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2024

# Our Sustainable Journey

Environmental, Social, and Governance Annual Report

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# INSIGHTS FROM OUR PRESIDENT AND CEO

We are proud to share the progress we made over the past year in advancing our Environmental, Social, and Governance (ESG) initiatives. Our commitment to sustainability and social responsibility has driven meaningful change, from deepening our engagement with the communities we serve, to diversifying and strengthening our supply chains with partners that share our values and improving information security technology and awareness. Our highest priority remains the safety and well-being of our global workforce, and we are grateful for the progress we continue to make.

In 2024, we partnered with local organizations to support education, food insecurity, and homelessness reinforcing our dedication to making a positive impact beyond our business operations. Additionally, we placed a strong emphasis on employee appreciation and engagement by implementing a Service Anniversary Award program which additionally recognizes the valuable contributions of our dedicated employees.

Thank you to the Flavorchem and Orchidia Fragrance Teams that embrace continuous improvement in all we do. It is rewarding to see our 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**



&



Our Team

440+

Associates

Located Across

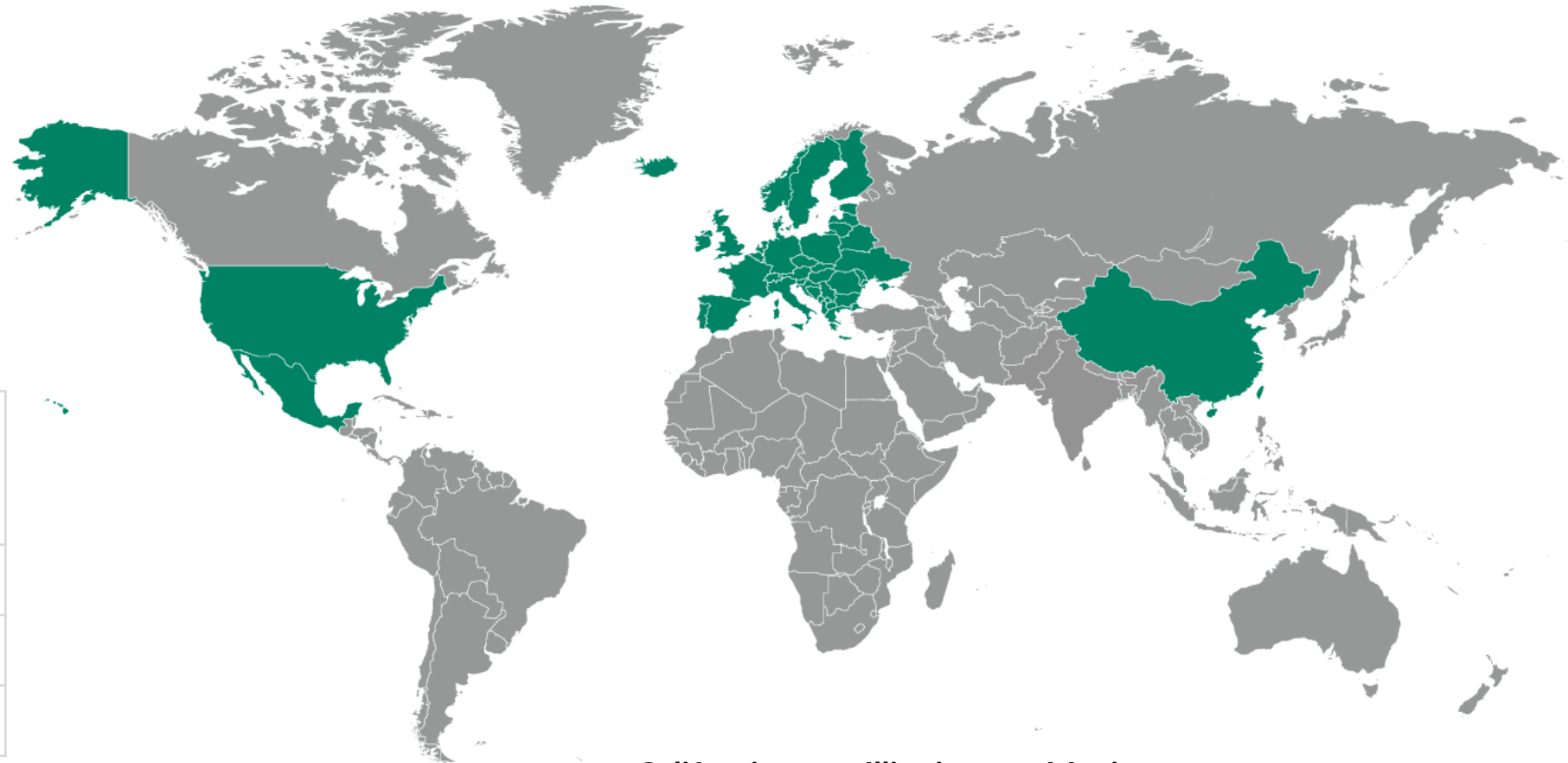
3

Continents

In Business

50+

Years



## Worldwide Operations

Manufacturing

Innovation Centers

Distribution

Sales Offices

California ● Illinois ● Mexico

Switzerland ● Hungary ● China ● Singapore

# COMMITMENTS AND PROGRESS

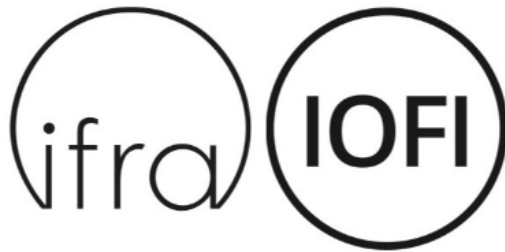
**Flavorchem and Orchidia Fragrances** specialize in the creation and manufacturing of flavor, fragrance, and ingredient solutions. Established in 1971, we are a privately held business partnering with brands well recognized throughout the world. We strive to provide our customers with the highest-quality 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. We align with industry best practices and established a formal corporate program in 2020 that allows for continuous improvement. Our commitment to Environmental, Social, and Governance remains a corporate priority, and we are excited to share those achievements with you in this annual report.



# GUIDING OUR SHARED VALUES

Our 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

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.

## EcoVadis

EcoVadis provides the world's most trusted sustainability ratings, enabling all businesses to reduce risk, drive performance, and improve environmental and social outcomes.



## Sedex

Sedex provides an online platform, tools, and services to help businesses operate responsibly and sustainably, protect workers, and source materials ethically.

In 2024, EcoVadis conducted a comprehensive assessment of our Environmental, Social, and Governance (ESG) efforts, evaluating 21 sustainability criteria. Following an extensive review of our policies, actions, and results, EcoVadis ranked us in the 79th percentile, awarding us their prestigious Bronze Medal.

# 2024 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. 2024 was filled with an abundance of stewardship opportunities for our employees to foster innovation within the flavor and fragrance industry and support the local communities.

## Corporate Work Study Program with Christ the King Students

For the 6<sup>th</sup> 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 40% 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. Spearheaded by CEO Ross Sprovieri, who continues to serve on the board, this initiative reflects our commitment as a Corporate Partner to investing in the development of a diverse workforce and in the students' futures, building qualified and talented future leadership within the flavor and fragrance industry.



# MEET OUR CTK STUDENTS



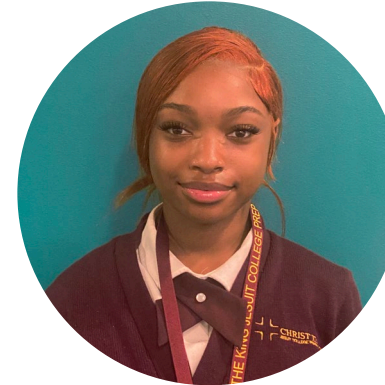
**Angelo Gutierrez**

**Grade:** Senior

**Department:** Marketing

Angelo provides support to the Marketing team by helping with the creation of marketing collateral, preparing for trade shows, conducting market research, shadowing customer tours and meetings, and more.

**Years at Flavorchem:** 3



**Oshawn Easter**

**Grade:** Freshman

**Department:** Human Resources

Oshawn helps the Human Resources department with auditing projects, digitization of documents, and general document organization.

