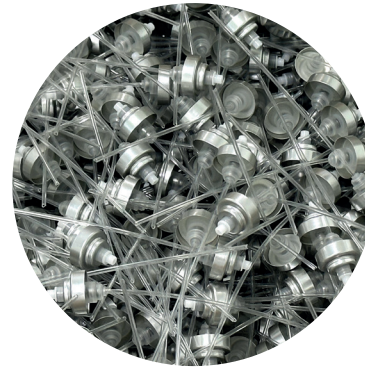
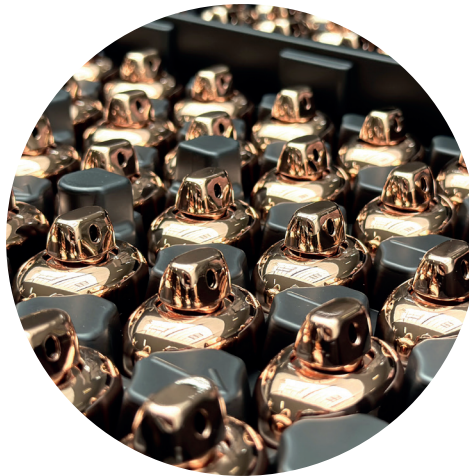
COMPARISON BETWEEN THE CSR PERFORMANCE OF INTERPARFUMS SUPPLIERS AND THAT OF ALL THE COMPANIES ASSESSED BY ECOVADIS



BREAKDOWN OF PURCHASES (as a % of total purchases in 2022), BASED ON SUPPLIERS' ECOVADIS SCORE (score out of 100)







98% of Interparfums purchases are from suppliers with a rating  $\geq 45/100$ , illustrating the relevance of its supplier selection approach. The lowest performing suppliers in terms of CSR (score  $< 45$ ) represent only 2% of Interparfums purchases. An action plan will be sent to the 4 suppliers identified so that they can make progress on these issues to which Interparfums attaches the utmost importance. Every effort will be made to support them in this process.

	Increase in average Ecovadis score (overall score)	Increase in average Environment score	Increase in average Social and Human Rights score	Increase in average Business Ethics score	Increase in average Responsible Purchasing score
97% of suppliers were re-assessed over the period	+ 4.9 points	+ 4.7 points	+ 4 points	+ 6.1 points	+ 7.1 points
Comparison with all companies assessed by Ecovadis	+ 4 points	+ 4.1 points	+ 4 points	+ 4.2 points	+ 3 points

# MAKE A POSITIVE CONTRIBUTION TO SOCIETY THROUGH IMPACTFUL PHILANTHROPY

The Company is developing initiatives aimed at civil society in the following areas:

- development of the local economy;
- relations with educational organisations;
- funding for community projects.

## 2023, THE YEAR WE SIGNED A PARTNERSHIP AGREEMENT WITH *THE SEA CLEANERS*

Plastic pollution is a major issue. The oceans are its first victims and taking concrete action to protect them is a cause that Interparfums defends. With this in mind, we have decided to support The Sea Cleaners, a charity founded by yachtsman Yvan Bourgnon.

The charity's mission is to help clean up the oceans by deploying boats to collect and recycle plastic waste. Awareness-raising campaigns are also run for the general public to bring about lasting changes in behaviour.

Through this partnership, Interparfums has undertaken to finance the construction of a Mobula boat, the same kind as the one already in operation in Indonesia.



€384,000  
Total expenditure allocated to patronage in 2022

1% of Rochas Girl turnover is donated to the international collective *1% For The Planet*, which helps various charities protect the environment.



## LONG-TERM SUPPORT FOR CHARITIES AND INITIATIVES

The Company supports charities and institutions working in the fields of **solidarity, children, fighting against exclusion, healthcare and more** by providing financial aid to help them carry out their projects.

Since 2018, through the *Givaudan Foundation*, Interparfums has helped seven schools manage their libraries. In 2022, the school library installation programme continued in Sulawesi with the opening of 2 new libraries in Mamuju (West Sulawesi). A total of more than 5,000 books were delivered to 1,163 children and 95 school teachers. Interparfums has renewed this partnership for 2023.

In 2022, support was given to the *CEW* to finance social beauticians caring for women suffering from cancer, and to *EliseCare*, which helps civilian populations affected by war. Donations were also made to the *Red Cross* in connection with the conflict in Ukraine and to the *Delivering Good* charity, to support people in precarious situations.







