
CPL AROMAS (HOLDINGS) LIMITED

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

The Group has made several senior appointments during the year, notably in general management positions and perfumery in both the Middle East and Europe. Our plans for a new Far East manufacturing facility are progressing and have now advanced to the construction phase.

During the year, the Group commenced a review of its brand principles to better reflect the decisions taken during its recent strategic review. We have subsequently rebranded and introduced fitting replacements for our mission and values which are centred around both our commitment to sustainability and our strength of being a truly independent fragrance company. This is now live on our website and social media channels. Digital presence, engagement and service continue to be areas that we see as providing competitive opportunities.

Corporate and Social Responsibility

The Group's sustainability strategy is centred around four key pillars and designed around those parameters where the Group has control and can wield influence, these being: people, environment, innovation and responsible sourcing. Consumers are increasingly concerned with the environmental and social impacts of the products they use, the Group's focus on sustainability is becoming increasingly important not only with regards to the fragrances developed and manufactured but also to our customers and their eventual product application in which our fragrances are experienced.

The Group's third sustainability report in accordance with the GRI (Global Reporting Initiative) was prepared during the year and has now been published. I am very pleased to say that the Group has recently been awarded a Platinum rating by EcoVadis, putting the Group within the top 1% of assessed global companies for sustainability performance.

During the year we increased the amount of electricity we used from renewable sources to 40% and have reduced our overall water consumption. Significant progress has been made towards our 2030 sustainability goals. We have already surpassed our 2022 target and also reduced our scope 1 and 2 emissions by over 40% per tonne and our waste to landfill by 16%.

Our portfolio of responsibly sourced ingredients has increased by 150% with ongoing progress to further increase these. The Group are now members of SEDEX, a platform that will enable us to accelerate the adoption of sustainable supply chains. We launched the Biodegradable Fragrances and the Clean Fragrances trend sets, in addition to adding solid bases to our existing, and increasingly successful, sustainable EcoBoost technology.

We have appointed our very first mental health first aider, acknowledging the importance of taking care of our employees' mental health and wellbeing. We are in the process of training 10 other such first aiders across the Group.

In addition, we began certification of our UK manufacturing site to the updated ISO45001 health & safety standard. This is the first of our sites to be certified and we have an objective to have all our manufacturing sites certified by 2030.

We continue to work with and support CAFOD (Catholic Agency for Overseas Development) on a variety of projects, and very proudly celebrated the 20-year anniversary of our relationship with the charity. I am pleased to report that in support of CAFOD we have been able to increase our donation commitment to £455,000 (2019: £425,000). As was the case with the donation we made in the previous year, a big percentage of the funds was directly allocated to efforts to mitigate the impact of COVID-19 in the developing world, with funds allocated to rapid response grants which enabled partners to receive urgently required funds in multiple countries. The rest of the funds have been split into funding the ongoing projects undertaken by CAFOD.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Environmental issues

The manufacture of fragrances necessarily involves the handling and use of chemicals. Many of the materials used are natural, derived from nature or identical to materials found in nature. The Group adheres to the Code of Practice issued by the International Fragrance Association and their standards for the use of materials in fragrances. The Group, through its internal quality and safety management systems, maintains control over the use, classification, labelling, transfer and disposal of materials.

Streamlined Energy and Carbon Reporting (SECR)

The SECR disclosure presents our carbon footprint within the United Kingdom across Scope 1 & 2 emissions, an appropriate intensity metric, the total energy use of electricity, gas and transport fuel and an energy efficiency action summary taken during the relevant financial year.

The below relates to the CPL Aromas Limited company		Year to 31 March 2021
Energy consumption used to calculate emissions (kWh)		507,084
Emissions from combustion of gas tCO ₂ e (Scope 1)	22.44	
Emission from combustion of fuel for transport purposes tCO ₂ e (Scope 1)	27.30	
Emissions from purchased electricity tCO ₂ e (Scope 2, location-based)	62.88	
Total gross tCO ₂ e based on above		112.95
Intensity ratio (tCO ₂ e/Sales revenue)		4.65

		Year to 31 March 2020
Energy consumption used to calculate emissions (kWh)		870,138
Emissions from combustion of gas tCO ₂ e (Scope 1)	44.43	
Emission from combustion of fuel for transport purposes tCO ₂ e (Scope 1)	31.90	
Emissions from purchased electricity tCO ₂ e (Scope 2, location-based)	116.16	
Total gross tCO ₂ e based on above		192.49
Intensity ratio (tCO ₂ e/Sales revenue)		4.52

The increase in the Intensity ratio in 2021 reflects the reduction in sales volumes arising from COVID-19, which were greater than the reductions in the total gross tCO₂e.

Energy Efficiency Action Summary

CPL Aromas Limited continues to achieve direct savings in energy and associated carbon emissions, through operational and technological improvements, including:

- Completion of an LED lighting upgrade at the Brixworth factory.
- Migration to 100% renewable energy at the Brixworth factory by July 2021.
- Continuation with the upgrade programme of air conditioning systems to improve energy efficiency and remove R22 from the Brixworth factory.
- Introduction of electric vehicles into the company's fleet.