



flavorchem®

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2022

Our Sustainable Journey

Environmental, Social, and Governance Annual Report

Issued | March 2023

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INSIGHTS FROM OUR PRESIDENT AND CEO

We are pleased to share our 2022 Flavorchem and Orchidia Fragrances Environmental, Social, and Governance (ESG) Report, which demonstrates our commitment to conducting business in ways that protect and benefit the environment, our employees, customers, and the global communities in which we live and work.

In 2022, we completed a materiality assessment to help focus and align ESG initiatives with those of our stakeholders to ensure we prioritize our efforts. In the near-term, we will focus on product safety and quality, employee safety health, and well-being, responsible sourcing, and technology and digitalization. In this report, we are excited to share the progress we made in 2022 and share goals and targets we have set for 2023 and beyond.

Our global ESG Team will be supported and guided by our ongoing commitment to having our ESG programs, policies, and records assessed by EcoVadis and SEDEX.

Thank you to the Flavorchem Team that embraces continuous improvement in all we do. It is rewarding to see our ESG actions help make a difference and we remain committed to our sustainable journey.



Ken Malinowski

Kenneth Malinowski
President



R. Sprovieri

Ross Sprovieri
Chief Executive Officer

COMMITMENTS AND PROGRESS

Flavorchem and Orchidia Fragrances specialize in the creation and manufacturing of flavor, fragrance, and ingredient solutions. Established in 1971, we are a privately held business partnering with brands well recognized throughout the world. We strive to provide our customers with the highest-quality products, superior service, and innovative solutions. We believe in making investments that enhance our capabilities to better serve our customers. We have robust R&D, Regulatory, Quality, Marketing, and Manufacturing capabilities and capacities to provide our customers with scale to grow their business. Over the past 50 years, the company has grown from a modest two-person team to a global flavor and fragrance organization with over 400 employees. Today, the family-owned enterprise manufactures over 5,000 flavors, fragrances, and private-label food products annually.

More than ever, consumers are demanding that companies change the way they do business, increase transparency, and take an active role in addressing social, cultural, and environmental issues. In 2020, we formalized our commitment to Environmental, Social, and Governance by aligning ourselves with industry best practices and establishing a corporate program that allows for continuous improvement. Over the past year, we have made significant improvements to our operations, and we are excited to share those achievements with you in this annual report.

GUIDING OUR SHARED VALUES

Flavorchem's Environmental, Social, and Governance guidance, standards of performance, and evaluation criteria come from three different sources, chosen for their universal recognition as well as their depth and breadth of experience in the food business, primarily flavors and fragrance industries.

IFRA/IOFI Sustainability Charter

The IFRA-IOFI Sustainability Charter focuses on five areas, including responsible sourcing, reducing environmental footprint, enhancing employee well-being, prioritizing product safety, and overall transparency. Flavorchem and Orchidia Fragrances are signatories of this Charter along with 133 other companies in the global flavor & fragrance industry. All IFRA/IOFI signatories are expected to complete questionnaires upon request. This year we completed a questionnaire reaffirming our commitment and documenting our efforts toward this Charter that supports a collective effort to raise the bar for sustainability in the flavor and fragrance sectors. As signatories, we've committed to 17 principles within 5 focus areas. The guidance we received from EcoVadis and Sedex, and our continued efforts are in alignment with these principles and was reflected in that questionnaire.

Sedex Advance

Sedex is a global not for profit membership organization making it simpler to do business that's good for everyone. It is home to one of the world's largest collaborative platform for sharing data on value chains, used by more than 40,000 members in over 150 countries.

For over twelve years Sedex has been developing technology, tools and partnerships that enable many of the world's leading brands, and suppliers across the world, to monitor and report on responsible practices. Sedex also convenes the Sedex Stakeholder Forum, the group who oversee SMETA, the globally recognized audit procedure used by thousands to check on a broad range of indicators for responsible business.

EcoVadis

We have embraced the EcoVadis methodology to help us measure the quality of our sustainability management system. This is achieved through a detailed assessment of our policies, actions, and results.

This assessment focuses on 21 sustainability criteria that are grouped into four themes: Environment, Labor & Human Rights, Ethics and Sustainable Procurement. Each of these themes has a Flavorchem team working toward achieving continuous improvements.

In 2022, EcoVadis, a recognized global leader in this field, afforded us with an objective assessment of our Environmental, Social, and Governance efforts. After an extensive review of our policies, actions, and results, EcoVadis concluded that we fall within the 86th percentile, which has earned us their Silver Medal (up from last year's bronze).



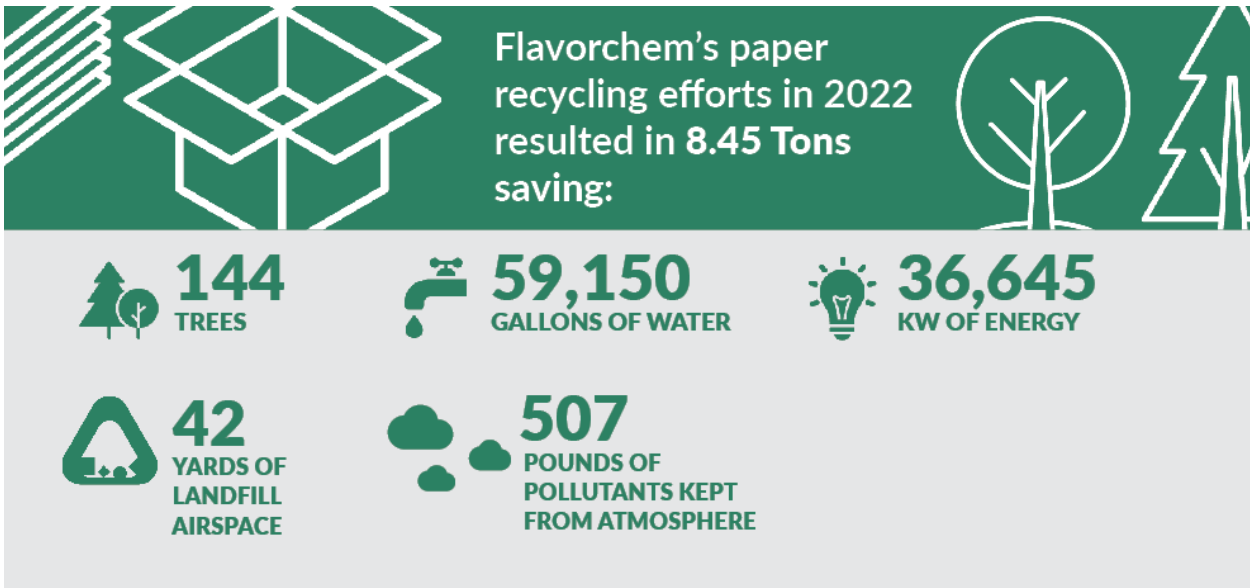
ENVIRONMENT

The Environmental Team focuses on assessing and reducing our impact on the environment. By compiling our current emissions, waste, and recycling efforts, we aim to find lasting ways to reduce our carbon footprint.