**Years at Flavorchem:** 1



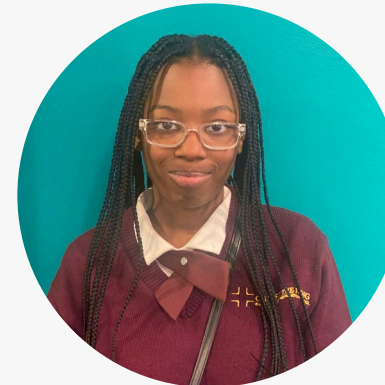
**Aaskia Sharif**

**Grade:** Senior

**Department:** Accounting and Purchasing

Aaskia reports weekly to the accounting or purchasing departments, handling assignments like special projects on pivot tables, OneNote files, basic accounting procedures, budget reviews, data entry, and inventory reviews for purchasing.

**Years at Flavorchem:** 2



**Serenity Tillman**

**Grade:** Freshman

**Department:** Production Administration

Serenity provided production support by generating a 'look forward' table that predicts production ability to meet customer demand on a given day.

**Years at Flavorchem:** 1

# CONGRATS 2024 CTK GRADUATES!

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**Ka'Maree Montgomery**

**Departments:** Human Resources and  
Regulatory

Ka'Maree assisted both departments  
with paperwork, projects and audits.

**Years at Flavorchem:** 2



**Jaylin James**

**Department:** Production Administration

Jaylin received in-depth training within the  
Production department for data entry and  
statistical analysis.

**Years at Flavorchem:** 2

# VOLUNTEERING TO END HOUSING INSECURITY

DuPage Pads is dedicated to ending housing insecurity in DuPage County, Illinois, by providing year-round shelter, meals, and supportive services that address the root causes of housing insecurity. Their mission centers on empowering individuals and families through case management, education, and employment programs to achieve stable housing and self-sufficiency. Since 2023, Flavorchem employees have contributed by volunteering their time to assist clients with job readiness training, helping them build resumes and complete job applications, and empowering them to take meaningful steps toward independence.



Flavorchem's Sr. Manager of Marketing Relations (left) provides valuable assistance in resume writing and job searches at a local employment program supporting individuals facing housing insecurity.

# BREAKING DOWN WALLS: SPONSORSHIP SUPPORTING MENTAL HEALTH INITIATIVES

Trilogy, a Chicago-based organization, helps individuals recover from mental illness and achieve stability. In October, over 300 supporters, including Flavorchem as one of the event sponsors, raised \$250,000 to expand access to mental and behavioral healthcare, reinforcing the company's commitment to supporting mental health initiatives.

Additionally, Flavorchem's Chief Financial Officer has served on Trilogy's Board of Directors for two years, contributing to the organization's strategic vision and growth.



Flavorchem's Chief Financial Officer (right) serves as Treasurer on Trilogy's Board of Directors.



# ENVIRONMENT

The Environment 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.

## 2024 ACCOMPLISHMENTS

- Flavorchem and Orchidia Fragrances launched new recyclable packaging that eliminates the need for a secondary shipping box, offering a significant ESG advantage by reducing packaging waste. Made entirely from recycled materials, both the box and its inserts are fully recyclable, supporting sustainability across the entire supply chain.
- We expanded two very important initiatives focused on our commitment to renewable energy by supporting a project to offset our carbon emissions (Rimba Raya).
- Globally, 100% of the electricity purchased to power our production sites came from renewable sources. This achievement was made possible using Renewable Energy Certificates (RECs) and Guarantees of Origin (GoO).
- We continued our commitment to renewable energy by purchasing slightly more RECs/GoO (MWhs) than we consumed to cover off campus activities. This proactive approach prevented over 2,900 metric tons of carbon dioxide equivalent (CO2e) emissions from contributing to our greenhouse gas emissions. To put this into perspective, it's the equivalent of 3,239,305 pounds of coal not having to be burned for electricity. Reducing the impact of global warming, with choices that also serve to improve the quality of air we all breathe.



New co-branded shippers designed to reduce packaging waste

# IMPLEMENTING SUSTAINABLE STRATEGIES



## Key Areas of Focus:

1. **Emissions Tracking:** Monitoring Scope 1 and 2 emissions to understand our carbon footprint and identify reduction opportunities.
2. **Waste Management:** Implementing effective waste reduction and recycling programs to minimize landfill use and promote resource conservation.
3. **Recycling Initiatives:** Recycling used containers, drums, cardboard, paper, and various plastics to reduce pollution and conserve natural resources.
4. **Carbon Offsets:** We support the Rimba Raya project, offsetting 350 metric tons of CO2e and contributing to rainforest conservation in Central Kalimantan, Indonesia.

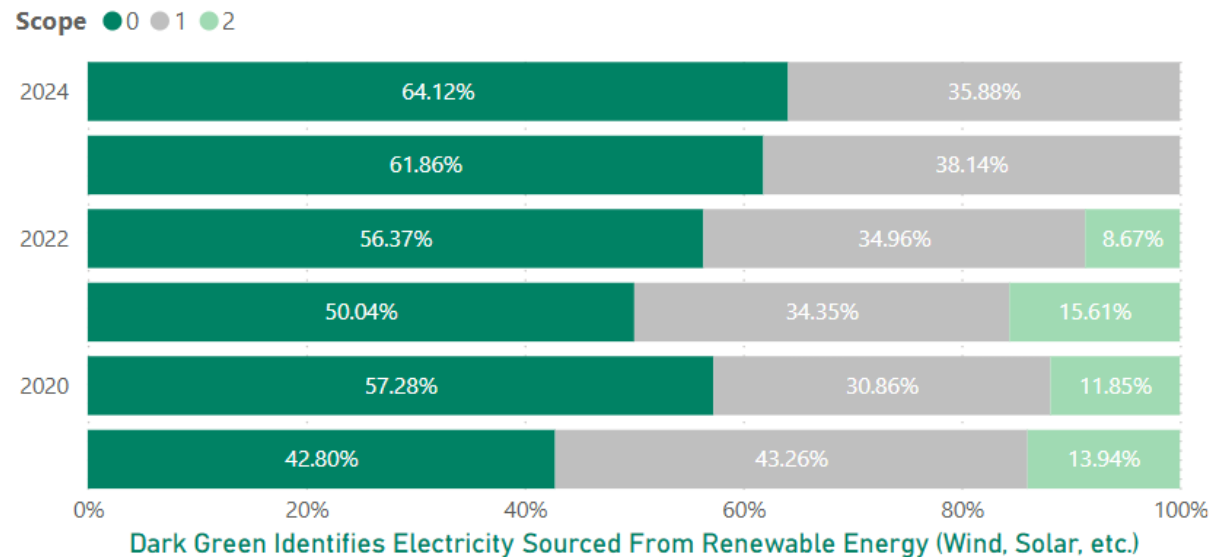
## Benefits of Our Efforts:

- **Lower Greenhouse Gas Emissions:** Reducing emissions helps mitigate climate change and improve air quality.
- **Resource Conservation:** Recycling and waste reduction conserve valuable natural resources and reduce the need for new raw materials.
- **Cost Savings:** Efficient waste management and recycling can lower operational costs and generate revenue from recycled materials.

By focusing on these areas, we strive to create lasting and positive impacts on both the environment and our business operations.

# ENERGY ⚡

Energy Type: Sourced by Scope and Percent of Demand




As Flavorchem and Orchidia Fragrances explore alternative energy sources, we closely monitor both the demand and the energy being sourced. In 2024, our overall energy needs reflect a continued decrease regarding natural gas. Ideally, the Scope 1 emission will continue to drop as a percentage of our demand. Comparing electrical and gas consumption can offer several benefits to Flavorchem:

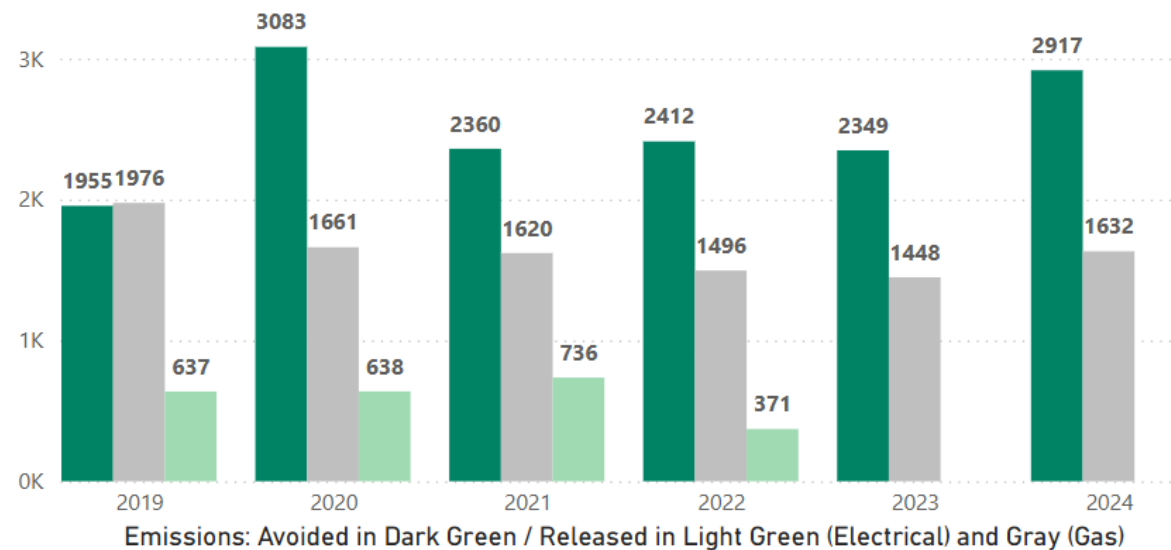
- **Energy Efficiency:** Understanding the consumption patterns of both electricity and gas can help us identify areas where energy is being wasted. This insight allows for targeted improvements in energy efficiency, reducing overall consumption and costs.
- **Cost Savings:** By analyzing and comparing the costs of electricity and natural gas, Flavorchem can identify the most cost-effective energy source for our operations. This can lead to significant savings on energy bills.
- **Environmental Impact:** Flavorchem can make informed decisions about their energy sources to minimize their environmental footprint. For instance, opting for renewable electricity sources can reduce greenhouse gas emissions and enhance Flavorchem's sustainability profile.

Overall, comparing electrical and gas consumption helps us to optimize our energy use, reduce costs, and enhance Flavorchem's sustainability efforts.

# EMISSIONS TRACKING

Emissions Tracking (CO2E as Metric Tons)

Scope 1 (Natural Gas) / Sc...  0  1  2



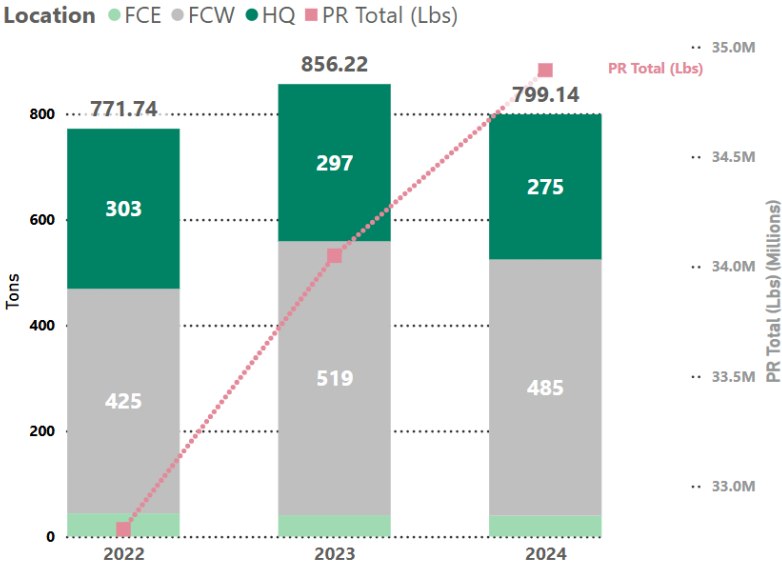
Scope 2 emissions associated with electrical consumption dropped to zero since 2023, as shown by the light green bars in the Emissions Tracking chart. This was achieved using REC/GoO. To track the significance of that achievement, we see the Scope 0 (in dark green) that represents this transition/reduction of those CO2e emissions that would have otherwise been shown in light green. Effectively, preventing 2917 tons of CO2e emissions in 2024. Noting that CO2e (carbon dioxide equivalent) is a metric used to standardize the measurement of greenhouse gas emissions. It allows different gases to be compared based on their global warming potential (GWP).

- Purpose: CO2e simplifies the comparison of various greenhouse gases by converting their impact into the equivalent amount of CO2 emissions.
- Importance: Using CO2e helps businesses, policymakers, and individuals accurately assess the climate impact of their activities, track progress toward sustainability goals, and make informed decisions on emissions reduction strategies.

By using CO2e, we can better understand and manage its overall greenhouse gas emissions, contributing to more effective climate action.

# RECYCLED MATERIAL

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

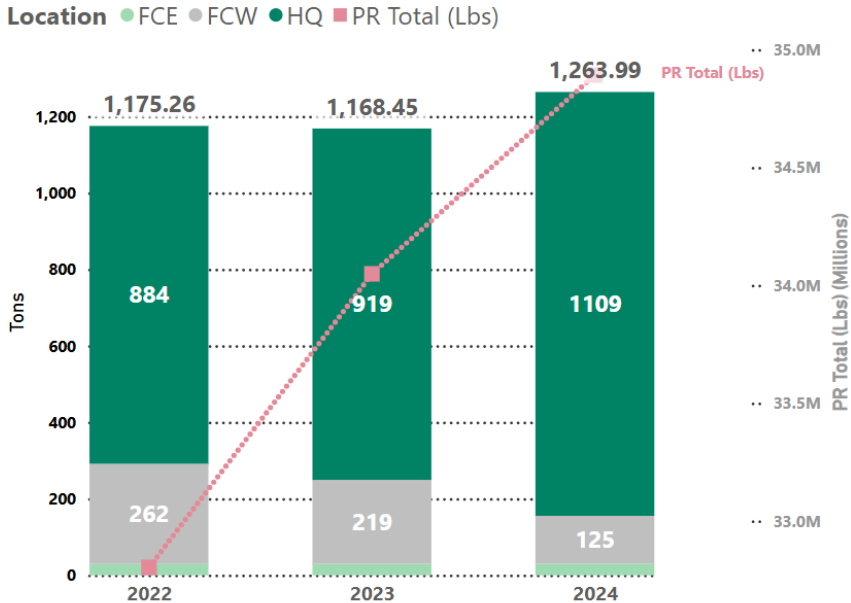


Recycling and reconditioning used containers offer significant industrial and environmental benefits. Last year alone, more than 6,500 containers—such as barrels and totes—were recycled and reconditioned at our headquarters, amounting to approximately 120 tons. As shown in the Recycled Material chart, our global efforts diverted over 799 tons of material from landfills.

These practices help conserve natural resources by reducing the demand for raw materials, resulting in cost savings and minimizing waste generation, which lowers disposal costs and environmental impact. Additionally, producing reconditioned containers often requires less energy than manufacturing new ones, contributing to reduced greenhouse gas emissions.

By prioritizing recycling and reconditioning, Flavorchem actively promotes sustainability, strengthens corporate social responsibility, and upholds its core values.

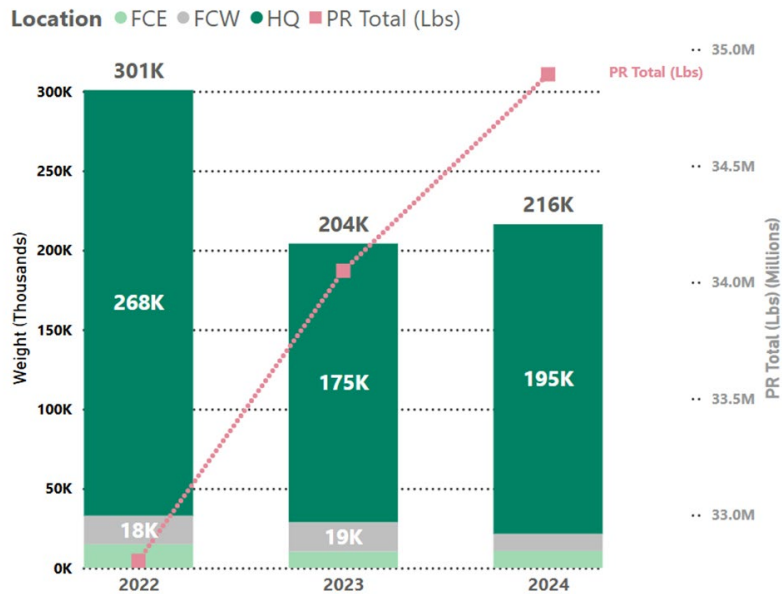
# LANDFILL/DUMPSTER WASTE



Not all industrial waste can be recycled, and a considerable portion continues to be disposed of in landfills. Despite advancements in recycling technologies, infrastructure, and the development of more sustainable waste management practices, complete landfill diversion remains a challenging objective. As operations continue to expand, Waste Minimization remains a critical focus for achieving long-term sustainability.

