

Ethics & CSR

# Charter

elixens  
France

# Preamble



With its long-standing investment in a global approach to Quality and Corporate Social and Environmental Responsibility, Elixens France wanted to strengthen the visibility of its values by establishing a Charter on Business Ethics.

This charter confirms our commitments to the fundamental principles of honesty and fairness in the day-to-day management of our company and in relations with our partners. This new tool presents simple rules that should allow each of our employees to refer to them (in their individual decision-making) and to set a framework for collective behavior exhibited in the company.

Precise indicators are established with the aim of continuous improvement of the company's governance ethics.

Carole ABDELLI,  
President

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Director

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The image features a soft-focus background of green leaves and purple lavender flowers. A central white horizontal band contains the text. The text is written in a dark green, cursive font. A large, light green ampersand is positioned to the left of the text, partially overlapping the word 'Ethical'.

*Ethical principles  
& commitments*

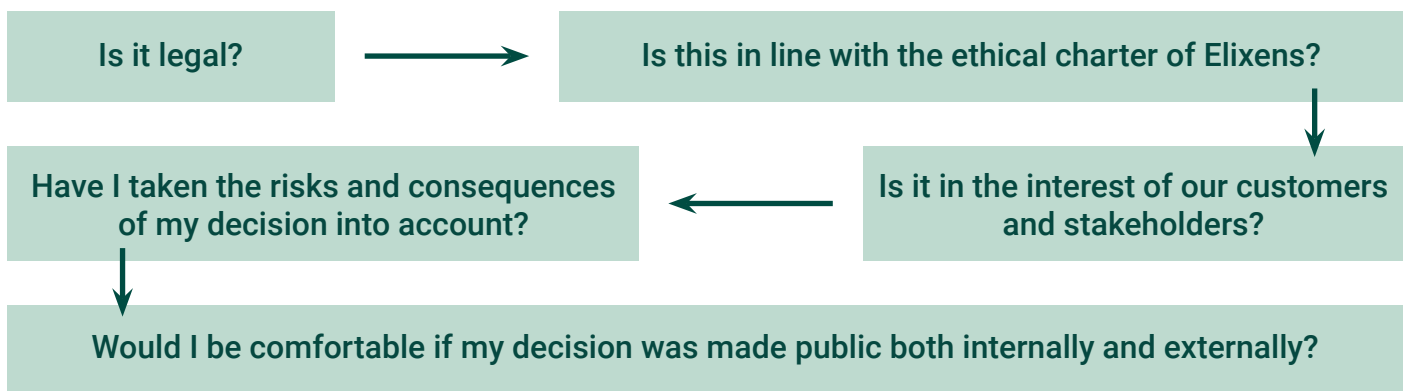
## To whom does this charter apply?

This charter establishes a code of conduct that applies to everyone, whether managers or employees, regardless of their situation or function within Elixens, in France or abroad.

## How can it be used?

### The 5 questions to ask yourself

In order to make the best use of this charter, the following questions should be asked:



If the answer to any of these questions is no or in case of doubt, you should seek further information prior to taking any action. To do so, you can consult your supervisor or the Management and establish a written trace of the problem encountered.

## Implementation

This charter applies to all Elixens France employees. Nonetheless, the list of sensitive positions and/or those of responsibility will be established and updated annually. This charter will be the subject of a general presentation and specific training for employees in sensitive positions.

This charter will be given to any new employee.

# Our principles

A family-owned, independent company, Elixens France attaches great importance to fundamental values, inherited from the experience acquired in its markets over the years by its managers and employees.

By the example given on a daily basis, these values are intended to be shared within the company and with its stakeholders.

## Honesty and loyalty

Honesty and loyalty are the essential values that allow the company to sustainably develop its business, through compliance with laws and regulations, as well as by maintaining its partnerships with its customers and suppliers.

