



Climate Transition Plan



1. Context

Climate change is accelerating, with 2024 marking the hottest year on record, at approximately 1.5°C above pre-industrial levels. Although one year above 1.5°C does not mean the Paris Agreement has been breached, it serves as a clarion call for increasing ambition and accelerating action in this critical decade.

As outlined in the **Puig** Ethical Code and in the *Nurture Positive Impact*, our 2032 Sustainability Strategy, and aligned with the UN Sustainable Development Goals, **Puig**¹ is committed to conducting business responsibly and growing sustainably, preserving the environment, and respecting the communities in which it operates. **Puig** has the mandate from its shareholders to be at the forefront in ESG in the industry. The company is committed to contributing to limit global warming to 1.5°C by 2030 and achieving net zero by 2050. In line with this commitment, **Puig** set ambitious greenhouse gas (GHG) emission-reduction targets in line with the latest climate science and approved by the Science Based Targets initiative (SBTi). The targets encompass all scope 1, 2 and 3 GHG emissions.

To reach the ambitious emissions targets, **Puig** has defined a Climate Transition Plan, which is embedded across all the different activities, businesses and areas of the group.

2. Purpose

Puig Climate Transition Plan aims to define the action plan to ensure **Puig** contributes to limiting global warming to 1.5°C by 2030 and achieves Net-Zero emissions by 2050. The Climate Transition Plan outlines how **Puig** will pivot its existing assets, operations, and entire business model aligned with its commitments.

Puig monitors progress through assessments on internal ESG indicators, third-party verifications and internal governance mechanisms, including Board and senior management-level oversight.

¹ “**Puig**” refers to Puig Brands, S.A. 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.



3. Scope

Puig Climate Transition Plan applies across all **Puig**'s global value chain, including own operations, with its production plants, offices and stores. It covers upstream and downstream activities, including the supply chain, logistics, and product end-of-life.

The Climate Transition Plan is subject to revision to ensure that the highest and most up-to-date best practices are met, reflecting changes to legislation, technological advances, regulatory change, and organizational change.

4. Governance

Sustainability is fully integrated into **Puig**'s corporate strategy and governance, with oversight at the highest levels of the organization. The Board of Directors defines **Puig**'s strategic direction, which includes addressing climate change and broader ESG challenges, in alignment with the company's shareholders' mandate – to at the forefront in ESG in the industry. The Board receives regular updates and insights on sustainability and climate-related risks.

The Chief Sustainability Officer (CSO) plays a central role in coordinating **Puig**'s sustainability strategy across the organization. Reporting directly to the CEO, the CSO presents a quarterly update to the Sustainability and Social Responsibility Committee and leads the ESG Team—composed of senior managers from key business functions.

The CSO oversees the implementation of the company's sustainability roadmap. This includes managing climate and nature-related risks, which are integrated into **Puig**'s corporate risk map and monitored by the Audit and Compliance Committee.

Beyond the above-mentioned governance bodies, sustainability is a shared responsibility across all levels of the organization. It is embedded in **Puig**'s incentive structure. ESG-related objectives are included in both short- and long-term variable remuneration schemes for senior management. These are detailed in the Annual Directors' Remuneration Report² and reflect **Puig**'s commitment to aligning financial incentives with its sustainability goals.

² Published annually in Puig Annual Directors' Remuneration Report.



5. Scenario Analysis and Climate-related Risks

Puig has established a structured and integrated approach to assessing ESG-related risks and opportunities, which is embedded within its global corporate risk management framework. This process is aligned with the company's broader business strategy and overseen by the Audit and Compliance Committee.

To assess climate-related risks, the company follows the IFRS S2 recommendations and the guidance on double materiality assessment established by the European Sustainability Reporting Standards (ESRS) – which detail the requirements within the scope of the EU Corporate Sustainability Reporting Directive (EU) 2022/2464 (CSRD). Climate-related risks are assessed using a combination of qualitative and quantitative sources of information, including real company data, predictive models, and internationally recognized science-based climate scenarios.

Climate change poses physical risks for **Puig**, as extreme weather events (drought, heat stress, etc.) and more progressive climate shifts (water stress, heat waves, etc.) may cause cost fluctuations for key raw materials, products and services, disrupt supply chains, damage own assets and distribution infrastructure. Disruptions in energy supply and price volatility can also have a material financial impact, affecting upstream, downstream and **Puig** own operations.

Through regular evaluations, **Puig** will continuously update its risks according to reflect the evolving reality of the business and the external landscape.

6. Emission-reduction Targets

Puig received validation of its science-based targets by the SBTi in 2024, reaffirming its commitment to climate action and alignment with the Paris Agreement goal of limiting global warming to 1.5°C. In addition, the company has also established a Net-Zero commitment covering Scope 1, 2, and 3 emissions, focusing on areas within its direct influence across the value chain.

Puig's decarbonization roadmap includes both near-term and long-term targets:

- By 2030 (from a 2022 baseline):



- Reduce absolute Scope 1 and 2 GHG emissions by 42%³.
 - Reduce absolute Scope 3 GHG emissions from purchased goods and services by 25%.
- By 2050 (from a 2022 baseline):
 - Reduce absolute Scope 1 and 2 GHG emissions by 90%⁴.
 - Reduce absolute Scope 3 GHG emissions by 90% across purchased goods and services, upstream transportation and distribution, business travel, and end-of-life treatment of sold products.

7. Carbon Footprint

Puig monitors its GHG emissions and their sources throughout the year, conducting periodic reviews to compare emissions with forecasts and historical data, through its internal carbon footprint calculation tool and third party verification.