To effectively assess and compare waste management performance relative to increasing product demand, Production Rates (PR dotted line) serve as a valuable metric. The goal is to maintain or ideally reduce global landfill requirements, even as production rates increase, aligning with our long-term commitment to achieving zero-waste objectives.

# OFFSITE TREATMENT/WASTE TO ENERGY

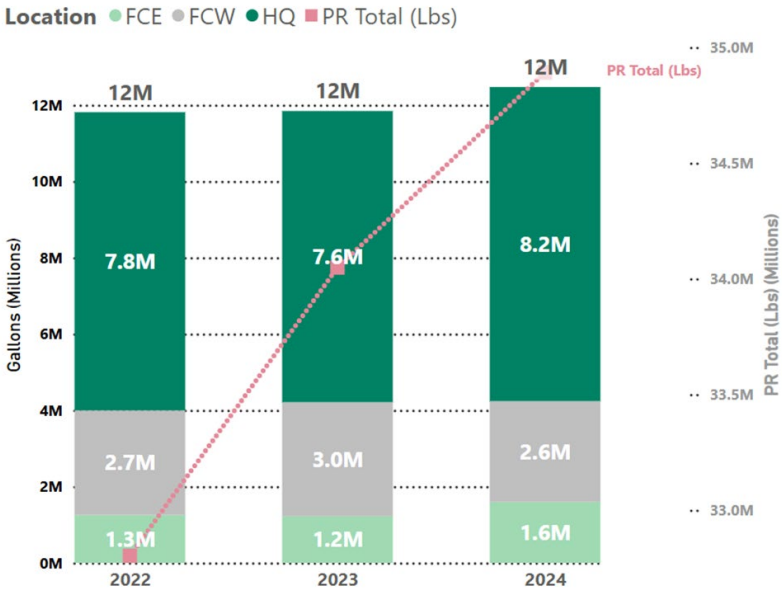


Some materials require offsite treatment, including alcohol-based hazardous waste and various colorants/dyes (Special Wastes). Much of this is managed through Waste-to-Energy (WtE), providing key benefits:

- **Waste Reduction:** WtE can reduce waste volume by up to 87%, minimizing landfill use.
- **Energy Production:** Converts waste into electricity or heat, offering an alternative energy source and reducing fossil fuel dependence.
- **Reduced Emissions:** Diverting waste from landfills lowers methane emissions, with WtE producing fewer greenhouse gases than traditional methods.

WtE remains essential to our integrated waste management, supporting sustainability while meeting energy needs.

# WATER CONSUMPTION

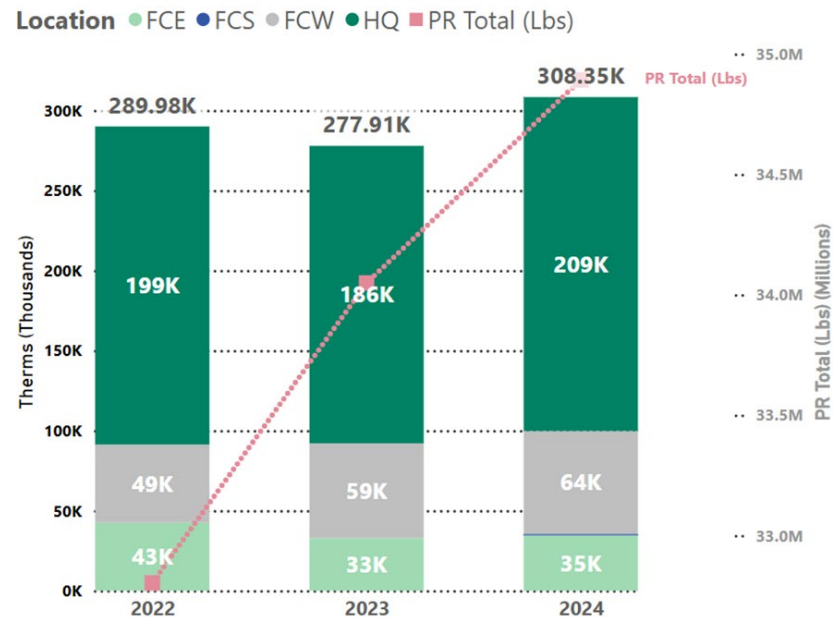


Water is essential in formulations like concentrates and is crucial for cleaning, cooling, and heating during production. We monitor consumption using our Production Rate, as water conservation enhances production efficiency.

- **Resource Optimization:** Conserving water ensures that resources are used more effectively, leading to streamlined production processes.
- **Sustainability Goals:** Improved water efficiency helps meet sustainability targets (e.g., 24/7), and compliance with environmental regulations.
- **Energy Efficiency:** Efficient water use decreases the demand for energy-intensive processes like heating, pumping, and conditioning water.

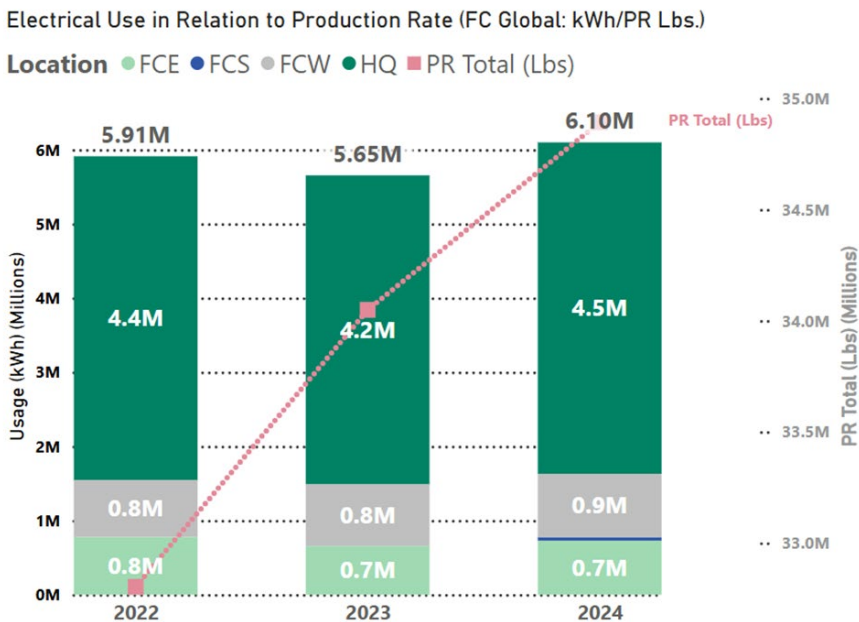
By implementing water conservation strategies, Flavorchem and Orchidia Fragrances can achieve significant resource conservation, cost savings, and enhanced production efficiency.

# GAS CONSUMPTION



In industrial settings, heating production often relies on natural gas for various applications, including space heating, process heating, and steam generation. At Flavorchem, we also use this in air pollution control equipment. Operating our Regenerative Thermal Oxidizers (RTOs) to destroy volatile organic compounds (VOCs) and hazardous air pollutants (HAPs) by oxidizing them at high temperatures. While this process consumes a substantial amount of fuel, our analysis indicates that the environmental benefits far outweigh the associated costs. As expected with production rate increases, we can see a direct correlation with the demand for natural gas. Highlighting future improvement opportunities.

# ELECTRICAL CONSUMPTION



Securing 100% of our electricity from renewable sources and supporting projects that offset CO2e are significant steps in our sustainability strategy. These actions help reduce our carbon footprint and demonstrate our commitment to environmental responsibility. By tracking the Electrical Consumption at our global campuses, we can explore improvement opportunities and track the success of our efforts to enhance energy efficiency and improve sustainability. As we work toward achieving our KPI targets and long-term sustainability goals.

Overall, these efforts contribute to a more sustainable and environmentally friendly operation, aligning with our broader strategy to reduce emissions, waste, and conventional energy consumption.

