



**PUIG**

# Pollution Prevention Policy



## Context

Pollution is one of the primary drivers of biodiversity loss, which represents one of the most pressing challenges our society is facing globally. The pollutant emissions into the environment have surged to alarming heights, jeopardizing not just the quality of our air, water, and soil, but also posing a grave threat to biological diversity and the crucial ecosystem services that uphold life on Earth.

At Puig<sup>1</sup>, we invest efforts and resources in implementing effective mechanisms for the proper prevention and pollution management that may arise from our activities, thus ensuring a firm commitment to environmental protection and long-term sustainability. We assess pollution at the sites where we operate and aim to prevent or minimize the impact on their ecosystems, inspiring our value chain partners and other companies to achieve this goal. We are consistently working to provide clear and transparent annual reports on our achievements and actively participating in collaboration with other companies, institutions, and initiatives dedicated to improving pollution management efficiency and reducing related risks on both local and global scales.

## Purpose

This document, proposed by the Chief Sustainability Officer and approved by the Chief Executive Officer, reflects the commitments adopted by Puig to manage our impacts, dependencies, and risks related to pollution, along our value chain and direct operations.

## Scope

This policy has been approved by the Puig Chief Executive Officer upon the proposal of the Puig Chief Sustainability Officer and applies to all Puig employees, entities, and activities.

<sup>1</sup> “Puig” refers to the Puig Brands, S.A. company and its subsidiaries and other entities that may be incorporated in the future in which Puig Brands, S.A. holds or may hold direct or indirect control, according to article 42 of the Spanish Commercial Code.



Specific Puig divisions and local business units may develop this Policy as part of their divisional or local policies, which will always comply with the terms, principles and behaviours contained within this policy.

The standards set out in this policy may sometimes exceed those required by local law. When this happens the standards of this policy will apply. However, following our commitment to strict compliance with applicable law, should local law require higher standards than those established in this policy, local law will always prevail.

## Commitments

Over the years, at Puig we have proactively adapted to social and environmental changes. In order to keep improving our pollution management towards the most optimum level, we reinforce our stance with further commitments.

### A. Minimizing the Environmental Impact of all our Products

At Puig we enforce demanding standards, usually stricter than those required by current regulations; to maximize the safety of our products and we strengthen our commitment to environmental safety and public health through our **'Puig Policies on Safety and Sustainability'**. These internal policies go beyond legal obligations by prohibiting certain ingredients presumed or suspected of impacting human health or the environment, thus demonstrating our firm pledge to pollution prevention and control. We base our commitment on the current state of the art, but as the scientific research on cosmetic ingredient safety is constantly evolving, we strive to keep up with the findings and we constantly update our policies according to the new scientific data being published.

Our laboratories continuously study and test ingredients to select only those meeting high standards of quality for human and environmental safety. We update the Puig Policies on Safety and Sustainability accordingly for new products and we gradually reformulate the existing products. We aim for our whole catalogue to be aligned with these policies by 2030. Our ESG commitment is also reflected in our interactions with consumers.



Regarding product packaging, as Puig, we are a member of two important international initiatives; SPICE<sup>2</sup> and EBS Consortium<sup>3</sup>. We use the SPICE methodology to calculate the environmental impact of our packaging and work with the EBS Consortium to define a common methodology to measure the environmental impact of the formula and packaging of cosmetic products. Nonetheless, we have also worked on an internal evaluation (eco-score) of our products, which will be later aligned with that of the EBS.

*Objective in our 2030 ESG Agenda*

Product Stewardship	
Indicator	2030 target
Formulas that comply with Puig Policies on Safety and Sustainability	100%

## B. Minimize Pollution by Improving our Facilities

The Environmental Management System established in our factories focuses on the prevention of environmental impacts related to our own operations. It comprehensively addresses the identification, evaluation, and management of environmental aspects related to pollution, as well as remediation of negative impacts where necessary.

Simultaneously, through continuous evaluation of environmental performance, compliance with our legal and regulatory obligations, and potential risks, at Puig we ensure progress based on the set pollution objectives and defined specific actions.