# RESPONSIBILITIES *TO* EMPLOYEES

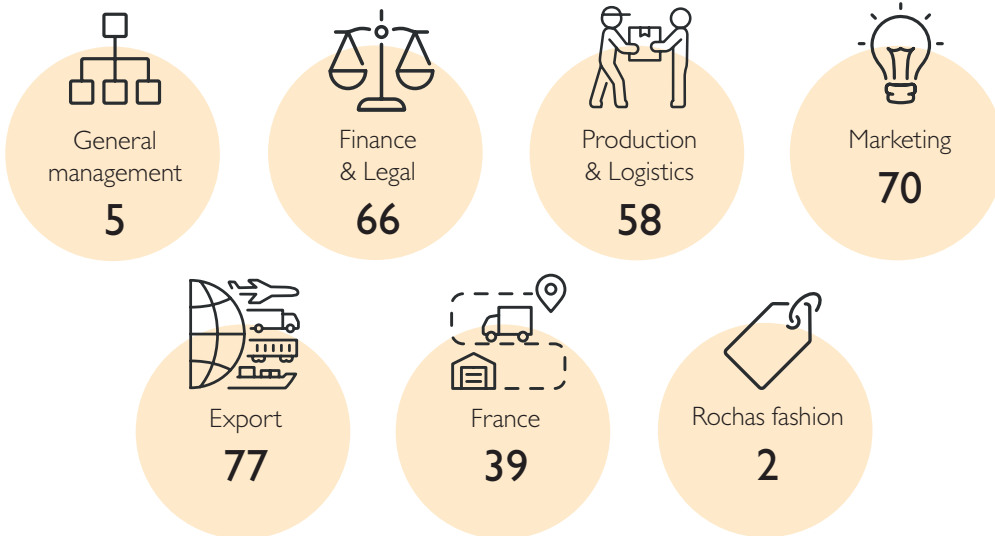
The strength of the Company's organisational model lies in the small size of its teams and the even distribution of ages and levels of responsibility, enabling the Company to benefit from a wide range of experience and an extremely flexible organisation. The Company's employees are its main driver of value creation. Their fulfilment at work and their motivation are essential levers for its development.



# A CARING EMPLOYER COMMITTED TO EVERYONE'S SUCCESS

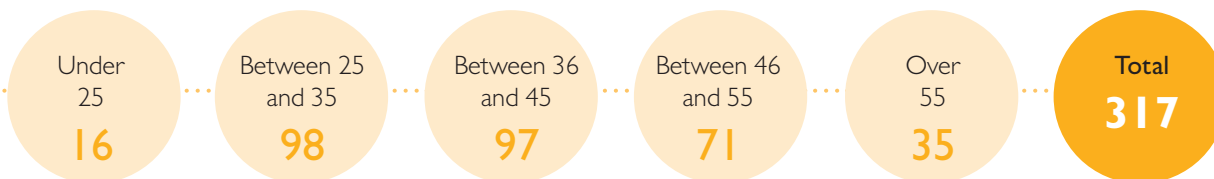
## WORKFORCE BY BUSINESS LINE

At 31/12/2022



## WORKFORCE BY AGE

At 31/12/2022

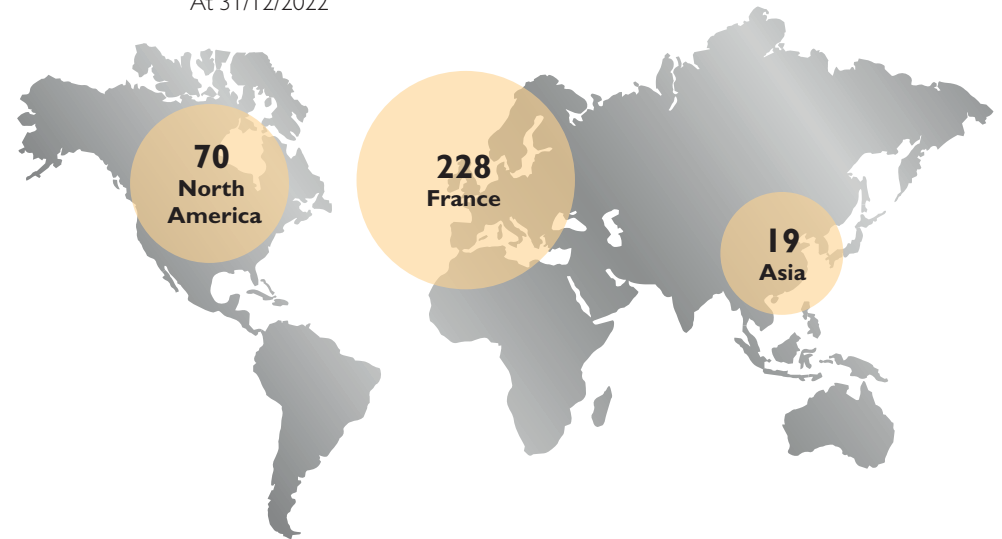


**Average employee age:** 41 (France)  
**Average employee length of service:** 9.7 years (France)  
**Turnover rate:** 22.22% (France)

**Absenteeism rate:** 2.79% (France),  
**excluding maternity and paternity leave:**  
 1.30% (France).

## EMPLOYEES BY GEOGRAPHICAL AREA<sup>9</sup>

At 31/12/2022



## INTERPARFUMS' MAIN SOCIAL CHALLENGES

- Developing a sense of belonging;
- Maintaining a high level of expertise;
- Equal opportunities;
- Professional equality;
- Respect for social dialogue;
- Quality of working conditions;
- Concern for the health and safety of everyone;
- Work-life balance.

All these issues were formalised in 2022 in the "Responsible Employer" charter, which was brought to the attention of all employees and is available on the [www.interparfums-finance.fr](http://www.interparfums-finance.fr) website. The purpose of this document is to set out a framework within which everyone can operate. Attentive and committed to the success of every employee, Interparfums takes action on a daily basis, right from the recruitment process and throughout the life of the employment contract, by striving to:

- give all employees the best possible chance of success;
- preserving everyone's quality of life at work.

Interparfums is committed to living its values on a daily basis: Respect and benevolence, creativity, trust, commitment, loyalty.