# KPI TARGETS FOR 24/7 +

KPI Target for 24/7	Baseline (2019)	Results in 2023	Results in 2024	Target (Ratio by 2030)
PR Ratio – Electric (Lbs/kWh)	5.97	6.02	5.72	7.4
PR Ratio – Gas (Lbs/Therms)	86.94	124.32	113.16	107.8
PR Ratio GHG Scope 1 – Global Natural Gas (Lbs/CO2e in Lbs)	8.21	11.76	10.69	10.18
PR Ratio – GHG Scope 2 – Global Electric (Lbs/CO2e in Lbs)	6.31	7.25	5.98	7.82
PR Ratio – Munciple/Landfill (Lbs/Lbs)	23.78	14.57	13.8	29.48
PR Ratio – Waste Off-Site Treatment (Lbs/Lbs)	202.54	166.78	161.32	251.15

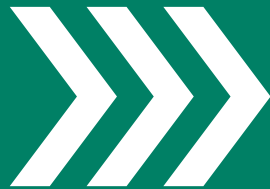
We diligently monitor our carbon footprint reduction efforts across various scopes, including an "internally designated Scope 0" for renewable energy initiatives. By tracking our utilities records, waste, and CO2e (carbon dioxide equivalent), we can measure the progress of our sustainability efforts and the KPI targets set for 2030.

Using 2019 records as our baseline, we remain steadfast in our 24/7 commitment to reducing our carbon footprint. By improving operating efficiency by 24% over a 7-year period, we utilize this Baseline and Target Ratio table to monitor our performance towards these goals.

Although the data may suggest a slight setback in 2024, the War on Waste (WOW) initiative has made significant strides necessary to achieve our 2030 goal. The WOW team is focused on addressing expired inventory on our ledger and proactively mitigating slow-moving inventory in the future. By doing so, we aim to eliminate significant and often misleading variables, thereby increasing transparency and accountability essential for achieving our 2030 targets. As with everything we do, outstanding results can always be expected from our team at Flavorchem and Orchidia Fragrances as we all continue to look forward to a very bright and sustainable future!

# ROADMAP TO CLIMATE POSITIVITY

We aspire to enhance our sustainability initiatives by exploring and implementing several key actions. For electrical systems, we plan to revisit solar energy proposals to harness renewable energy on-site. In terms of gas usage, we aim to explore the feasibility of using a heat exchanger with the RTO exhaust, optimize entryways to prevent heat loss during winter, and evaluate geothermal opportunities. For water management, we will track water in products to understand discharge levels, potentially using ERP systems, and consider additional control measures for non-contact cooling waters. Lastly, to reduce waste, we will scrutinize production yields and overages, possibly with ERP systems, and work towards reducing packaging waste. These efforts reflect our commitment to sustainability and environmental stewardship.



Implementing these sustainability actions will yield numerous benefits:

- **Electrical:** Revisiting solar energy proposals can reduce reliance on REC's to avoid non-renewable energy sources, lower electricity costs, and decrease carbon emissions.
- **Gas:** Using a heat exchanger with the RTO exhaust can improve energy efficiency and reduce operational costs. Optimizing entryways to prevent heat loss can enhance building insulation and lower heating expenses. Evaluating geothermal opportunities can provide a sustainable and reliable heating solution.
- **Water:** Tracking water in products to understand discharge levels can help in better water management and compliance with environmental regulations. Additional control measures for non-contact cooling waters can minimize use and conserve water resources.
- **Waste:** Scrutinizing production yields and overages can minimize waste, improve resource utilization, and potentially reduce costs. Reducing packaging waste can lead to less environmental impact and lower disposal expenses.

Overall, these actions can significantly contribute to our sustainability goals, enhance operational efficiency, and promote environmental stewardship.

# LABOR AND HUMAN RIGHTS

The mission of the Labor and Human Rights Team is to create an inclusive environment that positively impacts the work lives of our team members, customers, and the broader community. We are committed to treating all team members with respect and dignity, providing a clear path for addressing concerns in a timely manner. We value input from employees and encourage open dialogue through an open-door policy maintained by our leadership.

## 2024 ACCOMPLISHMENTS

### Robust Hiring Practices and Processes

Diligent hiring practices ensure our workforce reflects our company values and culture while remaining compliant with all relevant regulations. To support these goals, the following activities took place in 2024:

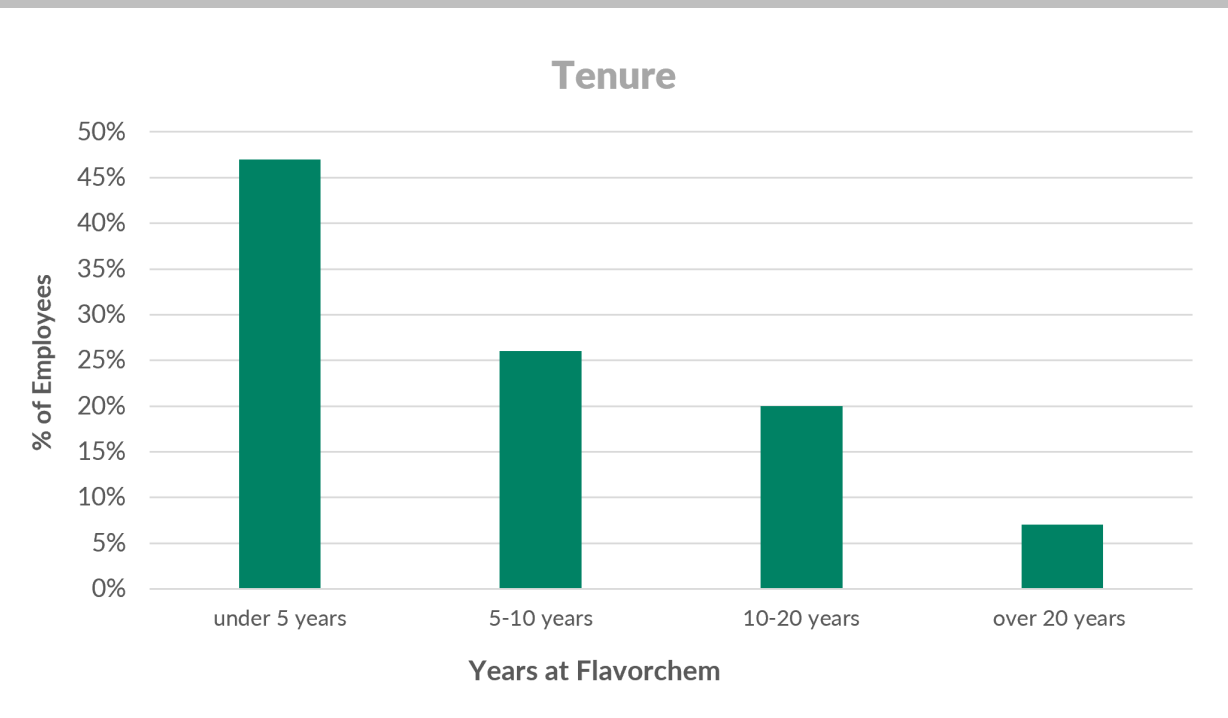
- Ongoing communication with our recruiting partners to ensure they fully understand our policies, environment, and the importance of a compliant and inclusive process.
- Innovative technology was acquired to better organize, track, and manage our recruiting process and data, enabling us to target the best candidates for our opportunities.

- A new, more comprehensive job description format was developed, and in-depth discussions began with department leaders to update current job descriptions and transition to the new format. We aim to ensure that all job descriptions are thorough, legally compliant, and accurately reflect both the roles and the environmental and physical conditions present in our facilities.

### Employee Relations, Development, 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 everyone feels they have a career path to growth in the organization. The result is less turnover and higher productivity, which benefits the team members and the organization.

- A “Service Anniversary Program” was developed and will be implemented in early 2025. This program will offer customized awards for employees reaching incremental milestones in their journey with Flavorchem, providing an opportunity for the company to show appreciation for their loyalty.