We are committed to implementing an Environmental and Health & Safety Management System (EHSMS) in all our factories and headquarters by certifying them with ISO 14001 and ISO 45001 by 2030.

<sup>2</sup> SPICE: Sustainable Packaging Initiative for CosmEtics

<sup>3</sup> EBS Consortium: EcoBeautyScore Consortium



*Objectives in our 2030 ESG Agenda*

<b>Responsible Manufacturing and Facilities</b>	
<b>Indicator</b>	<b>2030 target</b>
Renewable electricity consumed	100%
Renewable thermal energy consumed	100%
Autogenerated energy of the total consumed	20%
Facilities sending zero waste to landfill	100%

## C. Supply Chain Engagement

At Puig, we work closely with our suppliers and collaborate with them on environmental issues, including pollution.

All suppliers are required to provide relevant information and accept our Sustainable Sourcing Policy as part of the internal onboarding process. We also regularly conduct EcoVadis and/or Sedex assessment campaigns to evaluate the performance of our suppliers, as well as ESG on-site audits following the Sedex SMETA methodology.

Furthermore, whenever possible, we prioritize and advocate for regenerative agricultural practices in our supply chain, which present many benefits including soil erosion prevention, water and air pollution reduction.

*Objectives in our 2030 ESG Agenda*

<b>Sustainable Sourcing</b>	
<b>Indicator</b>	<b>2030 target</b>
Purchase volume of inventory suppliers assessed with EcoVadis or Sedex	90%
Purchase volume of non-inventory suppliers assessed with EcoVadis or Sedex	80%
Assessed suppliers with a score higher than 45/100	100%
Assessed suppliers with a score higher than 75/100	30%



## D. Nature Stewardship

In parallel to the present Pollution Policy, at Puig we have reflected our commitment towards our Net-Zero target and the protection of the environment through our other specific environmental policies regarding climate, water and waste management. We are committed to contributing to the global nature-positive objective through the following internal actions:

- Collaborating on conservation or ecosystem restoration projects.
- Developing internal projects for ecosystem recovery and regeneration across the entire supply chain.

As for our water management, we focus on optimizing water use efficiency, reducing consumption where possible, and maintaining process quality to prevent freshwater and marine pollution.

Simultaneously, we promote circular economy principles and the implementation of end-of-life strategies in packaging, which is essential to avoid the emission of pollutants. These efforts are crucial to reduce the generation of new materials and the pollution linked to their production.

In connection to climate issues, through different operational measures, innovation in infrastructure and ecosystem conservation programs, we set our way towards the objective of being Net-Zero by 2050. Furthermore, our commitments to GHG emissions reduction, contribute as well to a decrease of atmospheric pollutants such as nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF<sub>6</sub>) and nitrogen trifluoride (NF<sub>3</sub>).

## Alignment with Global Standards

At Puig we are active in assessing and disclosing our climate risks through the Taskforce on Climate related Disclosures (TCFD) and we also evaluate our risks related to nature following the Taskforce on Nature related Disclosures (TNFD), being set to disclose as part of the TNFD Adopters.

In line with the TNFD recommendations, we systematically assess the risks and opportunities that pollution poses to our business.



Moreover, we are aligned with the SBT initiative, we have emission reduction targets for the near term integrated along the entire business and we are also committed to the Net-Zero target.

Annually, we conduct a global group assessment through the three CDP formats (Climate, Water and Forest).

Altogether, these evaluation processes contribute to identifying actions to prevent and mitigate potential impacts related to pollution.

## Approval, Publication and Review

The Chief Sustainability Officer (CSO) is responsible for Puig's global pollution management strategy and is tasked with reviewing all environmental indicators related to their potential impact linked to our direct and indirect activities.

This Policy is available on the intranet, on the Puig website and will be communicated to Puig employees and other stakeholders where appropriate.

This Policy has been proposed by the Chief Sustainability Officer and approved on the 23<sup>rd</sup> of July 2024 by the Chief Executive Officer within the framework of Puig's policies and Ethical Code, and came into force at that time.