2022 Accomplishments

- Flavorchem completed global Sedex Members Ethical Trade Audit (SMETA) audits for all our campuses which included a third-party evaluation of our environmental programs. SMETA is an ethical audit methodology which encompasses all aspects of responsible business practice. SMETA is a way for organizations to prove they are working in an ethical manner, irrespective of size, sector or geography. It is the world's most commonly used ethical audit format and covers four pillars: labor standards, health and safety, business ethics and the environment. Their evaluation of our programs included a review of our environmental policy, programs, waste management, and permits. They also reviewed our monitoring records associated with our environmental footprint.
- SMETA auditors carry out on-site observations, conduct interviews with factory management and workers, inspect documents, and present their findings in a SMETA Audit Report. Based on the audit report, experts prepare a SMETA Corrective Action Plan Report (CAPR), outlining any improvements that are needed to achieve compliance. Having only received one nonconformance at each of our US campuses, and three in Europe, these were quickly closed out and it was noted by the auditor as being truly exceptional to have found so few.
- To improve our environmental impact, Flavorchem HQ approved a lower pH/neutral cleaner for liquid production. Commercial cleaning products with higher levels of acid or alkaline can have a greater negative impact on the environment than pH neutral ones. pH neutral cleaning products are less harmful to the skin's surface and every surface they touch.
- Flavorchem HQ started a ground vanilla bean project to upcycle the waste from ground vanilla beans that reduces disposal volumes by 5,280 lbs. annually.
- Flavorchem HQ recycled over 8,600 drums.
- We supported efforts to protect biodiversity and offset our carbon footprint by over 2,200 metric tons of CO₂e.
- At Flavorchem West, we initiated a service with Shred to recycle our paper waste. Our recycling of corrugated fiberboard increased by approximately 50%.
- Flavorchem West shipped about 850,000 pounds of spent coffee grounds to be reused as a soil amendment and we recycled about 3000 plastic and metal drums (approximately 75,000 pounds).

- Flavorchem West diverted 5,100 containers from landfills.
- Flavorchem Europe began a program with Ecolab (supplier of cleaning materials) to reduce cleaning time, chemicals and water usage.



1. U.S. Environmental Protection Agency and Proshred

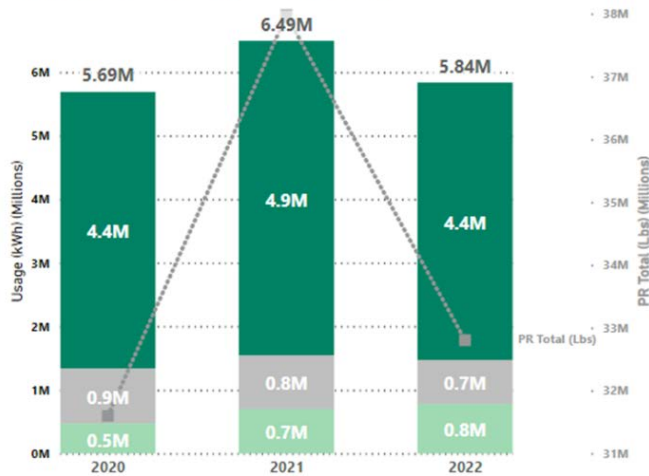
Flavorchem HQ's shredding and recycling efforts saved over 144 trees while diverting over 16,000 lbs./42 cubic yards from the landfills.

In 2022, through our recycling efforts (comingled recycling and cardboard), our Downers Grove campus diverted over 15.8% of our municipal wastes from landfills. Saving an additional 2,697 trees and over 575 cubic yards of landfill space.

⚡ Electrical Consumption

Electrical Use in Relation to Production Rate (FC Global: kWh/PR Lbs.)

Location ● FCE ● FCW ● HQ ● PR Total (Lbs)



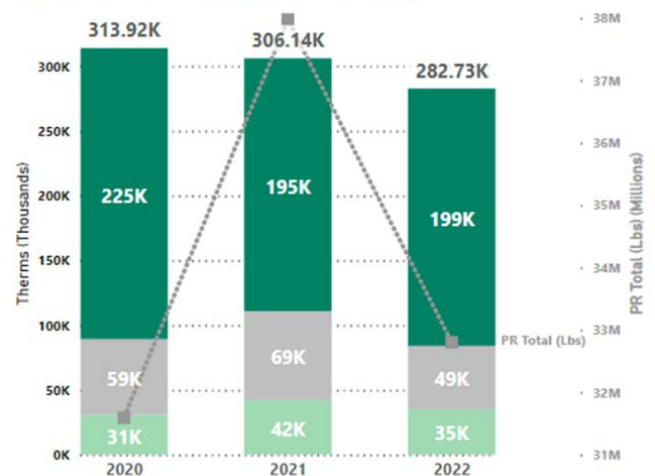
This chart reflects the total electrical energy consumption required for our operations globally. As we consider the environmental impact, this data helps us to track Scope 2 emissions and opportunities for increasing our operational efficiency.

An important point of consideration is that by using 100% Green-E energy (Renewable Energy Certificates), Flavorchem is significantly

🔥 Gas Consumption

Gas Use in Relation to Production Rate (FC Global: Therms/PR Lbs.)

Location ● FCE ● FCW ● HQ ● PR Total (Lbs)

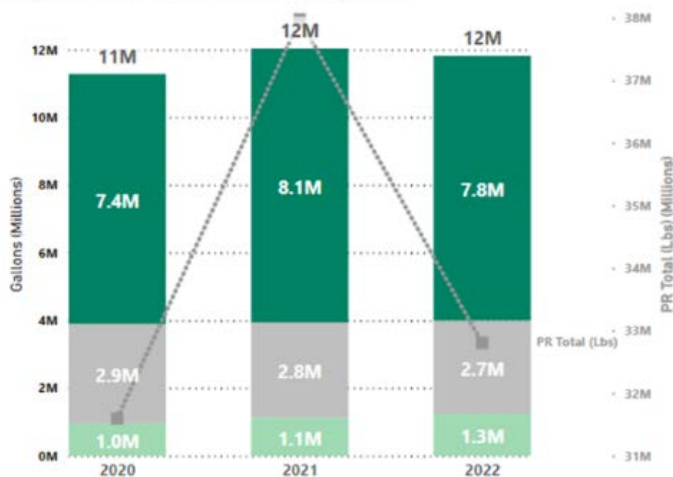


This visual shows the natural gas used across Flavorchem's global campuses. In addition to production, this includes all buildings at each location (R&D, offices, warehouses, etc.). In any given year, the value at the top of the bar chart represents Flavorchem's global use of natural gas. As we consider our air emissions, this value helps us to assess our environmental impact globally.