<sup>9</sup> All the Company's employees work in countries that respect the International Labour Conventions (ILO).



# ATTRACT, SUPPORT AND DEVELOP TALENTED PEOPLE

## POLICY

With a management style that is very family-oriented and close to employees, everyone is free to share their ideas while respecting the Company's values. Management attaches the utmost importance to ensuring that everyone understands and supports the Company's strategy.

Weekly updates and regular briefings on business developments keep employees up to date with management and market expectations. The flexibility of the organisation, which is essentially made up of small teams, means that it can constantly adapt to any changes or developments in the external environment.

Sharing the "Interparfums spirit" also means that all employees adhere to and are aware of the Company's ethical values, as well as ensuring that employees feel fulfilled at work and respect good working conditions.

This ethical commitment has been formalised in a charter called the "Code of Conduct", to which each employee adheres and which particularly focuses on health, safety, discipline, risk prevention, harassment, respect for individual freedoms, sensitive transactions, fraud and business confidentiality.



In 2017, the Company also introduced a charter on the right to log off, to which every employee has signed up.

## EQUAL TREATMENT AND SKILLS DEVELOPMENT

The Human Resources Department is particularly vigilant for every recruitment. Only the skills, experience, qualifications and personality of candidates are taken into account when selecting new recruits. Diversity of profiles, cultures, ages and genders is a source of strength for our teams, the Company's greatest asset.

Since 2019, Interparfums has organised an annual disability awareness campaign. In 2022,



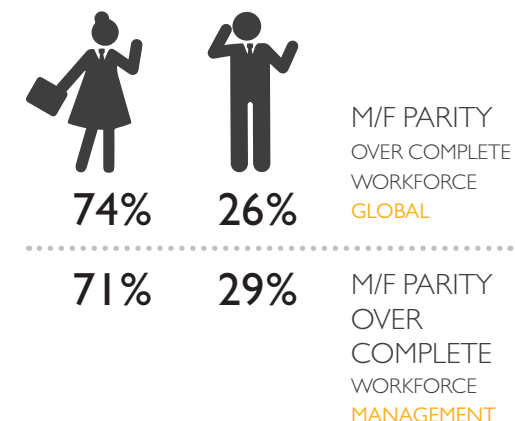
employees had the opportunity to take part in a conference organised in partnership with the *Café Joyeux* Company, which employs people with disabilities, mainly with Down's syndrome or autism. Thanks to these discussions and testimonials, employees were able to talk about any obstacles they might face, and share their visions and experiences.

Thanks to these awareness-raising campaigns and local support from the Human Resources teams, three employees have been recognised as disabled workers via the RQTH (Recognition as a Worker with a Disability).

The Company also contributes indirectly to the employment of people with disabilities and fights against exclusion and discrimination.

In particular, the Company has chosen to work with a disability-friendly Company to package its perfume boxes, and with a global communications agency called *Les Papillons de Jour* to run the European Week for the Employment of People with Disabilities. In 2022, the total cost of these outsourced services was €1,040,706.

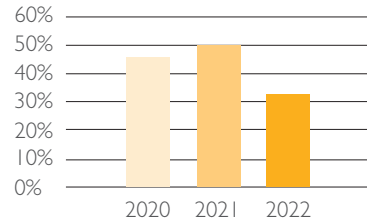
The Company has also introduced action plans to promote the employment of older people and gender equality in the workplace.



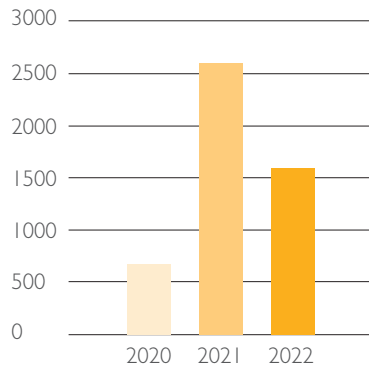


## TRAINING

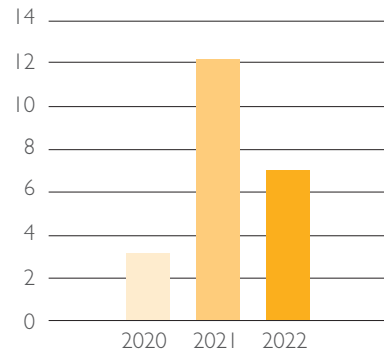
Percentage of employees who attended at least one training course during the year



Number of hours of training



Average number of training hours per employee



The quality of the work carried out by the teams is enhanced throughout the careers of our employees through training courses in order to maintain a high level of competence in all business categories. To this end, Interparfums offers all its employees development plans enabling them to broaden their technical, managerial and personal skills.

**For 2022**, the main training themes have been office skills, management, language learning, business training and personal development.

**In 2023**, we will be stepping up our training efforts, particularly on CSR issues, so that everyone can take on board the challenges of climate change and biodiversity in their day-to-day work.



..... SOCIAL DIALOGUE, HEALTH, SAFETY AND WORKING CONDITIONS

For employees working in France, elections for staff representative organisations are held every four years, as required by law. As such, the most recent elections in June 2019 resulted in the establishment of a Social and Economic Committee (CSE) made up of 4 managerial staff, including a harassment contact. The Works Council meets once a month to be informed and consulted on strategic and organisational issues that have an impact on the Company's employees. New elections happened in 2023.

