

# Waste Policy

**NET ZERO BY 2050**



# Zero Waste: Promoting circularity throughout the entire value chain

At the present time, the high generation of waste and its poor management directly affect many ecosystems, especially marine or coastal ones. These also contribute to climate change and air pollution.

Waste that is not recovered or recycled represents a loss of raw materials and other inputs that could be used again throughout the production and consumption chain.

Currently, organizations and all of society are facing the great challenge of addressing environmental efficiency through the use of waste as a means of reducing the extraction of new resources.



To decouple economic growth from environmental degradation, Puig is aligned with **Sustainable Development Goal (SDG) 12: Responsible production and consumption**, which pursues sustainable consumption, a reduction in waste and its proper management.

At Puig, we are in a period of transition towards a circular model. We promote innovation and eco-design throughout our value chain to create and produce more sustainable products in a more environmentally efficient way. This transformation will allow us to optimize materials and waste, extend its useful life and minimize the environmental cost of manufacturing, transport, use and end-of-life processes of the product.



# Our achievements



We have established measures in our Sustainability Program such as eco-designing products, promoting circular economy and adopting a responsible approach in manufacturing and in our facilities. We are also members of the EBS (Eco Beauty Score) Consortium, formed by members of the cosmetics sector, with the objective of developing a common indicator that allows consumers to be informed of the environmental impact of both packaging and ingredients.

We are focused on reducing waste generation and achieving its full valorisation. We will periodically analyze the evolution of waste indicators in relation to the generation and treatment of waste to achieve the objectives of the ESG Agenda 2030. We disclose the waste we generate and its management in our annual non-financial report.

To determine the use of recycled material, attributes have been built in our ERP<sup>1</sup> system that require reporting the amount of recycled material for each component of the packaging.

***These measures have led to the following achievements:***

- Plastic Free Coffrets in all Prestige brands, replacing it with paper elements.
- 17% average volume reduction of Christmas coffrets of Prestige fragrances.
- Minimum of 50% recycled plastic for best seller products.
- 18% average improved occupancy in transportation for best seller products.
- 100% recyclable material cellophane in European factories.
- Launch of refillable systems in the three main Prestige brands.
- Zero waste to landfill in four of our seven factories, and at the headquarters in Barcelona and Paris.
- Incorporation of the SPICE tool to measure and evaluate the environmental impact of packaging.

<sup>1</sup> Enterprise Resource Planning.



# Our requirements



We are aware of the need to advance and promote a circular economy that ensures the sustainability of our activity and products. Moreover, we want to be a driving force throughout our value chain and inspire other organizations.

For this reason, we work to report each of our achievements in a clear and transparent manner. We actively participate and collaborate with other organizations, institutions and initiatives to promote and accelerate the transition to a circular business model that guarantees and ensures a better world for future generations.

To drive circularity, our waste strategy is integrated in the pillars of the 2030 ESG Agenda.

## ADVANCING TOWARDS ZERO WASTE AT MANUFACTURING AND FACILITIES

We work to implement solutions to prevent the generation of waste and whenever it is not feasible, we will seek to reduce it and guarantee its recovery.

### *Puig expects to achieve by 2030:*

- Waste reduction at all Puig facilities
- **Zero waste to landfill (HQs, subsidiaries, and factories)**
- **+95% waste valorization rate at production level**



## PROMOTING THE CIRCULARITY OF OUR PRODUCTS

We work to accelerate the transition to the use of cleaner ingredients and materials of natural origin in our formulas. We promote the circular economy and end-of-life principles in packaging, materials reuse, the incorporation of sustainable and/or recycled materials, and volume reduction.

Based on a life cycle analysis of our products, we have developed an environmental label to ensure all of our products fulfill basic requisites.

We work with the SPICE eco-design tool that allows us to evaluate variations in environmental impact (e.g., substitution of materials, weight reduction) at the time of designing the packaging.

### ***Puig expects to achieve by 2030:***

- Accelerate the transition towards clean and natural formulation, with 100% of formulas Clean@Puig
- Reduce the weight and/or volume of the packaging, with 20% packaging volume reduction
- Boost adoption of sustainable materials in packaging, with 100% of packaging complying with at least one of the following criteria:
  - 30% of eco-components within packaging
  - 80% product recyclability
  - Refillable system
- Promote the circular economy and end-of-life principles, with 100% products assessed with internal LCA<sup>2</sup>

<sup>2</sup> LCA (Life Cycle Assessment) methodology for assessing environmental impacts associated with all the stages of the life cycle of the products.





## STAKEHOLDER ENGAGEMENT

We collaborate with our suppliers involved in improving transparency and collaborating on environmental issues since we know they are a key part of achieving our sustainability goals. That's why we have launched the **Supplier Evaluation Campaign**, in collaboration with our partners EcoVadis<sup>3</sup> and Sedex<sup>4</sup>, which allows us to verify that suppliers comply with legislation, tackle waste management and are committed to the prevention and reduction of waste through best practices and greater waste recovery.

In addition, we assess their performance through our Puig Integrated Management System, which integrates Quality Management, Best Manufacturing Practices, the Environment, and Occupational Health and Safety. An Internal Audit Programme is drawn up annually that includes audits to suppliers of raw materials, packaging material and subcontracted third party manufacturers. Among the aspects audited are the availability of environmental certifications, membership to the EcoVadis evaluation system, as well as practices and processes for environmental protection. In addition, all suppliers must provide certain mandatory information and they must accept our Ethical Code and Sustainable Sourcing Policy as part of the internal on-boarding process, which enables us to register suppliers in an efficient and transparent way.

Furthermore, we engage with suppliers on the CDP Supply Chain program to gather information on environmental performance.

### ***Puig expects to achieve by 2030:***

- Greater implementation of solutions to reduce waste derived from the direct and indirect transport of our products.
- Extended mapping and expanded ESG risk assessment on suppliers.
- Increased education and environmental awareness throughout the value chain, with training programs for our staff so they can be ambassadors and activators of our waste strategy.
- Support to suppliers, enabling them to move forward in their decarbonization journey.
- 90% of inventory and 80% of non-inventory purchasing volume assessed by EcoVadis or Sedex.
- 100% of suppliers assessed with score above 50/100 or equivalent and 30% with score above 75/100 or equivalent.



<sup>3</sup> EcoVadis is an assessment system for managing the sustainability performance of the entire value chain.

<sup>4</sup> Sedex is a data platform for supply chain assessment helping businesses manage sustainability practices.



# Policy management

Our ESG Team is responsible for Puig's global waste strategy through the review of all environmental indicators related to waste derived from our direct or indirect activity.

The Chief Sustainability Officer (CSO) can also directly influence the company's global strategies in order to guarantee that Puig's requirements and targets are maintained with all issues related to waste in a transversal way, in all the strategies applied or approved on a companywide level.

The ongoing monitoring of 2030 ESG Agenda initiatives related to waste and ESG risk control ensure that there are no inconsistencies in the activities carried out by the company.