💧 Water Consumption

Water Use in Relation to Product Rate (FC Global: Gal/PR Lbs.)

Location ● FCE ● FCW ● HQ ● PR Total (Lbs)

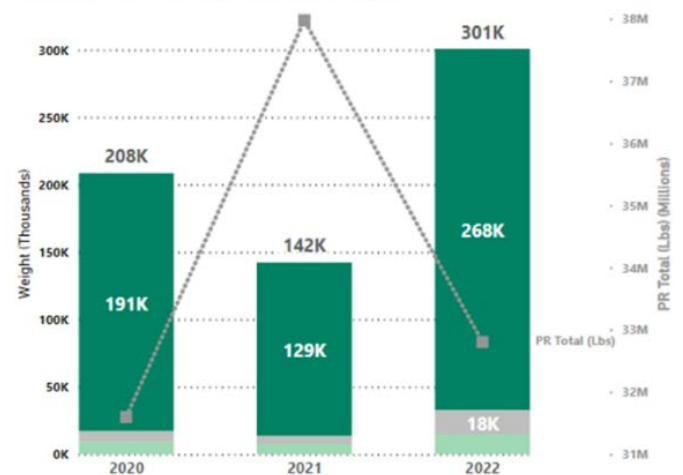


This graph depicts water consumption across Flavorchem's global campuses. This includes all buildings at the respective campuses using assigned colors. Flavorchem is actively seeking opportunities to minimize our water use proportionately to our production rate as fresh water is an extremely valuable resource.

♻️ Offsite Treatment/Waste to Energy

Waste Shipped Off-Site: Treatment/Wast to Energy (FC Global: Tons/Yr to PR Lbs./Yr.)

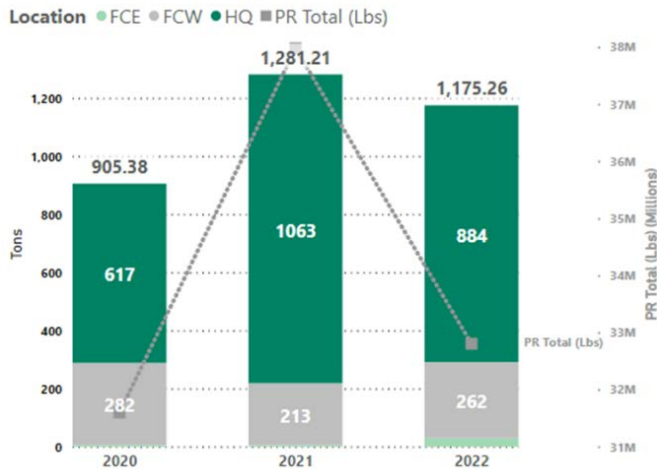
Location ● FCE ● FCW ● HQ ● PR Total (Lbs)



This chart is a visual of the combined waste streams shipped for off-site treatment by campus and year. Waste-to-energy is the process where energy (typically heat and electricity) is generated using waste as a fuel source. Compared to traditional waste management methods, it has a few advantages and weaknesses including higher CO2 emissions during use of an otherwise wasted resource, significant volume reductions sent to landfills, and affording resource/scrap metal recovery.

Landfill/Dumpster Waste

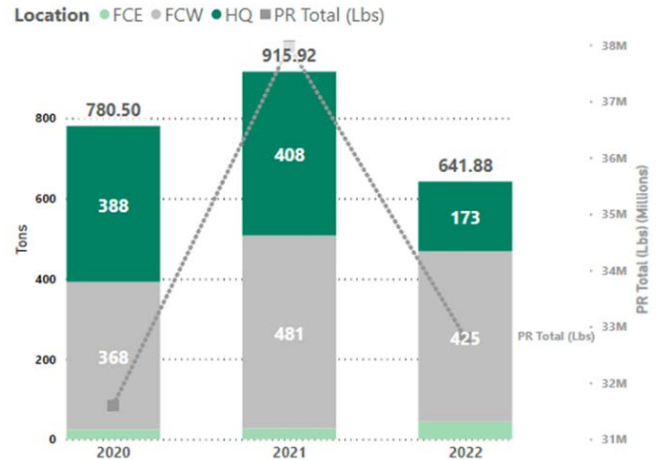
Landfill Waste in Relation to Production Rate (FC Global: Tons/Year to PR Lbs./Yr.)



Flavorchem is taking steps to monitor, reduce, reuse, and recycle material otherwise destined for landfills. The above chart highlights our progress and improvement opportunities.

Recycled Material

Recycled Materials in Relation to Production Rate (FC Global: Tons/Year to PR Lbs./Yr.)



Recycling not only saves energy but helps decrease greenhouse gas emissions by reducing the number of materials being sent to landfills. This chart features recycled operational materials including cardboard, paper, plastic containers, and spent coffee grounds used as a beneficial resource to amend soil.

Drums, pails and other reusable containers are not included in this chart but are noted elsewhere within this report.

Greenhouse Gas Emissions By Campus



Campus specific emissions are illustrated here with combined data into a single value to be used as a relative comparison of those impacts associated with natural gas and electricity consumption only. By filtering out the HQ and FCW renewable sourced electricity (REC's), more representative comparisons are now readily visible.

KPI Targets (24/7)*

| Operational Data | 2019 Baseline (Ratio: Lbs/Unit) | 2022 Results (Ratio: Lbs/Unit) | 2030 KPI Targets (Ratio: Lbs/Unit) |
|----------------------------------|---------------------------------|--------------------------------|------------------------------------|
| Natural Gas Consumption (Therm) | 86.94 | 116.02 | 107.80 |
| Electricity Consumption (kWh) | 5.97 | 5.62 | 7.40 |
| Off-Site Waste Treatment (Lbs.) | 202.54 | 109.06 | 251.15 |
| Landfill Waste (Lbs.) | 23.78 | 13.96 | 29.48 |
| Scope 1 Emissions (CO2e in Tons) | 8.21 | 15.61 | 10.18 |
| Scope 2 Emissions (CO2e in Tons) | 17.14 | 20.97 | 21.25 |

This table documents the KPI ratio associated with operational data, energy consumption, waste, and GHG emissions. Using pre-COVID data and production rates from 2019 to normalize our future trending results for yearly comparisons in 2023-30. Using natural gas as an example, in 2019 we produced 86.94 lbs. of product for every Therm consumed.