**Over half of our employees—53%—have been with the company for more than five years.**



## Employee Relations, Development, and Retention (Cont..)

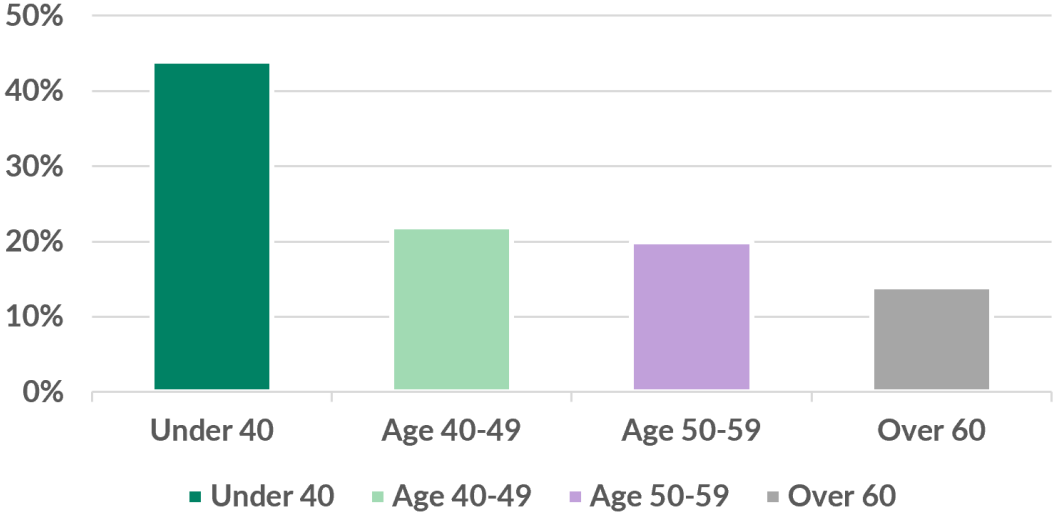
- We held seven roundtable forums to give team members an opportunity to share both positive and constructive feedback on their work environments, policies and procedures, safety, benefits, and leadership. The information gathered is then reviewed and evaluated to assess the feasibility of potential actions.
- Two leadership harassment prevention training sessions were held, with over 60 management employees attending, alongside Supervisor Leadership training, which saw 26 attendees.

## Employee Health and Wellness

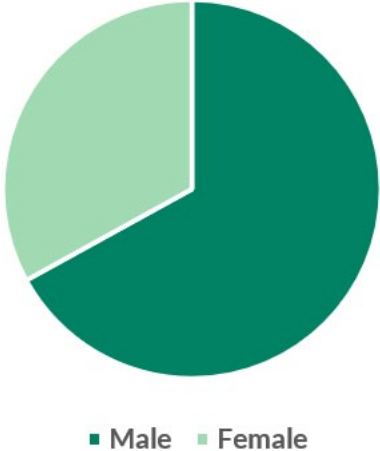
Our health and wellness initiatives promote a healthy lifestyle that encourages our team members to be active and eat healthy.

- Our annual Wellness Fair, held in December and open to all team members, offered complimentary health screenings, including cholesterol, blood glucose, and blood pressure checks, providing valuable insights into health status.
- Committed to a safe working environment, achieving a 60.49% reduction in DART (days away, restricted, transferred) rate from 2022 (5.34) to 2024 (2.11).