## Reliable quality of our products

Natural extracts are noble and complex products. Given their high cost, the falsification of products is a high risk in our business. Elixens France is committed to ensuring, in good faith, the quality of the products it supplies to its customers:

- By sourcing its products, to the extent possible, directly from the producers.
- By implementing strict quality control for products and supplier practices.
- By providing information about the characteristics of the products supplied in a set of documents.

## Taxation

Elixens France is a corporate citizen that pays all its taxes through scrupulous respect for taxation, in particular through its refusal to optimize tax charges by geographical relocation and the use of tax havens.

These commitments are audited and validated annually by our auditors and regularly by the French tax authorities.



# Our principles

## Humility

The environment of our activities is complex.

While we are aware of our qualities and motivated by powerful convictions, we nevertheless remain humble and in search of continuous progress. We encourage open-mindedness and curiosity in our stakeholders and our employees.

## Benevolence

The company attaches great importance to balancing the interests of its various stakeholders.

It seeks to develop long-term relationships with its customers and suppliers, based on mutual behaviors of benevolence and solidarity.

## Sobriety

The company encourages the appropriate use of material, financial, energy, environmental and other resources.

It seeks to develop virtuous practices in its organization, with its plant producers and with its customers.



# Our ethical commitments

## Respect for human rights

We are committed to respecting human rights, with particular reference to the Universal Declaration of Human Rights of 1948 and the Fundamental Conventions of the International Labor Organization. We are and shall remain particularly vigilant to strictly respecting the ban against child labor and forced labor.

Through our internal rules (last updated in Nov. 2016, pages 26 and 29), we promote diversity and women's rights and fight against harassment and sexist behavior. Our supervisory staff is trained on these matters and our documents address these risks in order to improve their prevention.

A confidential complaint procedure with staff representatives (CSE) has been put in place.

### Questions / Answers

**I was informed by an acquaintance that one of our suppliers was under investigation for forced labour. Should I ignore these rumours?**

No. Above all, this information should be verified with the supplier itself. If doubt remains, it must be mentioned in the audit program so that an auditor from Elixens France can go on-site to assess the compliance of employment practices and working conditions. If the audit reveals areas for improvement, the supplier will be informed in order to have it commit to implementing a corrective action plan. In the event of a serious breach of our standards, which cannot be corrected, the company shall terminate the relationship.





# Our ethical commitments

## Promote the development of our employees

Our employees are one of our key strengths. We want our company to be, for each of them, a factor of personal fulfilment and sincere investment, conducive to obtaining their commitment to a common project. We also want to open up stimulating prospects for their development, lending dynamism to projects, supported by listening to each other's proposals.

Despite the modest size of our organization, we systematically seek to offer our employees and collaborators career development opportunities.

Training also appears to be an essential tool in enhancing dynamism, relevance, buy-in, a sense of security and well-being at work for our employees.

Thus, we have a complete orientation process for new employees, which allows them to move through the different sectors of the company before they take up their position. During their first weeks, they are accompanied by a sponsor (a more experienced employee) until validation of their training.

Elixens France works with a constant concern for updating and developing the skills of its employees, which manifests itself through regular training sessions, particularly concerning best manufacturing practices, hygiene and food safety. Each year, employees are invited to fill out a training interest form, which is taken into account for establishment of the training plan for the following year.

## Bringing recognition to our employees

The recognition and respect of our employees include:

- Management of salaries by a lower limit (SMIC/ minimum wage) and an upper limit (7 times the lowest salary) in accordance with the recommendations of the employer criteria of the FIABLE reference system of the BIOPARTENAIRE association.
- Application of a profit-sharing contract aimed at sharing any income generated by the company with the employees, according to an egalitarian distribution method.
- Communication of the corporate strategy involving the regular sharing of our development focuses and our results with our employees.



# Our ethical commitments

## Ensuring the safety of our employees at work

The safety of employees during their work assignment is absolutely essential. The company is committed to strict compliance with occupational safety standards.

Each employee is informed that he/she must strictly comply with the company's safety rules.

A high level of safety is integrated into the production processes.