By 2030, our goal is to increase operational efficiency by at least 24%. Using less energy per pound of produced product than we achieved in 2019. Noting that energy consumption is directly proportional to Scope 1 and 2 emissions (tons of CO2e), our efforts to increase efficiency will result comparatively in lower emission rates.

In 2022, these results can be attributed to numerous factors. Including both planned and unplanned events. For Scope 1 emissions, being directly linked to natural gas consumption, a milder winter had a significant influence. Additionally, the fuel market was substantially impacted by the war in Europe. As such, Flavorchem Europe took very aggressive actions to reduce their consumption. Combined with other campus initiatives, maintaining lower temperatures during off-hours, and optimizing our production schedules (longer runs, less often), Flavorchem showed very impressive Scope 1 Emission results.

In 2022, Flavorchem West switched 100% of their electrical energy consumption over to Green-E energy. Generated by renewable energy sources (wind, solar, etc.), the associated Scope 2 Emissions were also significantly reduced. At present, over 86% of Flavorchem and Orchidia's global electrical consumption now comes from renewable energy.

Our Upcoming Recycling and Conservation Efforts

- We have targeted a 24/7 global reduction by 2030, which refers to a 24% reduction in emissions and energy consumption. The benchmark for doing so uses our production rates from 2019 as a benchmark/normalizer.
- We will strive to reduce landfill waste by 10% at Flavorchem Europe by 2030.
- We plan to enhance our paper, plastic, metal, and glass recycling programs.
- Flavorchem Europe's water reduction target for cleaning is 15% (volume-based value).

We will accomplish this by:

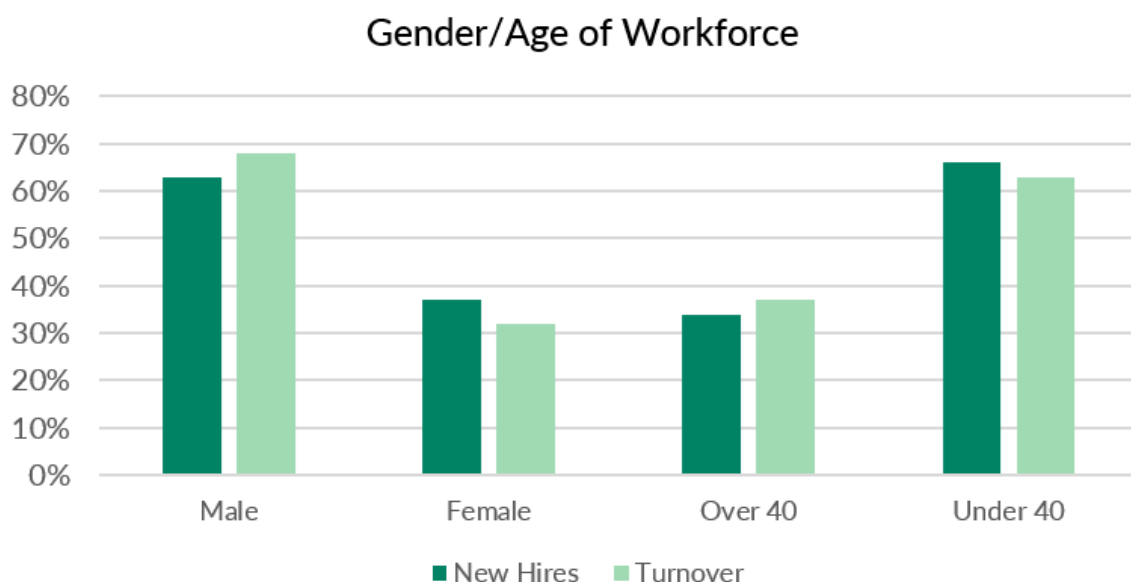
- Checking our cleaning procedure (possible help from our Detergent Supplier) to reduce water volume
- Installing washing heads into more Vessels/Blenders which improves the cleaning of the vessel to allow less water usage
- Encouraging operators to reduce water usage (bonus target/own ideas) during cleaning /flushing

LABOR AND HUMAN RIGHTS

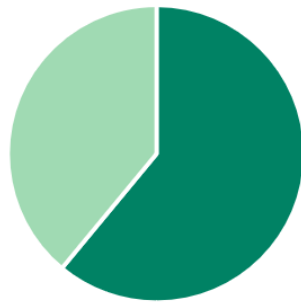
Human rights are core to how we operate. The Labor and Human Rights Team strives to create an environment that is inclusive and positively impacts the work lives of our team members, customers, and the community. We treat all our team members with respect and dignity and give them a vehicle in which they can remedy any concerns they may have in a timely manner. We welcome employee suggestions, and our leaders have an open-door policy. The goal of the Labor and Human Rights Team is to improve the employee experience. We focus on creating and implementing policies that will provide a safe, inclusive, and transparent workplace for all employees.

2022 Accomplishments

- We updated the employee handbook that contains updated compliance information, as well as detailed benefit information, including a new Paid Time Off policy.
- Human Resources created a reference guide for supervisors to use when faced with common questions and concerns that relate to the employee experience.
- 15 employees completed a supervisor training course that focused on interpersonal relations within the workplace to increase teamwork within operations.
- Employees at Flavorchem HQ were able to receive onsite flu shots and Covid vaccinations.
- Over 300 employees attended the State of the Company Meeting, held in-person and virtually.