Following the establishment of the CSE in June 2019, a "Health and Safety at Work" committee has been set up as a continuation of the previous Hygiene, Safety and Work Conditions Committee. The committee is made up of two non-managerial staff and usually meets once a quarter. An employee designated as responsible for health, safety and working conditions has been appointed internally. A number of workplace first aiders are trained each year, and health advisers have also been appointed since the Covid pandemic started in 2020.

In 2022, four work-related accidents were recorded, one of which resulted in sick leave. No occupational illnesses have been reported. As Interparfums has no production site, the risk of work-related accidents is minimal. In addition, the Company's activities do not give rise to dangerous situations.

France	2020	2021	2022
Number of lost-time accidents	0	0	1
Number of lost-time accidents while commuting	0	2	0
Frequency (number of lost-time accidents at work per million hours worked)	0	5.26	2.48
Severity rate (number of days of absence for accidents per thousand hours worked)	0	0.04	0.03
Number of occupational illnesses (with and without time off work)	0	0	0



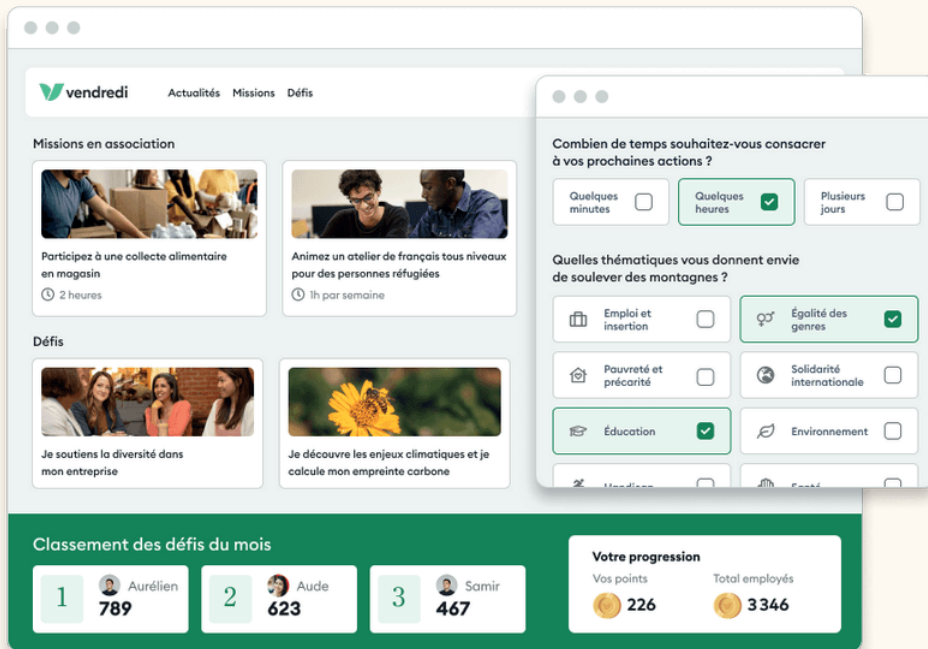
Our employees, who work mainly in the offices at our Paris head office, enjoy excellent working conditions. In 2022, the premises were transferred to a single site on rue de Solférino, in a building renovated to the latest standards in terms of user comfort. Smart systems mean everyone can manage their own lighting and ventilation. The site is easily accessible by public transport, and its car park has bicycle spaces and two vehicle charging points.

In addition, the Company is particularly sensitive to the issue of good posture at work and the prevention of musculo-skeletal risks. Mobile employees are provided with good quality Company cars and IT equipment tailored to their needs. Interparfums has also implemented a number of measures to maintain good working conditions

for its employees, its service providers and, in particular, those working permanently in its logistics warehouse. These include: a warehouse heated to 11°C with the provision of suitable clothing, individual changing rooms and showers, premises with natural light, a dedicated and well-maintained lunch area, etc.

Following the mapping of workstations designed to measure difficult work conditions, the Company has not identified any workstations as difficult.

In addition, as part of the drive to prevent psychosocial risks, a counselling and psychological support service is available to employees via a dedicated toll-free number, in partnership with the Institut d'Accompagnement Permanent Psychologique et de Ressources (IAPR).



## Roll-out of the Climate Frescoes

Dedicated sessions are available to employees so that they can learn about the challenges of climate change in an educational way.



### ..... INTERPARFUMS SIGNS UP FOR "WORK FOR GOOD"

In September 2022, a large majority of employees responded to a questionnaire on Interparfums' social and environmental challenges. Faced with these major and worrying problems, we asked ourselves what would be the most appropriate ways of supporting our employees in this ecological transition that is so necessary for our planet.

The CSR Executive Committee has therefore decided to set up a dedicated internal interactive platform: *Work for Good*. *Work for Good* is a socially responsible platform which, with just a few clicks of the mouse, aims to raise awareness among employees and encourage them to think about their consumption habits, both at work and at home and also think about how our professions need to change.

The platform also provides year-round information on Interparfums' strategy. A number of modules will also be dedicated to understanding climate change. And for those who want it, turnkey training courses on environmental and social issues along with simple solutions that are easy to integrate into everyday life.