Thus, we perform:

- Regular updates of our special documents.
- Annual safety audits and fire drills.
- Regular training of employees (especially concerning fire safety).
- Monitoring of a set of safety indicators (accidents, rates of frequency and severity, etc.) measuring performance of the prevention actions implemented.

## Respect of privacy and protection of the personal data of our employees and stakeholders

Respect for employee privacy is also one of our values and we scrupulously adhere to it in the context of GDPR compliance and the right to disconnect.

We also pay particular attention to information about our customers, prospects and suppliers, which we collect in the course of our business and which we process in accordance with the rules established by the GDPR. In this regard, Elixens France has published an explanatory note on its website, under the heading «Confidentiality», about the data processing done by the company.



# Our ethical commitments

## Fostering organizational diversity in the company

Aware that diversity reinforces our creativity, our openness and our relevance, Elixens France ensures compliance with the principles of non-discrimination in its recruitment processes as well as in the daily organization of the company's life (training, promotions, working conditions in general).

The assessment of candidates for recruitment as well as of our employees is based on criteria of competence and experience, and we refrain from any discriminatory practices.

The level of parity within our organization is checked every year to ensure that there is no drift.

A charter, attached to the internal rules and given to each new employee, reinforces our daily vigilance regarding the fight against harassment, sexist and racist behavior, and violence in the workplace. A note is also included in the rules of procedure on the prevention of discrimination.

Elixens France attaches importance to the inclusion of younger generations and to the mission of transferring knowledge. The same is true for the inclusion of populations distanced from employment and, in particular, the elderly. Thus, Elixens France employs trainees and apprentices of all ages and genders, contributing to fulfilment of a training mission.

With regard to disability, Elixens France has a site for the reception of people with disabilities and develops partnerships with institutions and services of assistance through work (ESAT).



# Our ethical commitments

## Satisfying our customers

The satisfaction of our customers is the prerequisite for any development of the company. This objective is recalled in the context of many managerial tools such as the ISO 22000 letter of commitment but also in each job description of our employees.

Every two years, we conduct a survey of our customers to evaluate what they think of our service. We then present the results of the survey to our customers and implement an improvement plan to address the weakest points.

On a daily basis, a procedure for recording and handling customer complaints makes it possible for us to quickly provide a solution to a deviation in service quality and to analyze it in order to provide a substantive response.

Our sales and support teams (customer relations, regulatory support, technical development, etc.) are mobilized and in direct contact with our customers to earn their satisfaction.

## Treating our suppliers and subcontractors fairly

Elixens France considers that maintaining good relations with its suppliers and service providers is an important source of value creation. We seek to develop cooperative relationships based on loyalty, transparency and high standards, with the aim of optimizing the quality and performance of the products and services purchased.

The selection of our suppliers and service providers is based on objective elements:

- Selection via at least 2 to 3 price offers, notably in the context of projects and calls to tender.
- For our raw materials: selection according to qualitative and regulatory assessments, prices and answers to QHSE questionnaires and according to an audit plan.



# Our ethical commitments

## Rejecting corruption, bribery and influence peddling

Within the framework of sourcing raw materials, Elixens France is required to work with geographical areas where the standards of commercial transactions are different from those with which we are familiar in France.

Since the risk of being confronted with acts of corruption is not zero, our company makes it a priority to adopt ethical behavior and acts in accordance with laws and regulations in effect.

Law no. 2016-1691 of 9 December 2016 (JORF No. 0287) on transparency, the fight against corruption and the modernization of economic life (known as "Sapin II") has further strengthened our ethical requirements.

Corruption, bribery and influence peddling, including vis-à-vis public officials, are strictly prohibited.

Elixens France is exercising increased vigilance over the consistency of the transactional flows of its activities. Thus, the third-party company that pays for an order must be the same as the one that orders and receives the order. This rule is accompanied, in particular, by an upstream verification of the paying organization.