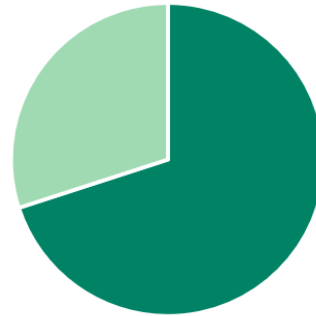


Executives by Gender



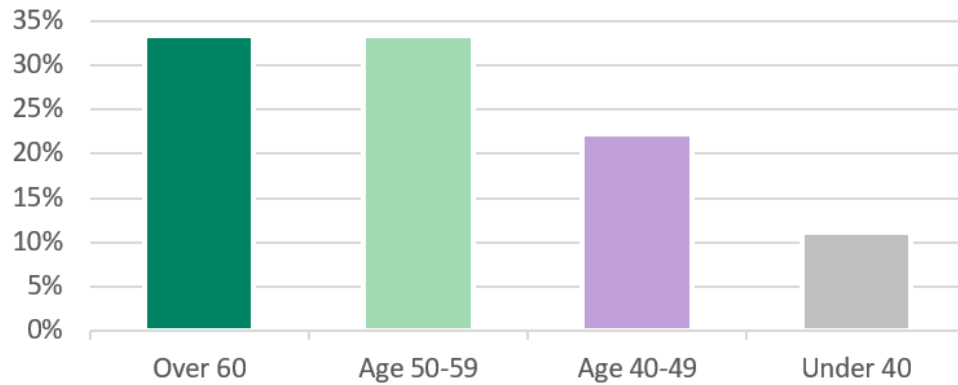
■ Male ■ Female

US Employees by Gender



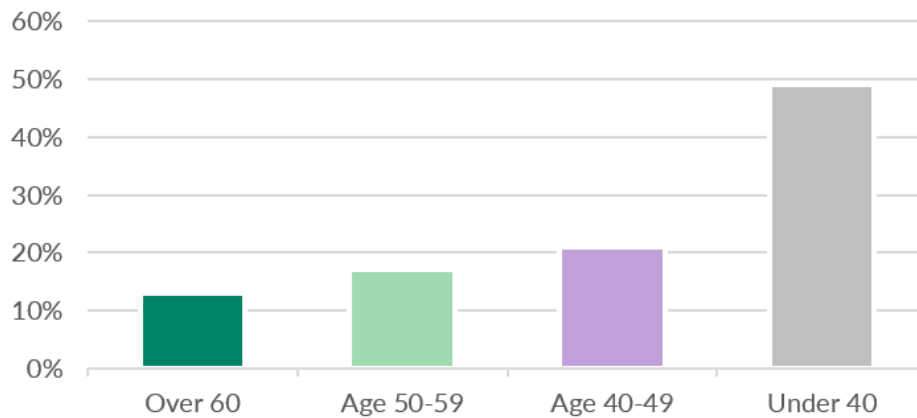
■ Male ■ Female

Executives by Age



■ Over 60 ■ Age 50-59 ■ Age 40-49 ■ Under 40

US Employees by Age

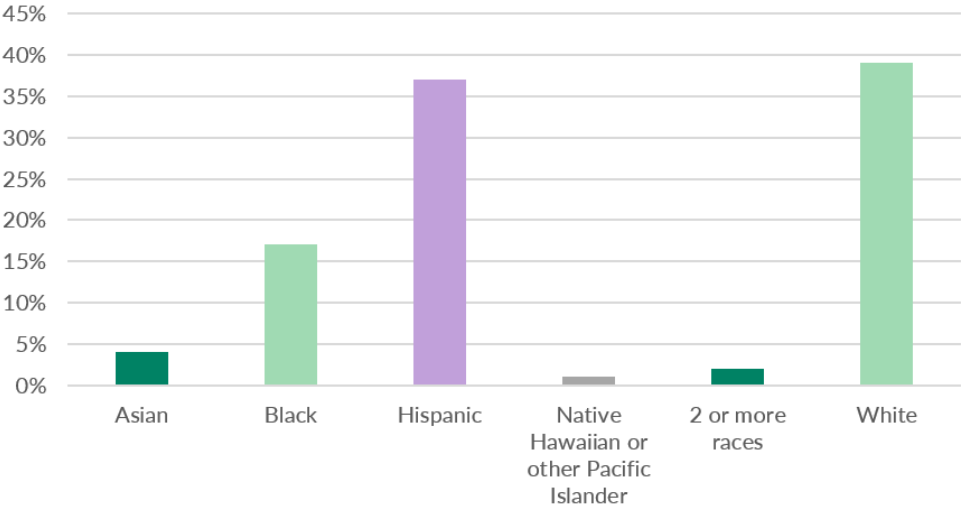


■ Over 60 ■ Age 50-59 ■ Age 40-49 ■ Under 40

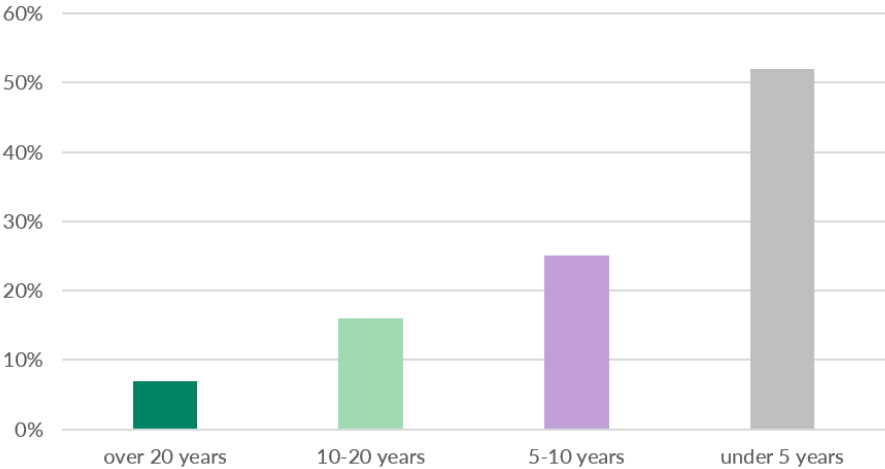
Hires and Terminations by Ethnicity



US Employees by Ethnicity



Tenure



A Path Forward

Hiring Practices and Processes

Robust and compliant hiring practices pose challenges in any industry. Ensuring that we have formal hiring processes and controls in place lessens the risk of unethical practices.

- An audit will be conducted of all hiring and recruiting processes and any questionable/ineffective practices will be remedied.
- Discussions will be held with all recruiting agencies and sources to ensure all candidates regardless of protected status are sourced and interviewed, if qualified.
- A “Requisition for Hire” process will be developed to ensure managers and the Human Resources Team are aligned on candidates, interviews, and hiring. Final approval of hire will be determined by Human Resources.

Employee Relations and Retention

We want to ensure that our team members feel that they are contributing to our business, enjoy their work, and feel valued and appreciated. We also strive to make sure that each individual feels that have a career path to growth in the organization. The end result is less turnover and higher productivity, which benefits the team members and the organization.

- Leaders will hold “stay” discussions with their team members to ensure they have a high level of job satisfaction, and any concerns can be addressed in a constructive manner.
- Mandatory round table discussion will be held to ensure all individuals feel safe in their environments and have a regular forum in which they can air any concerns in a constructive manner.
- Implement a service award program for employees reaching milestone anniversaries with the company.

Employee Health and Wellness

We feel it is important to address the whole person in our health and wellness initiatives promoting a healthy lifestyle that encourage our employees to be more active and eat healthily.

- Monthly 1 on 1 sessions will be held for any individuals who are interested in learning more about their benefits program or have questions about any benefit offerings.
- Employees will receive quarterly information on aspects of their benefits program that can enhance their general health at work and at home. This initiative is called “Spotlight on Health.”

