

Sustainability

As a family company in business for 100 years, we pride ourselves on our commitment to running our operations responsibly, and with consideration of the impact we have on the environment, our employees and stakeholders. It's how we've always run our business and how we will continue to do so in the future to help ensure another 100 years of success.

We are an original signatory to the IFRA-IOFI sustainability charter, a voluntary framework which outlines the collective commitment of the fragrance and flavor industry to making a difference for the planet, people and business. The charter is an important reflection of the collaborative effort of our industry-and we are proud to be a part of a consortium of responsibly minded organizations. Our company is also registered with Supplier Ethical Data Exchange (SEDEX), a platform to create more socially and environmentally sustainable businesses and supply chains.

In addition to our alignment with the IRA-IOFI charter, we have also taken strides to better understand our own impact on people and the planet. We recently conducted a materiality analysis with key stakeholders, including employees, customers, and suppliers, to understand what they perceived to be Virginia Dare's biggest opportunities for impact. The information we gathered provided valuable feedback that allowed us to categorize and prioritize our efforts across four areas: Responsible Sourcing, People, Ethics and Transparency, and, our Environmental Footprint.

Responsible Sourcing

Our business depends on sourcing quality raw materials which we use to develop our products. At our behest, suppliers work to ensure their business practices align with ours.

We require each of our suppliers to sign our Code of Conduct and our Supplier Expectations, which outlines the behavior we expect of them, including a commitment to no child labor, health and safety standards, and anti-corruption practices. Suppliers are required to sign these documents each year as a reflection of their commitment.



All of the products we sell reflect our commitment to the highest regulatory standards and ethical sourcing practices. We offer numerous responsible sourcing certifications including Fair Trade Certified[™] and Quality Assurance International Organic Certified.

Vanilla

We are known for our global leadership in the <u>vanilla market</u> and for our exceptional products derived from this raw material, including extracts, concentrates, and oleoresins. Key to our capabilities is our unique, on the ground sourcing model in Madagascar, which allows us to maintain a direct connection to the vanilla farming communities who are integral to our mutual success.

Virginia Dare Madagascar (VDM)

While other companies collaborate with partners on the ground, we have taken our commitment a step further. Virginia Dare Madagascar (VDM), located in-Madagascar's vanilla producing-SAVA region, is our fully owned and operated curing and exporting facility. Established in 2017, we employ 200 people who work closely with 11 cooperatives that represent more than 1,300 farmers. The vanilla we produce is both organic and Fairtrade certified. In addition, we are signatories to the Madagascar Exporter Code of Conduct.

Our work is based on community needs, not marketing claims, and we believe firmly that improving livelihoods on the ground in this critical sourcing region results in higher quality products. We invest in on-site housing and food programs for our employees and provide extensive technical assistance to vanilla growers through our local team of highly trained field agents. In addition to helping growers meet the challenges of vanilla farming through technical collaboration, we also invest in crop diversification, which allows them to pursue alternative income streams contributing to greater resiliency. As part of our commitment to financial inclusion, grower community members also participate in a Village Savings and Loan Associations (VSLA's), which helps them create nest eggs through improved management of household finances, the financial empowerment of women and entrepreneurial investment strategies.

VIRGINIA DARE"

Unique to VDM is our apprenticeship program for young farmers (aged 18-25), which offers the next generation of vanilla farmers an opportunity to learn about the international vanilla supply chain. This knowledge provides our graduates with a unique skill set that will position them for future success in the industry.

Sustainable Vanilla Initiative

As one of the founding members of the Sustainable Vanilla Initiative, a privately sponsored program aimed at improving grower livelihoods, we are deeply committed to leading the industry in sustainability and responsibility throughout the vanilla bean supply chain.

Tea, Cocoa and Coffee

We source tea, cocoa and coffee from growing regions around the world. We uphold the highest ethical sourcing standards for these ingredients and pursue certifications where possible to support our commitment to responsible sourcing, including the Ethical Tea Partnership-and Fair Trade.

