



COMMUNICATION ON PROGRESS

Implementing UN Global Compact principles

REPORT 2019

1. Introduction

I am pleased to confirm that Citroflor reaffirms its support of the Ten Principles of the United Nation Global Compact in the areas of Human Rights, Labour, Environment and Anti Corruption.

In 2017 Citroflor has announced the 2022 plan where it outlines our commitment on 5 sustainable development goals: clean water and sanitation, affordable and clean energy, decent work and economic growth, sustainable cities and communities, responsible consumption and production.

In this our first annual Communication on Progress, we describe our actions to integrate the Global Compact and its principles into our business strategy, culture and daily operations. We are also committed to share this information with our stakeholders.

Your sincerely,

Giorgio La Face,

President of Citroflor

2. Description of practical actions

HUMAN RIGHTS & LABOUR PRINCIPLES

As an Italian company operating all our activities in Italy, we undertake to strictly comply with national legislation on respect for human rights.

Citroflor reiterates its commitment to the principles of the 1948 Universal Declaration of Human Rights, the International Labour Organisation (ILO) and in particular the conventions on the protection of workers, the prohibition of forced and child labour.

Suppliers must meet our standards regarding forced labor, child labor, health and safety in the workplace, fair pay, harassment, diversity and ethics, and environmental policies. We require that our suppliers identify and act swiftly to eliminate any unacceptable conditions or practices in their facilities.



ENVIRONMENTAL PRINCIPLES

As an agricultural and aromatic raw material extraction company, we have identified a potential to reduce our environmental footprint by reducing our water and energy consumption.

In 2018, we upgraded our equipment with the installation of a new pelatrice. This significant investment has made it possible to reduce by 50% our water and energy consumption for the production of our essential oils of bergamot, lemon and mandarin.

Our average water consumption for the production of 1kg of essential oil is now 6.5 litres, and that of fuel oil 0.1 litre. This exceeds the objectives of our 5-year plan, since we had planned a 25% reduction in our energy and water consumption.



ANTI-CORRUPTION PRINCIPLES

One of Citroflor's core values is to uphold responsible and fair business practices. We work in strict compliance with Italian law and the international conventions ratified by our country concerning the fight against corruption in all its forms.

The key Italian anti-corruption provisions regarding individuals are laid down by the Criminal Code. Company liability for corruption and bribery is provided for by Articles 25 and Article 25^{ter} of Legislative Decree 231/2001, which introduced an administrative liability for companies and legal entities for crimes committed in the interest or to the advantage of companies by directors, executives and their subordinates, agents and other individuals acting on behalf of the legal entity.

The following international conventions apply in Italy:

- the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions of the Organisation for Economic Cooperation and Development 1997;
- the Criminal Law Convention on Corruption (Treaty 173 of the Council of Europe) 1999;
- the UN Convention Against Corruption 2003.



OUTLOOK ON THE FUTURE

We are maintaining our efforts to preserve the natural and cultural heritage, in particular by reviving jasmine cultivation. Since 2017, we have developed 1 hectare of new plantations.

We continue to invest in the development of our employees' skills, particularly with the implementation this year of ISO 9000 and 22000 standards. To this end, all staff have received professional training.

We persevere in achieving the objectives of our 5-year action plan by 2022.