SUSTAINABLE PROCUREMENT

The Sustainable Procurement Team focuses on supporting the operational requirements of Flavorchem and Orchidia Fragrances with an emphasis on partnering with suppliers that align with our ESG goals. We strive to learn and continuously improve our sustainable procurement strategies.

2022 Accomplishments

- We revised the verbiage on the face of all our Purchase Orders to confirm full compliance with our Terms and Conditions and Code of Conduct.
- In response to irresponsible oil palm tree cultivation, we approved and implemented a Palm Oil Policy to ensure we source responsibly.
- We recognized the global environmental impact that irresponsible oil palm tree cultivation has had regarding deforestation, the destruction of natural ecosystems, and associated human rights issues. In conjunction with our Sustainable Procurement Policy and Supplier Code of Conduct, we were committed to addressing our reliance on materials with harmful environmental and social impacts.

We have big plans ahead!

- Enhance our commitment to procure palm derived materials from only sustainable sources.
- Improve and enhance the information we share on site audits of our suppliers relating to sustainability issues.
- Upgrade our Sedex Membership, allowing us to address specific challenges regarding on-site audits. An upgraded membership will allow us to work with suppliers that already subscribe to Sedex.
- Aim to procure all palm derived materials from sustainable sources.

ETHICS

The Ethics Team strives to create a safe environment that promotes respect, honesty, and dignity for employees, customers, and partners. Flavorchem and Orchidia Fragrances are equal opportunity employers, and the Ethics Team helps to support the company's commitment to a workplace that is free from discrimination of any kind and free from abusive, offensive, or harassing behavior. We are dedicated to maintaining a healthy and safe environment which means following all safety programs, procedures, and guidelines; reporting all incidents and injuries in a timely manner and correcting any unsafe conditions or behaviors we observe. The Ethics Team sets the standards for good judgement and continuously pursues enhancements to meet high ethical principles.

2022 Accomplishments

Our Acceptable Use Policy outlines the safe and acceptable use of technology, including the internet and computer systems for the workplace. We updated our Acceptable Use policy to expand the scope to increase the standards and safety requirements for Information Security. Information Security is the process of collecting, storing, managing, and maintaining information securely in all its forms.

- We introduced a new employee training module on Information Security that was required of all employees. This training included best practices for email management for both employees and Flavorchem's privacy and security.
- We trained employees on guidelines and best practices related to fraudulent requests that are typically found in emails but can also show up in other forms such as text messages and phone calls. With all the technology that we use in our daily lives, when it comes to security, prevention is key.
- We updated our Privacy Policy to increase transparency and ensure the highest standard of GDPR compliance. This enhancement shows our commitment to protecting the privacy of the personal information that we collect from visitors to our website. The Privacy Policy describes how we collect, use, and protect personal information, and users' rights regarding their personal information that is collected.
- There were 10 cases reported via our anonymous online whistle blower site, Integrity Counts and 100% of the cases were resolved.

Securing our Future

- As data breaches and security threats become more widespread, the need for enhanced cyber security continues to increase. As an organization, we plan to enhance our Information Security initiatives to address cybercrime and conduct further risk assessments around our Information Security.
- We added multi-factor authentication (MFA) to all our technology platforms. MFA is an additional security layer used to protect against hackers by ensuring that end users are who they say they are. To access a system, a user must provide two or more pieces of evidence to verify their identity to gain access to a technology resource.

Tips & Best Practices- Intro



Teaching excerpt from Information Security Employee Training course.

2022 COMMUNITY STEWARDSHIP

Flavorchem founders, Salvatore and Phillip Sprovieri, recognized the importance and value of giving back to the community by helping those in need and motivating future generations to reach their goals. 2022 was filled with an abundance of stewardship opportunities for our employees to teach the next generation and nurture innovation within the flavor and fragrance industry.

El Sierra After-School Science Club

Our Application Scientists conducted an after-school science club meeting with El Sierra School to create learning opportunities and engage 5th-6th grade students in science experiments. The R&D Team made two different types of slime while learning about polymers and non-Newtonian fluids.



El Sierra students participated in science experiments with Flavorchem's R&D Team.

Hosted New Professionals Industry Event

The Chicago Institute of Food Technologists (CSIFT) has a New Professionals Committee, which provides a sense of comfort and community to fellow food professionals through various social and networking events in the Chicagoland area. They invite participants to expand their professional networks and form valuable connections with others while sharing a fun experience together. We hosted the CSIFT New Professionals Committee at our SRS Center for Taste Innovation for the chance to reconnect, network, and socialize with other new professionals in the food and beverage industry. Attendees toured our facility and tasted delicious Latin-inspired applications created by our Applications Team.



Industry event attendees toured the SRS Center for Taste Innovation and tasted Latin-inspired flavors.

Support Efforts for Ukraine and Ukrainian Refugees

In February 2022, the Russian attack on Ukraine resulted in millions of Ukrainians displaced from their homes in war-torn areas. Given Flavorchem Europe's geographical proximity to Ukraine during the Russian attack in February 2022, management and employees in Hungary supported employees with family members directly involved in the crisis, donated to nonprofit organizations, and delivered food and aid directly to the border. We have encouraged donating on an on-going basis as the humanitarian crisis remains and the needs of refugees are changing daily.

Flavor and Fragrances Conference

For the third consecutive year, our flavor and fragrance market analysts were speakers at the Flavors and Fragrance Conference held in Washington D.C. The session explored the top wellness trends influencing both sectors and how these trends are critical to uncovering new opportunities as the world continues to heal during a pandemic.

Avery Coonley Students “Flavorists for a Day”

- As part of a new social studies unit crafted by the Avery Coonley School, second grade students traveled to Flavorchem’s SRS Center for Taste Innovation to experiment with flavors and create gummy candies and sodas. The children learned the science behind the snacks they eat and discussed the economic interdependence of communities and examined supply chain processes.
- The second-grade students created their own soda by selecting a flavor and a color and their own cookies by choosing between different flavor icings and sprinkles. They also participated in a blind taste test to guess the flavors of different gummies.

Presentation for University of Toledo

Two of our fragrance experts were guest speakers during a virtual presentation for the University of Toledo’s Cosmetic Science students. They spoke about their capabilities, fragrance development, fragrance segments applications, and marketing trends. We look forward to continued collaboration in the future!



Flavorchem and Orchidia Fragrance Marketing Specialists presented top trends at D.C. Conference.

Corporate Work Study Program with Christ the King Students

For the 4th consecutive year, Flavorchem has supported Christ the King Jesuit College Prep's Corporate Work Study Program (CWSP) which serves students with limited economic resources. Through CWSP, students work for and earn nearly 60% toward the cost of their education – making a quality, college prep education possible for students who could not otherwise afford it. The resulting work experience, career exploration, mentorship, and networking students receive is invaluable in positioning them to succeed in college.