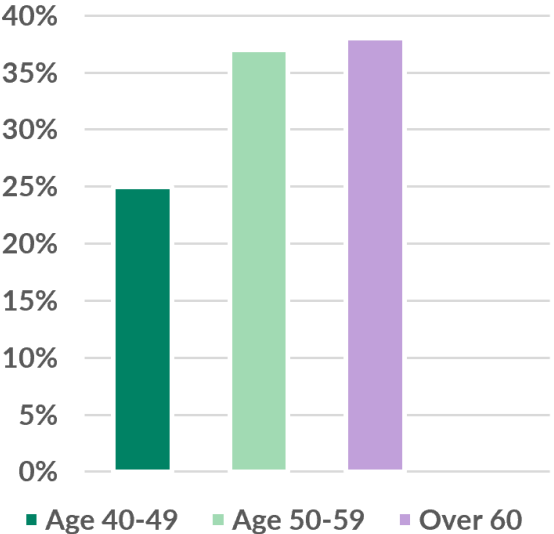
US Employees by Age



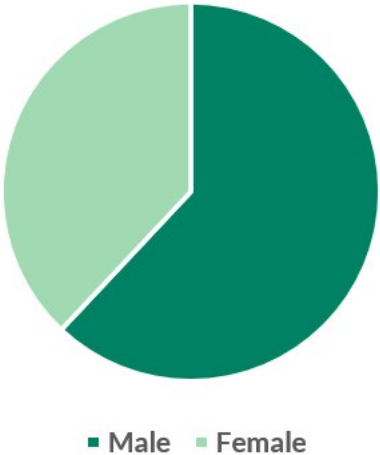
US Employees by Gender



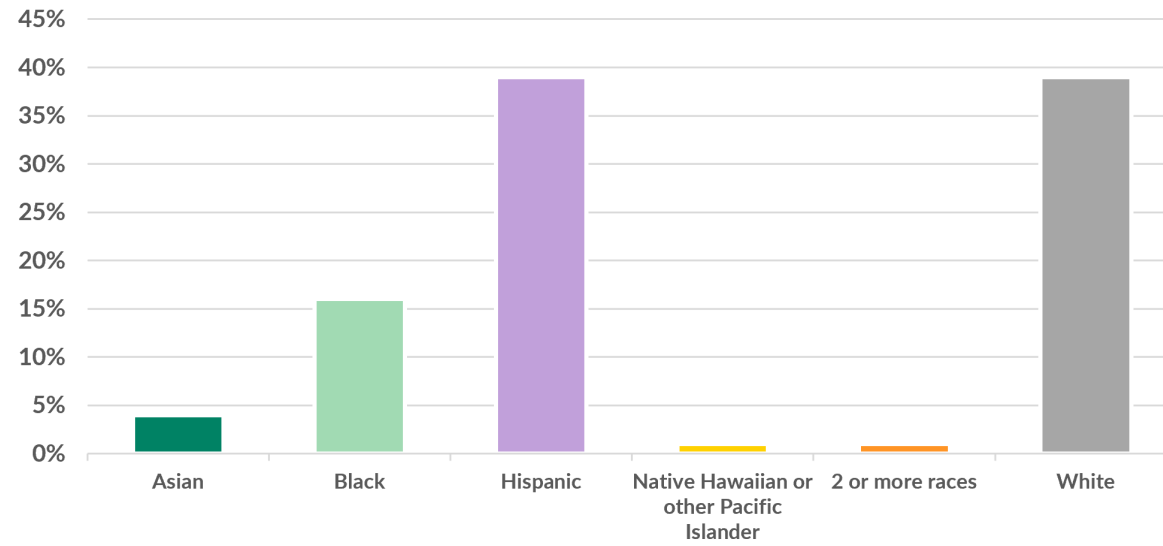
Executives by Age



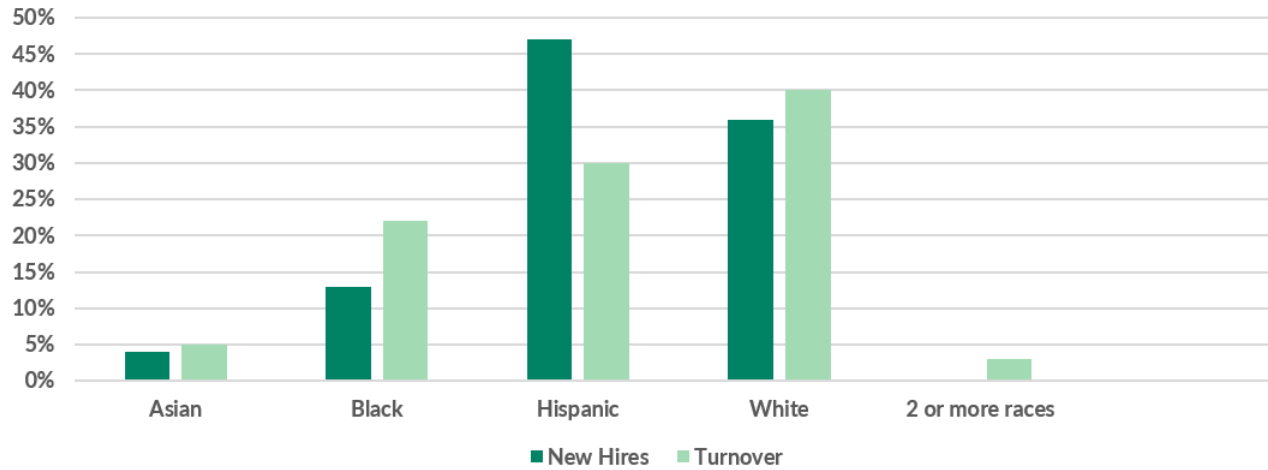
Executives by Gender



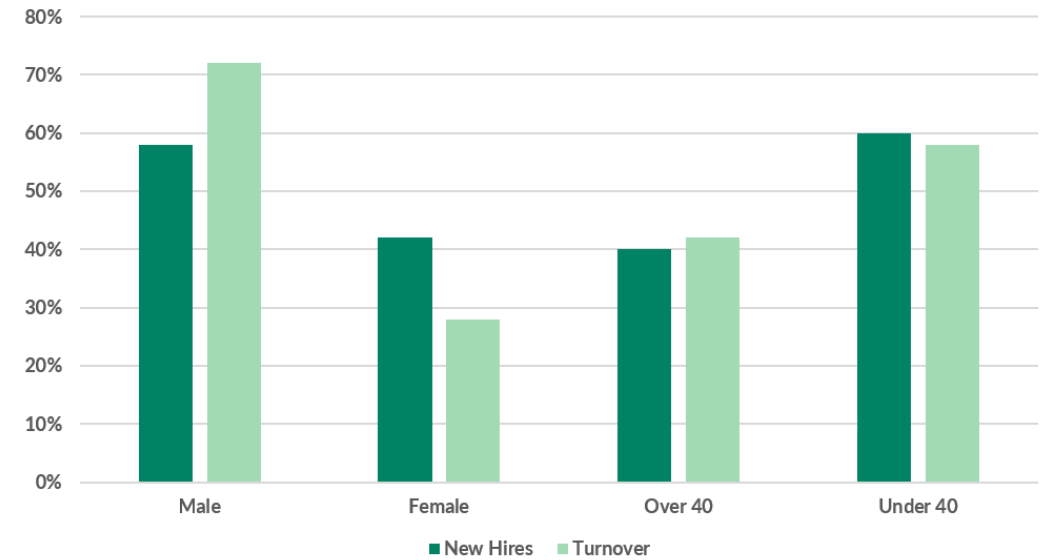
### US Employees by Ethnicity



### Hires and Terminations by Ethnicity



### Hires and Terminations by Gender and Age





# 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.

## 2024 ACCOMPLISHMENTS

- The data from our SMETA Audits provide insight into how the suppliers we partner with are performing from a sustainability perspective year over year. We use this data to hold both current and new suppliers to our Code of Conduct, which includes a strict prohibition on child labor, and seek to partner with suppliers that align with our ESG goals
- We are committed to sustainability through our no-waste vanilla extract production. 100% of our spent vanilla beans are repurposed, with over 50% processed into a fine powder for use in food, cosmetics, and personal care products. The remaining portion is utilized in other flavor product applications, ensuring that no part of the bean goes to waste.
- We ensure our partnerships with global suppliers align with our ESG goals by prioritizing sustainability, ethical sourcing, and responsible manufacturing practices to build a more transparent and accountable supply chain.
  - Our collaboration with a leader in the packaging industry has expanded to provide global service. They hold an Ecovadis Silver Medal and emphasize the use of recycled and sustainable materials, with a goal to make 100% of plastic packaging recyclable by 2025.
  - We maintained a strong relationship with a domestic supplier known for their commitment to regenerative agriculture, which improves soil health, biodiversity, and climate while supporting sustainable farming practices.
  - A portion of the cost of our vanilla beans, sourced through responsible farming practices, was donated to support Hope Speaks, a local nonprofit organization that helps children with disabilities in Uganda through speech therapy, advocacy, and education.
  - We partnered with a supplier of corn-based sweeteners continued to grow with key sustainability initiatives:
    - Facilities powered entirely by natural gas
    - Full utilization of the corn kernel, minimizing waste
    - Corn sourced from local Midwest farms
    - Achieved a 90% reduction in solid waste sent to landfills since 2015
    - Glycerin sourced from distributors that ensure responsibly sourced palm oil

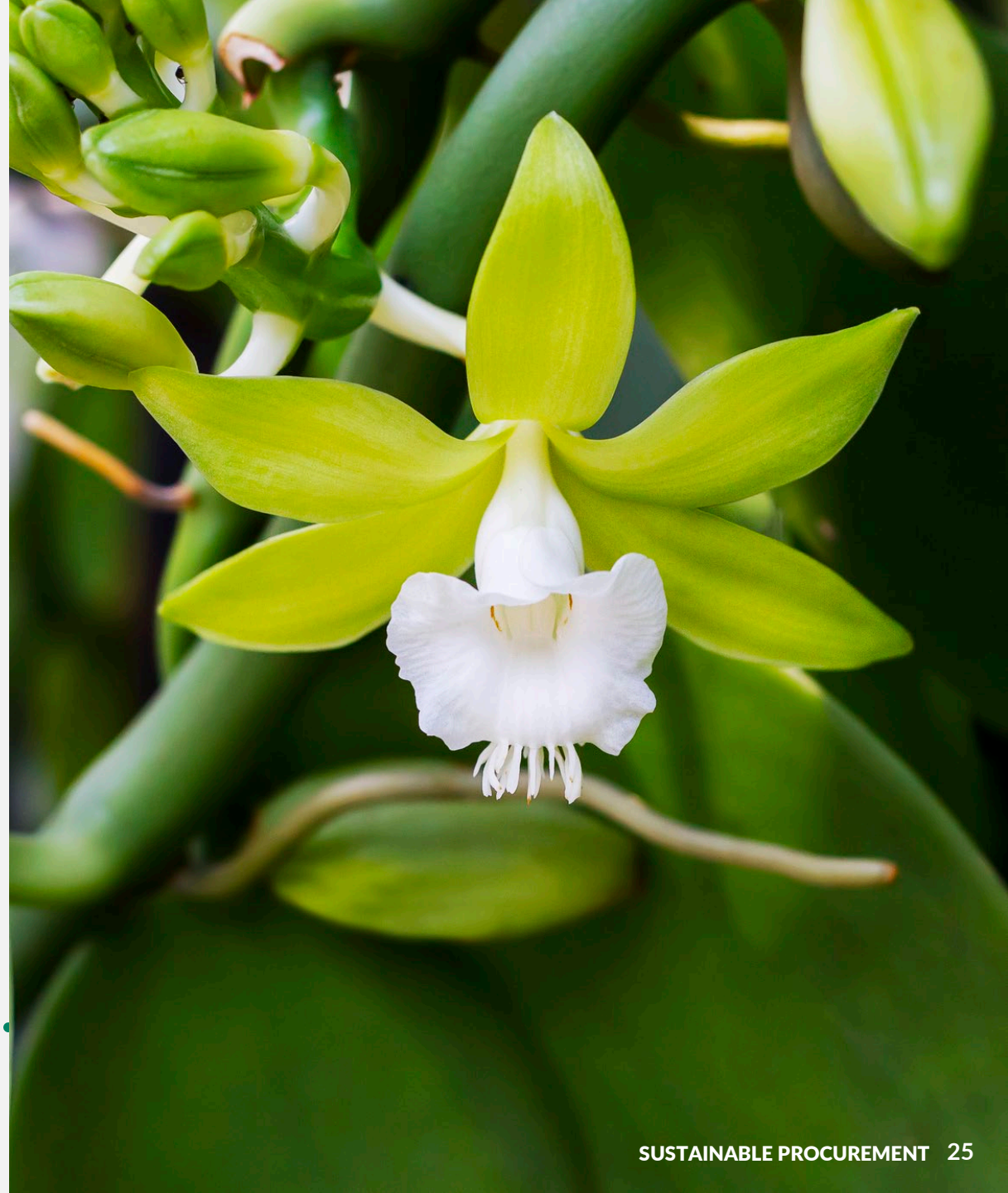


## ADVANCING VANILLA SUSTAINABILITY

One of the collaborations we are most excited about is our coordination with a pioneering sustainable vanilla cultivation company as it aligns with ESG commitments by integrating cutting-edge sustainable agricultural practices with innovative clean energy solutions.

The partner grows vanilla beans in controlled greenhouse environments that are protected from the climate challenges and extreme weather conditions, such as storms and droughts, that commonly impact traditional vanilla-growing regions in Africa. This ensures stable production, consistent quality, and reduced risk of crop loss.