### Questions / Answers

**One of our suppliers, whom we have just qualified, wants to ship its goods to us. For our payment, it gives us bank details that are not those of the structure with which we negotiated our order. What should I do?**

It should be made clear to our potential supplier that we have agreed to place an order with the business structure it presented to us. Thus, once the transaction is completed, we must make payment to this same structure.

**The company filed a visa application that has been in process for almost 6 months. An administrative officer tells me that a payment of 300 dollars would speed up the processing. Can I pay this amount?**

Since bribes are strictly prohibited, it is strictly forbidden for any employee of Elixens France to grant such a request.



# Our ethical commitments

## Combating conflicts of interest

The conflict of interest arises when the personal interests of an employee (financial, professional, family relations, etc.) can influence or appear to influence a decision taken by the latter in the performance of his duties.

In case of doubt, employees are invited to inform their supervisor in order to establish real independence in the choice.

### Questions / Answers

**My brother owns a hotel-restaurant near the company's premises. The prices are competitive, which makes it an establishment of choice for accommodating collaborators of the group. Can I book rooms at this hotel or does this constitute a conflict of interest?**

The company has set up a travel charter, which governs the type of accommodation that employees can choose for their travel. In view of the competitive prices of the hotel, it could correspond to the charter. However, you could not participate in the choice of this provider without creating a conflict of interest. In all cases where a close relative works for a supplier or other business partner, the appropriate course of action is to discuss the situation with your supervisor. The latter will advise you on the action to be taken.

**I plan to invest in a company that is a supplier of Elixens France. Is there a risk of conflict of interest?**

Investment interests in a partner company may lead to a conflict of interest depending on the position you hold within Elixens France, notably based on the influence you may have on purchasing decisions or the amount of the investment made... It is imperative, in order to determine whether or not this investment is acceptable, to inform your supervisor and to obtain his/her advice.

**My wife works for one of our competitors. Does this put me in a conflict of interest?**

Elixens France ensures that your privacy is respected. Nevertheless, this situation could create the appearance of a conflict of interest. To protect yourself and the interests of the companies concerned, it is advisable to raise the subject with your supervisor. It is also essential that you and your spouse take steps to ensure that confidential or company-owned information remains protected.



# Our ethical commitments

## Limiting gifts and invitations

Our employees must not:

- Accept gifts or invitations unless they are clearly of symbolic value.
- Receive or give gifts in cash.

In the context of a person who decides on investments, it is necessary that he talk to his supervisor if he is approached.

### Questions / Answers

**A supplier has just offered me a basket filled with products, the monetary value of which does seem very high to me. What is the action to be taken?**

It is always appropriate to thank the partner for his/her generosity. However, it is advisable to only accept gifts of symbolic value (a box of chocolates ...). If the refusal can harm the business relationship, then it is necessary to discuss it with your supervisor to find the best possible solution to this situation.



# Our ethical commitments

## Protecting the environment

Limiting the effects of our activity and those of our producers and customers on the environment is at the heart of our approach.

**1.** We are committed to developing the production and commercialization of aromatic ingredients with an environmental label.

Thus, we particularly favor production methods that respect the rules of organic farming, which aim to minimize the impact of farming practices on the environment. We encourage organic production within the framework of the European Regulation on Organic Farming (CE834/2007), at our manufacturing sites certified by ECOCERT as well as at those of our partners. We support the use of materials approved for the manufacture of ecological and organic cosmetic products, according to the COSMOS-Standard.

We have set a goal for ourselves of marketing at least 75% of our products under an environmental label by 2025.

**2.** We are taking action to reduce the intensity of our greenhouse gas emissions (GHG scope 1) through:

- Establishment of a Carbon Footprint and the definition of objectives to reduce our GHG production.
- The optimization of energy consumption and the replacement of current energy sources by low-carbon energy sources.
- Optimizing the travel of our teams.
- Integration of the CO<sub>2</sub> criterion into our company's investment decisions.
- The reduction of waste production by optimizing its use and recycling.