Christ the King student helped the Marketing Team organize kits for upcoming flavor collection.

Meet our Students!



Kaylin Hood

- Grade: Senior
- Departments: Marketing & HR
- Kaylin assisted HR with internal audits and office tasks, including filing and scanning. Kaylin also provided support to the Marketing team by helping with trade show preparation, flavor collection kits, design projects, and research.
- Fun Fact: Kaylin has interned with Flavorchem for all 4 years of her time at CTK College Prep.



Quinten Hadley

- Grade: Senior
- Department: Production Administration
- Quinten received in-depth training on Excel and generated several Production metrics and a forward-looking Production tracker. He also created training aid presentations in PowerPoint.



Michelle Moore

- Grade: Junior
- Department: Production Administration
- Michelle received in-depth training on Excel and generated several Production metrics and a forward-looking Production tracker. She also created training aid presentations in PowerPoint.



Angelo Gutierrez

- Grade: Sophomore
- Department: Project Management
- Angelo has developed a firm grasp of routine tasks such as creating, sharing, and collaborating on documents in Teams. He reviewed project documents, summarized content, researched public records, and managed personal pre-college reports. He brings a terrific attitude every day that he's at work; demonstrated by the creative spark he brought during the holiday season. He was given the title of Holiday Art Director for setting up and taking down holiday decorations, including developing our office's theme for the holiday door contest put on by the Employee Engagement Team.



Angelo helped decorate for the annual company holiday door decorating contest.

Congrats 2022 CTK Graduates!



Nelson Benitez

- Department: Accounting
- Nelson worked on accounts payable invoices, scanning documents into intellichief, and filing paperwork for the Accounting Department.



Alecia Johnson

- Department: Production Administration
- Alecia received in-depth training on Excel and generated several Production metrics and a forward-looking Production tracker. She also created training aid presentations in PowerPoint.

Downers Grove North Post-High School Student Interns



Stephanie Polihronidis

- Grade: Junior
- Department: Flavor Applications
- Stephanie helped prep items for prototype development, labeled tradeshow items, logged flavors and their usages for the group, shadowed members of the team, and helped with various R&D tasks.



Jacob Fieldman

- Grade: Senior
- Department: Accounting
- Jacob started with Flavorchem after graduating high school. He helped with the accounts payable and accounts receivable accounting functions and also prepared sales reports for the CFO and helped load data into our ERP system.

EMPLOYEE ENGAGEMENT TEAMS

The Employee Engagement Team (EE Team) plans and executes activities throughout the year for Flavorchem and Orchidia Fragrances employees to show our appreciation for them and the value they bring to the company. The EE Team consists of employees representing various departments within the company and is a voluntary commitment for the year. The EE Team strives for a family atmosphere by hosting regular employee events that create a sense of community among colleagues. The Employee Engagement Team also collaborates with several local charities in our ongoing efforts to give back to the community.

Take a look at the activities from 2022!



Employee Engagement Team Co-Presidents served hot dogs at Chicago Crosstown Classic Day.

Flavorchem HQ

February

To encourage employee engagement, we conducted a company-wide Super Bowl Challenge. All full-time Downers Grove employees were automatically given football squares that represented different score outcomes throughout the game. Employees cheered on their numbers as several winners took home prizes.

March

The R&D team created sweet holiday-themed treats that were handed out on St. Patrick's Day.

April

Employees received their choice of an Easter food basket to enjoy over the holiday weekend and celebrated the start of the MLB season by wearing a t-shirt from their favorite baseball team.

May

- To honor all mothers at Flavorchem and Orchidia Fragrances for Mother's Day, the EE Team raffled off a gift basket full of goodies for moms to enjoy.
- Employees enjoyed a day out of "uniform" to kick off Chicago Crosstown Classic weekend. They were provided a complimentary hot dog lunch and were able to wear their favorite baseball shirt.



Mother's Day raffle winner received a gift basket that included specialty spa items.

June

- To honor all fathers at Flavorchem and Orchidia Fragrances for Father's Day, the Employee Engagement Team raffled off a gift basket designed for dads.
- The funds that were raised for the gift basket raffles were donated to IMPACT charity in Villa Park. IMPACT is a proactive youth development program committed to helping kids stay focused on school and future goals, learn self-respect, believe in their potential, and help in the community.
- The annual company-wide bags tournament was hosted for employees to take a break from work, enjoy the summer sun, and showcase their competitive side.
- Back by popular demand, employees kicked off the 4th of July weekend by enjoying a complimentary taco food truck on campus.



Employees awaited their catered lunch on Taco Day.



Employees participated in annual bags tournament.

August and September

HQ Employee Appreciation Week (8/29-9/2)

For the first time since start of the Covid-19 pandemic, The Employee Engagement Team planned a summer company party at Pinstripes to celebrate the start of Employee Appreciation Week and honor the hard work of everyone at Flavorchem and Orchidia Fragrances.

- Pinstripes Party 8/27: Employees celebrated the start of Employee Appreciation Week with a company party at Pinstripes! The party included a full buffet, complementary drinks, bowling and bocce ball.
- Monday 8/29: Donut & Coffee Day
- Tuesday 8/30: Pizza Day
- Wednesday 8/31: Ice Cream Day
 - The EE Team donated leftover ice cream from Employee Appreciation Week's Ice Cream Truck Day to Project Purple, an organization for Pancreatic Cancer.
- Thursday 9/1: Raffle Day



The start of Employee Appreciation Week kicked off with a party at Pinstripes.



Employees enjoyed tasty treats on Ice Cream Day.

- Friday 9/2: Company Picnic
- 'Flavorchem Olympics' was hosted weeklong for any interested employee. Participants joined teams and competed in different activities during the week such as a paper airplane toss, 3-point contest, and water balloon catch.

Wellness Week (9/12-9/16)

In an ongoing effort to prioritize physical and mental health amongst employees, we also hosted Wellness Week which included various activities like Yoga and Smoothie Day, a Walk-a-Thon, and a seminar on Work-Life Balance.

October

- A Halloween Costume Contest is held annually with prizes awarded to the top individual costume votes.

November

- Every employee received a Thanksgiving food box of their choice as a thank you for their work over the course of the year.
- We held a holiday food drive for the Downers Grove FISH Food Pantry from November 1st through November 18th. This is a local food pantry that serves our Downers Grove neighbors in need and positively impacts the community. Even though DuPage County is the second-richest county in Illinois, more than 1 in every 10 adults is projected to be food insecure.
- A charity Bingo contest was held in November alongside the holiday food drive. Food items were brought in in exchange for a bingo card. Each employee earned a maximum of one bingo card for donated food. The prize was split 60/40 with 60% of money raised going to the Downers Grove FISH Food Pantry. As a company we donated over 1,100 items!