*Work for Good* is accessible to and reserved for, initially, employees based in France. In a second phase, the platform will be rolled out to all our employees worldwide.

**90** EMPLOYEES REGISTERED IN 1 MONTH





# MOBILISED AND COMMITTED GOVERNANCE

Interparfums adheres to the Middelnext corporate governance code and in this context is developing its governance in line with the ESG issues identified in its materiality matrix presented on page 7.





# INTEGRATE CSR INTO CORPORATE STRATEGY

Since its listing on the Paris stock exchange, Interparfums has made every effort to be as transparent as possible by regularly explaining its strategy, outlook and concerns, and by answering all its shareholders' questions to the best of its ability.

We have decided in 2022, to set up an Individual Shareholders' Consultative Committee to strengthen our communication and respond more effectively to the legitimate expectations of our shareholders.

Comprising around twelve shareholders, including two employees, it has met once in 2022, since its creation.

In 2023, the members of the Board of Directors will attend information-sharing sessions designed to help them anticipate future regulations, particularly in terms of climate change, business ethics and the fight against corruption and forced labour.

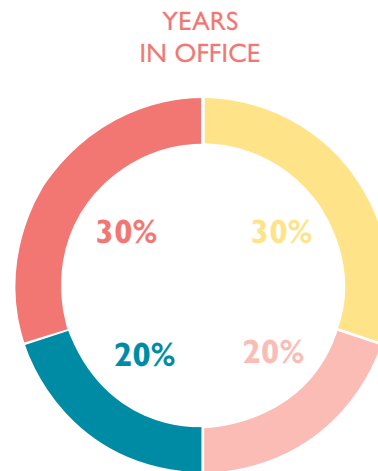
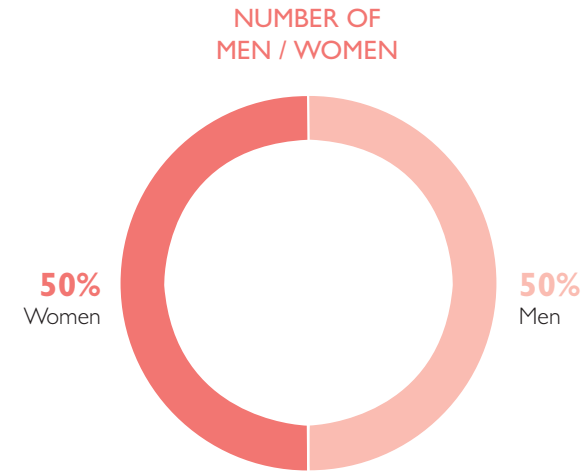
At the 2023 Annual General Meeting, new Directors were appointed to achieve double parity. The Board of Directors is now made up of 50% independent directors and 50% women.

In 2024, a CSR Committee will be set up within the Board of Directors to further enhance the importance of this topic within our corporate governance.

In 2023, the Audit Committee became the Audit and Remuneration Committee, with a charter describing its organisation and operation, as well as its powers and responsibilities.

Interparfums does not engage in any lobbying activities. Interparfums is a member of Middlednext to ensure that management is informed and trained in new regulations, in particular those relating to CSRD<sup>10</sup>. Interparfums is a member of the Comité Colbert, the UNIFAB and the FEBEA to ensure that the Company is supported in the development of its activities.

## COMPOSITION OF THE BOARD OF DIRECTORS



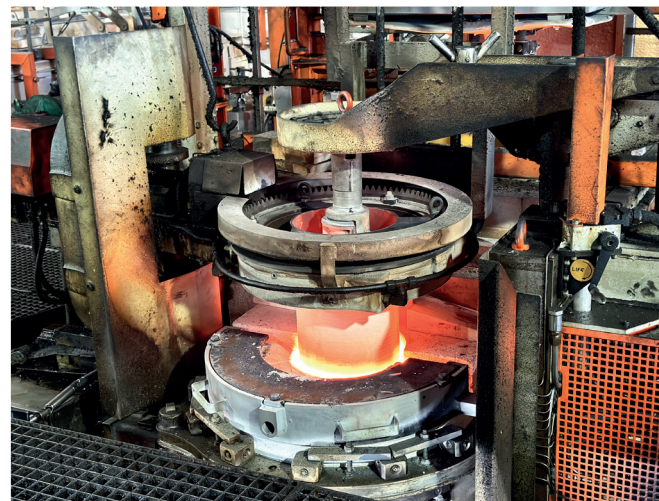
- Less than 4
- 4 to 11
- 12 to 14
- over 14

- In-depth knowledge of the Group
- Finance & accounting
- Perfume sector
- Distribution
- Media & digital

<sup>10</sup> Corporate Sustainable Reporting Directive  
<sup>11</sup> Number of directors with the relevant skills



## — ACT ETHICALLY AND IN COMPLIANCE



The business ethics charter formalised in 2022 will be sent in the second half-year to Supply Chain suppliers via the Provigis platform. This will enable us to guarantee suppliers' regulatory compliance and monitor the electronic signature system that will be put in place for the ethics charter. Other suppliers and partners will also be involved.

In addition to distributing the ethics charter, we have decided to provide **anti-corruption training for all our employees**. Employees who are most exposed to risk will benefit from a special, tailor-made training day led by an expert.