Our People

Our success depends on our employees. We want everyone who works at Virginia Dare to feel heard, respected and taken care of when they come to work. Our employees dedicate a large portion of their lives to our business. It is our responsibility to not only compensate them accordingly-but also to prove our commitment to a safe, healthy and respectful working environment every day.

As a foundation, we offer competitive salaries and generous benefits programs, including tuition reimbursement, parental leave and matching 401(k) plans. In addition, we take care to ensure our employees have access to mental health care through a free employee assistance program (EAP), which includes a 24-hour hotline and counseling referral services. We also invite experts to come speak with employees about matters that impact their lives, such as financial advisors who talk to employees about their 401(K) plans, and general financial health.



Employee engagement

We maintain an "open door" policy which means that employees can go to any member of the management team to voice a concern and know it will be heard in confidence. We hold quarterly Town Halls with the CEO and senior management team to update employees on the business and to encourage questions. These forums provide a mindful way for us to communicate in real-time. In addition, we conduct regular employee surveys through a third-party provider to help us better understand overall employee engagement.

Trainings and education

We support our employees' participation in relevant job training and business development programs offered through external affiliates and reimburse for any business-relevant courses. In addition, we partner with a third-party provider to offer a suite of essential, mandatory trainings for topics such as sexual harassment, safety, and ethics.

Health & Safety

The safety and health of our employees is our most important consideration. We comply with all applicable OSHA workplace safety and health requirements and maintain occupational safety and health standards in accordance with best industry practices.

Virginia Dare's goal is to maintain a safe and healthy workplace, with zero incidents. Our activities are supported by a management system that includes policies, procedures, training, and feedback in compliance with laws and regulations applicable to our operations and in accordance with our own corporate standards and codes.

In addition to our formal policies, we also incorporate informal practices as a key part of our safety strategy. We hold regular discussions about safety with employees to brainstorm opportunities for improvements. We create goals to manage our progress and hold ourselves accountable through a monthly scorecard which tracks our performance.



Diversity and Inclusion

We believe that everyone should be treated with respect and dignity. We appreciate the varied perspectives that diverse employees bring to our company and welcome people of all backgrounds to Virginia Dare, regardless of age, race, gender, nationality, religion, sexual orientation, or other status.

Our Environmental Footprint

Our newly built facility in Carteret, New Jersey brings together offices, laboratories, and manufacturing, and was designed with efficiency and the environment in mind.

Energy use and GHG emissions - We work to conserve energy use where we can through the use of LED lighting in all our buildings and automatic shut-off mechanisms on idle equipment.

Water - Our primary use of water is to clean and sanitize equipment. Although our facility is not in a water-stressed location, we continually look for ways to further reduce our water use, as we recognize the importance of conserving this important natural resource.

Waste / recycling – We look to minimize our waste by using fewer materials and by increasing the amount of material we can recycle. We also find innovative ways to repurpose waste. For example, 100% of our spent tea, coffee, cocoa and vanilla is upcycled. Hazardous waste is disposed of according to all local laws and regulations and we provide training for employees on proper disposal.

Ethics and Transparency

An ethical business begins with its employees. We have an employee code of conduct which employees are required to sign, in addition to mandatory training on topics such as anti-bribery and anti-harassment. In addition, our whistleblower policy allows any employee to anonymously report incidents of misconduct without fear of retaliation.



Product Safety

We uphold the highest regulatory standards and ethical sourcing of all our products and ingredients.

We are audited by third parties including BRC (primarily focused on food safety); QAI (for our organic certifications) and SMETA (as part of our participation in SEDEX). Our recent rating (2023) on an unannounced BRC audit was an AA+, the highest level of achievement.

Partnerships and External Associations

We maintain active participation and leadership roles in the following associations:

- Flavor and Extract Manufacturers Association (FEMA)
- International Organization of the Flavor Industry (IOFI)
- <u>Sustainable Vanilla Initiative (SVI)</u>