Wellness Week included outdoor yoga.



Smoothies were served to all employees during Wellness Week.



Employee winner of the Halloween Costume Contest.



Over 1,100 items were donated during the holiday food drive.

December

- We collaborated with St. Mary's Vincent de Paul Society's Adopt-a-Family program for the holiday season. The charity directly helps 35-40 local families and take on around 60 families from their sister parish in Joliet, Our Lady of Mt. Carmel. They serve around 350-400 individuals in those families.
- A holiday department door decorating challenge was in full force with the winning department receiving a pizza prize for their decorating efforts.
- The Employee Engagement Team held a hot chocolate bar for all employees to distribute the year's holiday gift.



Departments got creative during the holiday door decorating contest.



The EE Team wrapped gifts holiday gifts for families in need.



Flavorchem Europe (FCE)

Our team in Hungary hosted an assortment of events that included team building exercises, holiday celebrations, and community stewardship.

- Every employee is invited to participate in a yearly teambuilding event. In 2022, several colleagues took a trip to one of Hungary's national parks during the day, wine tasting and dinner in the evening, and a disco to end the event.
- FCE hosted another teambuilding activity, Sportday, an event where employees come together to play different sports and get to know each other better.
- FCE hired a Wellbeing Manager to analyze employee satisfaction and needs through one-to-one conversations with employees. Employees are encouraged to reach out anytime if they have concerns, ideas, and questions about their careers. The Wellbeing Manager builds a strategy to improve segments of the employee's experience to ensure their wellbeing is above satisfactory.



Kerepes employees enjoyed dinner and a wine tasting during teambuilding activity.



Orchidia Fragrances formal inauguration in Kerepes.

- To commemorate the milestone of our new fragrance facility in Kerepes, a formal inauguration event was held in the Summer of 2022. Attendees included Ross Sprovieri, CEO of Orchidia Fragrances and Tamás Hrobák, Key Account Manager for the company, in addition to the Mayor of Kerepes and representative from the American Chamber of Commerce. The event began with a morning reception, followed by an opening ceremony and presentation of the plant. Later the Mayor joined Ross Sprovieri and Tamás Hrobák in ceremony for the cutting of the ribbon. At the end of the afternoon, invited guests and colleagues of Flavorchem and Orchidia Europe joined together for a lunch to conclude the event.



Flavorchem Europe employees visit national park during teambuilding.

- As gas and electricity prices soared for many people throughout Hungary, FCE provided extra utility support each month to employees to ensure they feel more secure and safe with recent governmental changes
- In Hungary, St. Nicholas Day is celebrated all over the country on December 6th. Children receive chocolate and candy from Santa Claus at home, school and their parent's workplace if they were nice during the year. At FCE, we traditionally celebrate St. Nicholas Day with our colleagues and their families with a party where children can meet Santa Claus. Santa then gives each child a little bag of gifts and sweets.



Flavorchem Europe celebrated St. Nicholas Day with employee families.

- As a yearly tradition, a nice Christmas dinner is held for all employees at a local restaurant. A presentation is given to address the company's latest performance, team highlights, and notable mentions with an awards ceremony afterwards. We want our employees to be recognized for their hard work and contributions during the year.

Flavorchem West

- Flavorchem West employees were put in a monthly raffle drawing to win gift cards to select local restaurants as a thank you for all of their hard work.
- Employees birthdays and work anniversaries were recognized each month with a cake and mini party to celebrate.
- Employees received holiday-themed goodie bags for Valentine's Day, St. Patrick's Day, and Easter.



Employees at Flavorchem West enjoying Employee Appreciation Week events.

- The Employee Engagement Team hosted a BBQ to honor all of the Flavorchem mothers and fathers.
- June's annual picnic was held at the San Diego Animal Park that included an all-day pass and a catered lunch.
- Held in August, Employee Appreciation Week celebrates employees by treating them to a week of fun activities including trivia, food, desserts, and prizes.
- In September, Flavorchem West donated over several hundred pounds of food and hygiene products to the local community through Food Drive for Family Assistance Ministries.
- Employees celebrated Candy Apple Day in October by picking their favorite Caramel Apple flavor at a local candy shop. They also made a generous donation to the Assistance League of Capistrano Valley which is a local charity supporting teachers, students, and families serving at Camp Pendleton.
- Employees gathered together to share their favorite dishes for a Thanksgiving-themed holiday potluck.
- Flavorchem West held their annual holiday party at a restaurant in the Historic San Juan Capistrano district. The event was privately catered and included entertainment from a magician and end of evening prize drawings.



Annual picnic held at the San Diego Animal Park.



Food trucks were enjoyed by all during Employee Appreciation Week.

MEET OUR PEOPLE

Throughout the year, Flavorchem and Orchidia Fragrances spotlight different employees to enhance the workforce culture and acknowledge each department and their various roles within the organization.

Our people are our greatest asset and bring out the finest in collaboration, creative ideas, and development. Meet some of our employees who were featured this year!



Bobby Hammer

- Title: Perfumer
- “Fragrance is deeply personal; evocative of emotions and memory, but also speaking to a person’s personality and mood.”
- Favorite Fragrance: Three-way tie between Bleu de Chanel, fresh cut grass, and hyacinth
- Years at the Company: 8



Isabella Gualandri

- Title: Quality Control Lead
- “Food is my passion! I love to eat and experience all the flavors to the fullest.”
- Favorite Flavor: Jasmine
- Years at the Company: 5



Dave Medley

- Title: Assistant Production Manager
- “There is never a dull moment working at Flavorchem and there are always new challenges presenting themselves.”
- Favorite Flavor: Vanilla Cookie
- Years at the Company: 18



Aslin Maravilla

- Title: Packaging Administrative Manager
- “Working in the packaging department is very interesting as I am always learning and being challenged. It is impressive and eye-opening how much behind-the-scenes work has to be done before packaging a product at Flavorchem.”
- Favorite Flavor: Passionfruit
- Years at the Company: 9



Sara Su

- Title: APEC Operation Manager for Orchidia Fragrances China
- “Orchidia has an incredible and caring team with a lot of spirit. Alone we can do so little, together we can do so much.”
- Favorite Fragrance: Lemon verbena
- Years at the Company: 7

THANK YOU

We are proud of our 2022 sustainability achievements and will strive to continue our advancements and positive impact towards ethics, sustainable procurement, labor and human rights, and environmental progress.

Flavorchem is committed to conducting our business in ways that protect and benefit the environment, our employees, customers, and the global communities where we operate.



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