## DUTY OF CARE

As part of the partnership relations established with suppliers, an action plan to prevent economic dependence with the Company's partners has been implemented.

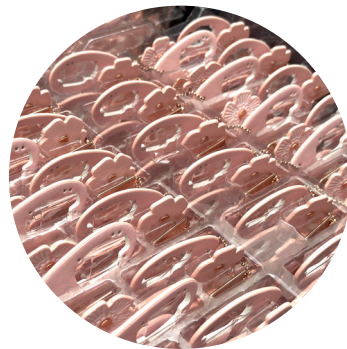
This duty of care applies in particular to partners who may be exposed because of their size and infrastructure. The Company has set up a monitoring system to identify companies that could, in the long term, become economically dependent, thereby jeopardising their relationship.

The Company's duty of care also takes the form of **transparent communication** that helps its partners prevent this risk of dependence. It provides medium and long-term visibility on its forecast levels of activity, its development strategies and its needs in terms of innovation, so suppliers can build their own strategy and develop their capacity to adapt, in order to achieve the desired objectives.

Over the last few years, the Company has also been **securing its purchases** of a number of critical components for our strategic lines. This meant that our moulds and tools had to be sourced from two different suppliers.

Depending on the context of this dependence, where appropriate, the Company, in exercising its duty of care, may also consider withdrawing from the supplier concerned, in advance and gradually. Generally speaking, as part of its duty of care policy in terms of the risk of economic dependence, the Company encourages its suppliers to regularly diversify their customer base. Similarly, a supplier who has developed an innovative technique that gives it a monopoly may also put the Company at risk in terms of supply. The Company may therefore agree with it to seek a second source of supply.

Interparfums also monitors the way its industrial partners use certified management systems, which contribute to their environmental and social performance.







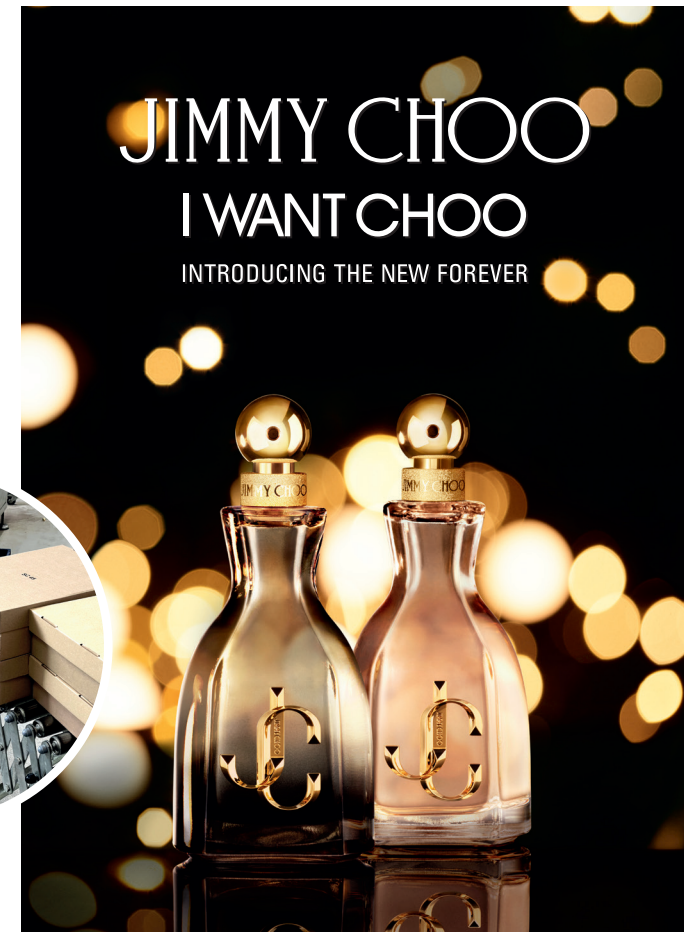
## RISK FACTORS

In accordance with European regulation 2017/1129 article 16, the Company has reduced the presentation of risks that are specific to it, either by the nature of its business or by the particularity of some of its operations.

The Company's generic risks are therefore excluded from this classification.

The Company presents a map of risks organised according to their importance and probability of occurrence. It is shown below to illustrate the issues at stake, without replacing the explanations that follow. Although the Company has not identified any specific risks relating to Corporate, Environmental and Social Responsibility, it points out that the description of risks below includes details of non-financial risks where necessary. After taking into account the measures put in place by the Company to manage these risks, the mapping process resulted in 4 categories of risk: business risks, industrial risks, financial risks (not presented in this document, refer to URD 2022) and legal and IT risks.

The risk categories listed below are not presented in order of importance. However, within each category, the risk factors are presented in descending order of importance, as determined by the Company at the date of publication of the 2022 Universal Registration Document.