Since the company's early days, Flavorchem has been analyzing vanilla pods through close collaboration between our R&D and analytical teams, running a successful pilot, and today, we are proud to be one of the main suppliers of vanilla extract for their products. This relationship reinforces our commitment to climate-conscious sourcing, responsible resource management, and innovative clean energy adoption.



# ETHICS



The Ethics Team fosters a safe, respectful workplace rooted in honesty and dignity for employees, customers, and partners. Committed to equal opportunity, we support a discrimination-free environment without abusive or harassing behavior. We uphold safety by following protocols, reporting incidents promptly, and addressing hazards. The Ethics Team sets the standards for good judgement and continuously pursues enhancements to meet high ethical principles.

## 2024 ACCOMPLISHMENTS

- Information Security is an area that continues to evolve and presents new challenges on a regular basis. With advancements in technology, specifically AI, fraudulent requests have significantly improved in presentation, making users much more likely to interact with the emails. In 2024, Flavorchem invested in an additional layer of security, to help prevent the fraudulent requests from coming through, and to assist our employees in recognizing fraudulent emails that successfully reach their inboxes. In addition, employees have been given an additional tool, access to their quarantine email to further manage emails that may be irrelevant and/or fraudulent.
- Prevention is key when it comes to cybersecurity and Information Security training continues to be part of our required employee training. The training includes best practices for safe email management and Flavorchem's privacy and security. We trained employees on the 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. Given the extensive use of technology in our everyday routines, prioritizing prevention is crucial when it comes to security. The training also includes an assessment to ensure understanding.



## 2024 Accomplishments (Cont..)

- In the past year, we have implemented a platform to run phishing campaigns to further improve education/training for our users so they can quickly identify dangerous emails sooner. We ran our first campaign as a baseline. We will plan our 2025 cybersecurity training around the results of the baseline campaign, as well as future campaigns.
- Another layer to cybersecurity is our infrastructure. As we continue to seek ways to improve, we have implemented a unified end point management platform. This allows us to streamline critical tasks like remote monitoring and management, patch management, software deployment, and IT automation. This consolidation allows our IT Department to proactively address potential issues before they impact users, including those from a cybersecurity perspective. Ultimately, this enables us to deliver faster, more reliable, and more secure IT services, leading to a more secure environment.
- Lastly, we can report that we resolved 100% of anonymous whistleblower incidents filed through our online portal Integrity Counts. The portal is a secure and anonymous platform for individuals to report ethical concerns and provide information. It offers various reporting options, including online submission, telephone hotline, and status updates. The platform is designed to safeguard whistleblower confidentiality and promote organizational integrity.



# EMPLOYEE ENGAGEMENT

The Employee Engagement Team (EE Team) organizes activities year-round for Flavorchem and Orchidia Fragrances employees to show appreciation for their contributions and the value they bring to the company. Made up of volunteers from various departments, the EE Team plans a diverse range of events, including team-building exercises, wellness activities, holiday celebrations, and community outreach. Focused on fostering a family-like atmosphere, the EE Team hosts regular events to strengthen the sense of community among colleagues. Additionally, the team collaborates with local charities as part of our commitment to giving back. Let's take a look at the highlights from 2024.

## Team-Building & Social Events

- **Flavorchem Appreciation Week & Olympics:** This annual celebration, held at multiple locations, honors employees' hard work with a fun-filled week of activities, including donuts, pizza, snow cones, games, and a company picnic. The Employee Engagement Teams organize this event each year to recognize and appreciate the contributions of everyone at Flavorchem and Orchidia Fragrances.
- **Company Picnics & BBQs:** Multiple locations hosted summer gatherings, including a picnic at Knott's Berry Farm, taco day, and a BBQ event.
- **Chicago Team Visit:** European colleagues visited Flavorchem HQ, enjoying an architecture boat tour, deep-dish pizza, the Starbucks Roastery, and Millennium Park.
- **Annual Vineyard Trip:** Flavorchem Europe employees attended a team-building event at a renowned vineyard, featuring a short hike, sightseeing, wine tasting, dinner, and dancing.



Flavorchem HQ employees having fun during Appreciation Week games!



Flavorchem West enjoying team building activities during Employee Appreciation Week.



European colleagues joined the Flavorchem Marketing Team for a fun-filled day in Chicago

## Health & Wellness

- **Super Bowl Challenge:** To encourage employee engagement and team spirit, Flavorchem HQ conducted a company-wide Super Bowl Challenge. Employees cheered on their numbers as several winners took home prizes.
- **Annual Bags Tournament:** A highly anticipated competition held at Flavorchem HQ returned with 27 teams competing in a friendly showdown.

- **Wellness Week:** Dedicated to prioritizing physical and mental well-being, this week at Flavorchem HQ featured a mindfulness seminar, onsite yoga classes, smoothie day, and a wellness raffle.
- **Sport Challenges:** Flavorchem Europe employees participated in two nationwide challenges (April & October), earning points for daily workouts and wellness activities. Two colleagues received "Active Workplace Sport Ambassador" certificates to lead future company sports events.

- **Biweekly Fruit Days:** Seasonal fruits were provided biweekly, with an option to enjoy them fresh or blended into smoothies. According to an employee survey, this was the most popular wellness initiative of the year.
- **Office Massages:** Flavorchem Europe employees had access to quarterly shoulder, neck, and back massages to support workplace well-being.



Employees earning "Active Workplace Sport Ambassador" certificates to lead future company sports events.



Flavorchem Europe employees celebrating their sport challenges achievements.



Fresh fruits and smoothie options were a popular wellness initiative.



## Family and Personal Development

- To celebrate Mother's and Father's Day, the HQ Employee Engagement Team raffled off gift baskets, with all proceeds supporting the People's Resource Center, a local nonprofit dedicated to assisting DuPage County residents in need.
- Flavorchem Europe achieved Family Friendly Workplace Certification in 2024. This includes initiatives supporting employees with families, such as family-inclusive events to encourage work-life balance.
- Flavorchem Europe hosted two interactive workshops, one focused on strategies for preventing workplace burnout and the other on introducing AI tools to enhance productivity.



Flavorchem Europe achieved Family Friendly Workplace Certification.



Flavorchem HQ partnered with St. Mary's Vincent de Paul Society to provide Christmas dinners and gifts for 10 families in need, supporting around 350-400 individuals.



## Community Giving & Social Responsibility

- Charitable Donations: Employees raised over \$4,000 for local charities and donated 950+ pounds of food to the Downers Grove Fish Food Pantry.
- Holiday Giving: Flavorchem HQ partnered with St. Mary's Vincent de Paul Society's Adopt-a-Family program to provide Christmas dinners and gifts for 10 families in need. This charity supports 35-40 local families and an additional 60 families from their sister parish in Joliet, serving around 350-400 individuals. Flavorchem and Orchidia worked together to make the holiday season brighter for these families.
- Dog Rescue Fundraiser: Flavorchem West employees raised \$700 for a local dog rescue, combining games and fundraising efforts.
- IT Donations: Flavorchem Europe donated IT tools to two organizations in need, supporting technology access for underserved groups.



Flavorchem West employees raised \$700 for a local dog rescue.

## Festive & Holiday Celebrations

- Seasonal Treats: Throughout the year, employees enjoyed festive gifts and treats, including Valentine’s sweets, green donuts for St. Patrick’s Day, Easter meal gifts for their families, and candy apples in the fall.
- Dia de Los Muertos Candy Skull Contest: Instead of a Halloween costume contest, employees participated in a creative skull-decorating competition with 23 unique entries.
- Thanksgiving Appreciation: Employees received Thanksgiving food boxes of their choice as a year-end thank-you.
- Saint Nicolaus Day Celebration: Families gathered for a festive event with a visit from Santa, who delivered small gift bags to children.
- Christmas Party & Awards Ceremony: Employees attended a holiday dinner where company performance, team highlights, and outstanding contributions were recognized.
- Holiday Gift Exchanges & Potlucks: Teams across locations celebrated with festive gatherings, food, and gift swaps.



Employees showcasing fun socks and team spirit.



Employees showcased their creativity in a skull-decorating competition, featuring 23 unique entries.



Families gathered for a festive event with a visit from Santa, who delivered small gift bags to children.



Sharing good food at the company potluck.



Flavorchem West at their annual holiday party.



Holiday dinner with festive performances, team awards, and outstanding contributions.

# Thank you!

## NORTH AMERICA

Illinois (HQ)

California

Mexico

## EUROPE

Switzerland

Hungary

## ASIA

China

Singapore



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