The company calculates its full carbon footprint in alignment with the GHG Protocol methodology, covering Scopes 1, 2, and 3. These calculations follow recognized standards, including the GHG Protocol, Accounting and Reporting Standard and UNE-EN-ISO 14064.

The carbon footprint assessment encompasses **Puig's** entire business, from owned facilities and sites to the whole value chain. When primary data are unavailable, emissions are estimated using predefined internal indicators that leverage historical data, to which trends, seasonality and economic metrics relevant to each category are added. The company plans to increase the volume of primary and secondary data.

All emission factors are based on leading international standards, such as DEFRA Guidelines, EPA, SIMAPRO Equivalent 3, and CEDA V6, which are updated annually to ensure accuracy and relevance.

Scope 1 and 2

Puig's Scope 1 and 2 greenhouse gas (GHG) emissions primarily originate from its own operations, including manufacturing facilities and corporate offices. These emissions result from direct fuel combustion and electricity consumption.

³ Including biogenic emissions and removals from bioenergy feedstocks.

⁴ Including biogenic emissions and removals from bioenergy feedstocks.



To meet the emission-reduction targets, **Puig** is continuously striving to increase energy efficiency and expand the use of renewable energy.

Scope 3

Puig is actively engaged in mitigating the environmental impacts associated with its entire value chain. The company's climate roadmap is designed to address both upstream and downstream emissions.

Scope 3 emissions, which represent the majority of **Puig**'s carbon footprint, stem from its value chain—particularly from purchased goods and services. Partnerships across the entire value chain are key for decarbonization.

8. Decarbonization Levers

Puig aligns its strategy with the Paris Agreement and SBTi Net-Zero Standard. The company is not excluded from the EU Paris-aligned Benchmarks⁵.

The following initiatives are part of **Puig**'s broader strategy to reduce absolute GHG emissions, in line with its 1.5°C and Net-Zero commitments.

1.5°C commitments

Scope 1 and 2

- Transforming the vehicle fleet into electric and hybrid.
- Installing solar panels at the factories to increase self-generated electricity.
- Investing in Energy Attribute Certificates (EACs) to ensure all electricity consumption comes from renewable sources.
- Working with retail partners to transition to renewable electricity in stores.
- Certifying the environmental management system of factories and headquarters with ISO 14001.
- Improving energy efficiency and reducing electricity consumption in all facilities.

⁵ Article 12.1 of the Climate Benchmark Standards Regulation.



Scope 3

Eco-design

- Embedding circularity principles into product design.
- Reducing packaging intensity through lightweighting, size optimization, and refillable formats.
- Increasing the share of recycled content, particularly in glass, plastics and aluminum.
- Increasing the recyclability of products.
- Reformulating products to replace petrochemical-based ingredients with biobased or circular alternatives.
- Prioritizing the use of more responsible and certified materials and, low-carbon alternatives.

Supplier Engagement

- Collaborating with suppliers to implement decarbonization strategies, including financing impactful innovative projects that directly contribute to emissions reduction.
- Encouraging suppliers to set emission-reduction targets approved by the SBTi.
- Encouraging suppliers to disclose climate data via recognised programmes such as CDP.
- Promoting sustainability education and awareness throughout the value chain, aiming to build supplier capacity.
- Promoting regenerative agriculture and sustainable sourcing for key ingredients, with an aim to increase carbon sequestration in soil, improve biodiversity, and strengthen ecosystem resilience.
- Ensuring there is no deforestation in the supply chain by requiring suppliers to provide verified traceability and certification (e.g., FSC, RSPO) for all relevant raw materials, in alignment with EU Deforestation Regulation (EUDR) requirements.
- Increasing traceability across the supply chain and conducting ESG risk assessments to better understand and manage environmental impacts across the supply chain.
- Promoting the launch of nature-based solutions across the supply chain.

Transport and mobility

- Collaborating with logistics partners to pilot and scale sustainable transport solutions.
- Investing in sustainable fuels for the transport of products, such as sustainable marine fuel and sustainable air fuel.



- Reducing air freight and favoring multimodal transport.
- Improving occupancy rates.

To strengthen its sustainability strategy, **Puig** has developed a Sustainable Finance Framework where the company establishes financing instruments such as sustainability-linked loans or green bonds. These bonds are tied to the achievement of key performance indicators (KPIs) aligned with its decarbonization pathway, broader sustainability objectives, in alignment with the specific climate risks identified as material to the company.

Net-Zero commitments

Achieving its net zero ambition by 2050 does not depend solely on **Puig's** actions.

The company anticipates that technological advancements and evolving policy frameworks will unlock new, cost-effective pathways for emissions reduction at scale.

Puig recognizes that becoming net zero will require systemic transformation across the global energy landscape and deep collaboration with suppliers and value-chain partners. The company is committed to engaging constructively with industry peers and policymakers to accelerate the decarbonization of the economy.

9. Financial Planning

Puig's approach to climate change mitigation and adaptation is fully integrated into the business strategy. The company is committed to allocating the necessary financial resources to support its transition plan. These investments are not expected to follow a linear path, as large-scale projects often require multi-year planning and depend on the maturity of available technologies, local regulatory frameworks, and economic conditions.

To manage the financial exposure of its decarbonization roadmap, **Puig** integrates climate-related investments and associated costs into its financial planning, involving each business function. Detailed information will be published in the company's Annual Report, in accordance with the reporting obligations set out by the Corporate Sustainability Reporting Directive (CSRD).



10. Approval and Publication

The Climate Transition Plan has been proposed by the Chief Sustainability Officer, reviewed by the Sustainability and Social Responsibility Committee and approved the 22nd of December 2025, by the Chief Executive Officer.

Puig's Climate Transition Plan is publicly available through its website and annual reports.