# SUMMARY TABLE OF THE MAIN NON-FINANCIAL RISKS IDENTIFIED

BUSINESS RISKS		
Risk type	Description of the risk	Assessment and management of the risk
Risks related to the loss of license agreements	<ul style="list-style-type: none"> <li>The licensing system used in the perfume and cosmetics industry consists of a brand name company for ready-to-wear, jewelry or accessories granting the licensee (Interparfums) a right to use the brand name in exchange for royalty payments indexed to sales. The associated risk pertains to the possibility for the non-renewal of agreements upon expiration.</li> </ul>	<ul style="list-style-type: none"> <li>Several factors tend to mitigate or eliminate this risk:               <ul style="list-style-type: none"> <li>long contract terms (ten years or more);</li> <li>possibility of early renewal;</li> <li>diversified portfolio of licensed brands;</li> <li>factors specific to the Company (sophisticated marketing, distribution network, corporate organization, etc.);</li> <li>limited number of potential licensees with a similar profile;</li> <li>ongoing efforts to add new licenses in order to limit the weight of existing brands in the portfolio.</li> </ul> </li> <li>Furthermore, the Company is the owner of brand names and international trademarks for Lanvin for class 3 products (fragrances) and Rochas for class 3 (fragrances) and class 25 (fashion) which reduces the overall impact of the risk of the non-renewal of license agreements.</li> </ul>
Risk related to geopolitical developments, health situations and geographical mix	<ul style="list-style-type: none"> <li>With sales in more than 100 countries, Interparfums regularly reassesses country risks.</li> <li>A significant percentage of the Company's sales are generated outside France, and notably 7.8% from the Middle East, 7.3% in South America and less than 4% in Russia, countries where the risks of geopolitical instability is monitored by the departments responsible for trade receivable collections.</li> <li>In general, the Company constantly monitors developments in all markets in which it operates.</li> </ul>	<ul style="list-style-type: none"> <li>Given the Company's collections policies, receivables monitoring and the quality of our distributors' financial health, no country risk reserve allocations were made in the financial statements for the year ended December 31, 2022.</li> <li>Furthermore, in order to limit the risks of default, and in a context of increasing geopolitical instability, the Company has taken out credit insurance policies with Euler Hermes and Coface for a portion of its export-related accounts receivable.</li> <li>The Company complies with the sanctions against Russia adopted by the European Union, in particular the export rules defined by Council Regulation (EU) 2022/428 of 15 March 2022.</li> </ul>
Reputational risk	<ul style="list-style-type: none"> <li>The reputation of a Company is largely based on the image of its brands comprising the intellectual capital of the company and an expression of the quality and desirability of its products.</li> <li>This asset can constitute a weakness should the image and reputation be damaged, whether based on manifest facts or not, regardless of its nature or origin, internal or external (social media, press,) in good faith or bad faith.</li> <li>The risks associated represent a risk to the image of the Company and its values, and by extension, possibly its sales, business activities and development.</li> </ul>	<ul style="list-style-type: none"> <li>The Company defends strong values and maintains close relations with the licensors, its external stakeholders (customers and suppliers) and employees.</li> <li>As a result of the quality of its products, the choice of suppliers and manufacturing operations, the choice of a selective distribution network as well as a collaborative approach to employee management, it limits in this way the risk of the disseminating negative information about the company.</li> <li>In addition, the adherence of stakeholders and employees to the Company's business ethics and responsible employer charters greatly reduces the likelihood of this risk and limits the negative impacts in the event of a confirmed risk.</li> </ul>



INDUSTRIAL RISKS		
Risk type	Description of the risk	Assessment and management of the risk
Procurement and production	<ul style="list-style-type: none"> <li>The sourcing of raw materials for partner factories is ensured by the Interparfums Production Department. Production risks result from the possibility that manufacturing partners might be unable to manufacture products on time for their distribution.</li> <li>The Company specifies that none of these production areas, mainly located in France and Europe, are subject to identified environmental risks.</li> </ul>	<ul style="list-style-type: none"> <li>To reduce this risk, the Company implements production plans early on in the process in partnership with manufacturers. These measures are supplemented by ensuring multiple supplies of molds for bottles and related items as well as a number of production sites.</li> <li>Planning for the launch of production lines is regularly updated and monitored with component suppliers combined with recourse to multiple suppliers selected by the Company, limit the risk of supply chain disruptions.</li> <li>The Company is constantly seeking to identify new suppliers and ensures the existence of alternative procurement sources to prevent risks of dependency.</li> <li>In addition, the company refers to the CSR assessments provided by the Ecovadis platform. Their performance levels are closely monitored by the Supply Chain &amp; Operations Department and corrective action plans are proposed if necessary.</li> </ul>
Risks related to climate change	<ul style="list-style-type: none"> <li>Considering the nature of its business, Interparfums does not anticipate any risks resulting from physical changes associated with climate change which could have a material financial impact for the Company.</li> <li>However, regulatory developments in this area, both at national and European level, may require the Company to adapt certain procedures.</li> </ul>	<ul style="list-style-type: none"> <li>Conscious of its impact with regards to greenhouse gas emissions, notably by purchasing goods and its logistics operations, the company is committed to limiting its carbon footprint.</li> <li>To this end, the Group has decided to address all impacts associated with its value chain and to introduce a low-carbon trajectory which will include the action plans of its major suppliers.</li> <li>This information, including the measurement of greenhouse gas emissions (scope 1, 2 and 3), is provided page 16.</li> <li>The company will thus consider future regulations, particularly those relating to carbon neutrality.</li> </ul>
Risks associated with product quality and safety	<ul style="list-style-type: none"> <li>The commitment to the safety of consumers using the company's products constitutes a fundamental prerequisite in the manufacturing process. A case of legal or regulatory noncompliance of products throughout the manufacturing process could result in the destruction or recall of the products under investigation.</li> </ul>	<ul style="list-style-type: none"> <li>The company systematically and strictly complies with the regulations and laws of the countries where it operates. The regulatory department within the Production and Supply Chain Division is responsible for controlling the formulations of our products. The quality department in turn performs ongoing controls of defects and cases of non-conformity appearing at subcontractors over the entire production process. The cosmetovigilance function is ensured by the legal department.</li> </ul>