We have set a goal for ourselves to release less than 110 t of CO<sub>2</sub> (scope 1) by 2025, which represents a 50% reduction in our emissions compared to 2020, while counting on an increase in our activity of at least 30%.

We are also committed to undertaking, in consultation with our stakeholders, activities to reduce emissions (scope 2 and 3) produced upstream and downstream of our activities by:

- Reducing GHG production in the stages of agricultural production of aromatic raw materials.
- Optimizing freight flows between us and our customers.
- Optimization of both quantitative and qualitative packaging solutions.





# Our ethical commitments

## Protecting the environment

3. We are working on reducing our water consumption in our industrial operations and we are promoting the development of aromatic and medicinal plant crops that are dry or water-efficient crops. Quantified targets are being established.
4. We promote biodiversity: ELIXENS is aware of European Regulation (EU) No. 511/2014 resulting from ratification of the Nagoya Protocol and as part of our procedures, our supplies of raw materials of plant origin are subject to special monitoring in this regard.

Our development and sourcing teams are aware of compliance with these regulations.

On the sites of our producers, we participate in programs to promote agro-ecological practices:

- Elixens France supports an agricultural development plan based on more than 35 cultivated species. We particularly encourage diversification crops beyond lavender and lavandins.
- The development of plant cover.
- The development of hedgerows.
- The practice of Agroforestry.
- The cultivation of melliferous plants.

We have set a goal for ourselves to have contractual commitments for more than 45 cultivated species by 2025. We are also committed to conducting a comprehensive review of our sourcing of plant raw materials and evaluating them on the criterion of respect for biodiversity before the end of 2025. We must have discontinued or replaced all those posing a risk to biodiversity before 2030.

This environmental action plan will cover the period of 2020 (baseline) – 2030, will aim to achieve quantified objectives and will be monitored by the company's management committee.



# Our ethical commitments

## Responsible procurement

We are committed, in a fair-trade approach, to the development of fair-trade sourcing channels in France and around the world.

This includes:

- An approach of establishing long-term contracts with our producer partners.
- Technical support to our producers to guarantee high quality of the products and control of the production processes.
- Membership in the BIOPARTENAIRE association which encourages and recognizes, in particular, a fair approach to sourcing essential oils, floral waters and dry plants produced by our partner, SICA BIOPANTES. Promotion of this type of commitment to our customers, illustrated by supply contracts integrating the principles of fair trade. We have set ourselves the objective that at least one third of our purchases of raw materials of agricultural origin should be fair trade certified by 2025.

## Respect of competition

We have numerous competitors, taking multiple forms and located internationally. Thus, the development of anti-competitive practices is made difficult by this atomized structure.

However, our company is committed to respecting competition law, which aims to preserve free competition by prohibiting certain practices such as market sharing or illegal price cartels, which have the effect of putting consumers, suppliers and/or competitors at a disadvantage.

Violation of regulations is punishable by heavy financial penalties and, in some cases, criminal penalties.

Any practice aimed at restricting competition is prohibited within our company.

## Questions / Answers

**At a trade show, an employee of one of our competitors told me that his company would soon be increasing the prices of some of its products. Can I take advantage of this information and how should I handle it?**

It is strictly forbidden to share information regarding the pricing policies of our products or our conditions of sale with our competitors. If a competitor spontaneously communicates such information, the conversation should be politely and immediately terminated and your supervisor should be informed about this behaviour



## Conclusion and follow-up actions (indicators)

Operational application of this ethical charter will be monitored through indicators suited to the level of criticality of each of the themes addressed in this charter.

Internal audits and customer audits will be conducted systematically.

Regular reporting of our organization's CSR performance will be done in the framework of our company's CSR dashboard and its overall dashboard.

The company's management committee will be required to adopt objectives and action plans aimed at steady progress in our CSR performance.

Annual results will be established and shared with our internal teams and stakeholders.



Let's share  
what nature inspires!\*



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