LEGAL AND IT RISKS		
Risk type	Description of the risk	Assessment and management of the risk
Intellectual property	<ul style="list-style-type: none"> <li>The brands of the Company represent strategic intangible assets for the Group protected in the countries where the brands are sold.</li> <li>The commercialization of a product for which the brand is already used by other companies or the non-renewal of the protection of important brands of the portfolio could result in disputes followed by requests for the destruction of the corresponding inventory.</li> </ul>	<ul style="list-style-type: none"> <li>Prior art or novelty searches and monitoring of the registration and renewal over the lifespan of the brand constitute the main measures of the company to protect its intellectual property and are the subject of specific oversight by a dedicated department within the legal division.</li> <li>This department, equipped with highly efficient tools, manages and defends its intellectual property rights worldwide.</li> </ul>
IT risks - cybersecurity	<ul style="list-style-type: none"> <li>In an environment of digital transformation and constantly evolving technologies, the Group's activities are dependent on increasingly automated digital processes.</li> <li>As a result, a dysfunction or shutdown of systems or loss of data could have a significant impact on the Company's business.</li> </ul>	<ul style="list-style-type: none"> <li>The IT Department has established strict security rules for infrastructures, applications and access rights.</li> <li>It has also installed equipment and tools to protect and update security against the risk of intrusions, cyberattacks and system obsolescence and regularly performs penetration testing.</li> <li>In addition, the Company adopted an IT charter that defines the rights and obligations of employees, users of the information system, to ensure that the information technology resources are used in a secure environment complying with the procedures of internal control.</li> </ul>

## REPORTING IN ACCORDANCE WITH THE PRINCIPLES OF THE TCFD (TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES)

Topics	TCFD recommendations	2022 actions	Areas of work for 2023
<b>Governance</b>			
Describe the organisation's governance of climate-related risks and opportunities	<p><b>a)</b> Describe the Board's oversight of climate-related risks and opportunities</p> <p><b>b)</b> Describe the role of management in assessing and managing climate-related risks and opportunities.</p>	<p>The CSR Officer keeps the Board of Directors regularly informed of the risks and opportunities relating to climate change and biodiversity.</p> <p>The Executive Committee has been informed of the steps taken to formalise the CSR strategy.</p>	<p>Strengthen the Board's expertise on key climate and biodiversity issues. Set up a CSR committee within the Board of Directors.</p> <p>Keep the Executive Committee regularly informed of risks and opportunities relating to climate and biodiversity.</p> <p>Strengthen the Executive Committee's expertise in key climate and biodiversity issues.</p>
<b>Strategy</b>			
Describe the existing and potential impacts of climate-related risks and opportunities on the organisation's activities, strategy and financial planning, insofar as the information is relevant	<p><b>a)</b> Describe the climate-related risks and opportunities that the organisation has identified for the short, medium and long term.</p> <p><b>b)</b> Describe the impacts of climate-related risks and opportunities on the organisation's activities, strategy and financial planning.</p> <p><b>c)</b> Describe the resilience of the organisation's strategy, taking into account different climate scenarios, including a scenario of 2°C or less.</p>	Interparfums has identified a low level of vulnerability to the risks associated with climate change.	Interparfums will initiate work on climate-related risks and opportunities and will share them by responding to the CDP in 2023. In a second phase, Interparfums will structure its objectives according to the reference framework defined by the <i>Science Based Target Initiative (SBTi)</i>
<b>Risk management</b>			
Describe how the organisation identifies, assesses and manages climate-related risks	<p><b>a)</b> Describe the organisation's processes for identifying and assessing climate-related risks.</p> <p><b>b)</b> Describe the organisation's processes for managing climate-related risks.</p> <p><b>c)</b> Describe how the processes for identifying, assessing and managing climate-related risks are integrated into the organisation's risk management system.</p>	Interparfums has identified a low level of vulnerability to the risks associated with climate change.	Interparfums will be interviewing the perfumers with whom the company works to discuss the risks and opportunities relating to climate and biodiversity that concern them jointly.
<b>Indicators and targets</b>			
Describe the indicators and targets used to assess and manage climate-related risks and opportunities, insofar as the information is relevant.	<p><b>a)</b> Describe the indicators used by the organisation to assess climate-related risks and opportunities, in relation to its strategy and risk management process.</p> <p><b>b)</b> Publish greenhouse gas (GHG) emissions for Scope 1, Scope 2 and, where relevant, Scope 3, and the corresponding risks.</p> <p><b>c)</b> Describe the objectives used by the organisation to manage climate-related risks and opportunities, and its performance in relation to these objectives.</p>	Interparfums publishes its full carbon footprint from fiscal 2021 onwards.	Following on from the measurement exercise carried out, Interparfums will be working on its objectives in terms of carbon trajectory and aligning them with the SBTi benchmark.



# INTERPARFUMS

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