



# 2022 SUSTAINABILITY REPORT

ORIFLAME  
SWEDEN



## OUR FORMULA

**Oriflame's business success is built on a simple formula: combine people's natural desire to improve their lives with the right opportunity, and create real, positive change.**

**We are proud to offer people all over the globe the opportunity to make that change. If they share our passion for beauty and wellness, we can help them bring more of it into the world. For most people, this means saving money while enjoying our responsible Beauty and Wellness products. For others, it means using our social-selling model to earn an income and to build a business.**

Oriflame has a proven business model, perfect for the modern networking world. It is flexible, digital and powered by millions of trusted relationships and recommendations. With low risk we offer "entrepreneurship in a box". By accelerating our business, we have a positive impact on people and communities around the world. The value of local entrepreneurship in our global society is well recognised, from the jobs it generates to the skills it nurtures.

More than 50 years in, Oriflame is the choice of about two million people. Looking ahead, we are committed to continuing to build on this simple formula - empowering people and enabling positive change around the world.

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# Sustainability highlights

Re-developed our iconic Tender Care



## 99.9% natural origin



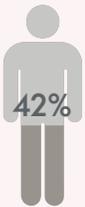
## 97%

of volumes of paper-based products came from certified sustainable sources\* or from recycled raw materials

### Gender balance



58%



42%

Oriflame globally



40%



60%

Group Management

For the second year running, recognised as

## Climate Leader

in Europe by the Financial Times and Statista



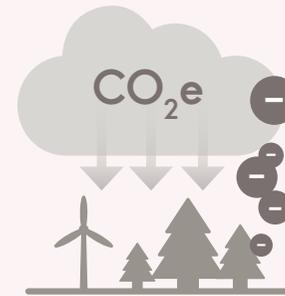
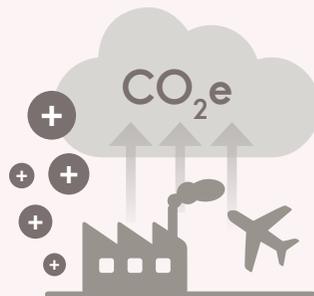
Launched Feminelle Refill using

## 73% less plastic

compared to buying a new bottle

## 100%

renewable electricity in all Oriflame-operated sites since 2018 and **climate neutral operations\*\*** since 2019



## €244 million



– distributed to Oriflame Brand Partners in bonuses and other forms of recognition in **over 60 countries**

Scored

## A-

in CDP Forest for Palm oil and entered leadership level for implementing best practices in palm oil



### Extended Oriflame

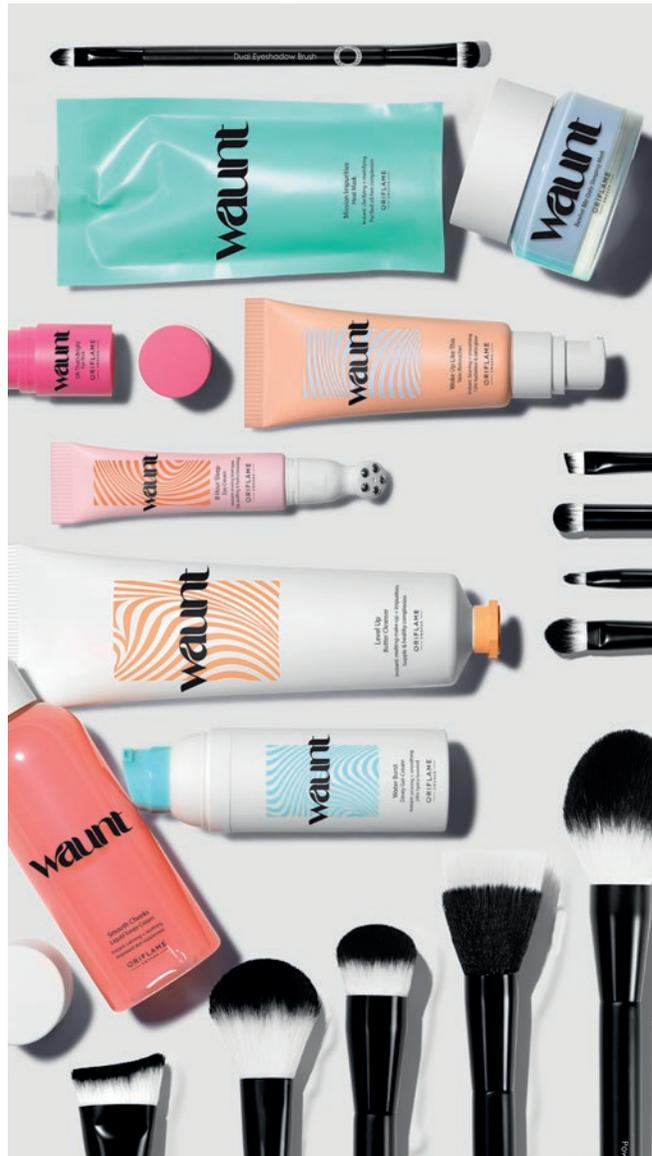
## Forest Commitment



to address additional ingredients beyond paper and palm oil that may contribute to deforestation and ecosystem conversion

\*Source is defined as the paper mill

\*\*We are continuously working to reduce our emissions. For those emissions we could not reduce in 2022, we climate compensated for our GHG emissions in Scope 1, Scope 2 and parts of Scope 3.



# 2022 product innovations

We are constantly working to improve the sustainability performance of our products across all categories. During 2022 we launched and relaunched ranges with improved sustainability direction.

## Waunt

One of our major launches in 2022 was Waunt, a new comprehensive skin care range that combines the best of make-up with the added benefits of skin care. The gentle skin care range features transforming textures, while also providing subtle make-up effects that enhance the skin for a natural appearance. The range was created without parabens, mineral oils and sodium laureth sulphate (SLES) and formulated with responsibly sourced and vegan-approved ingredients, making it our first comprehensive skin care range certified by The Vegan Society™. Additionally, we have incorporated recycled glass or plastic in most Waunt product packaging.

## THE ONE Make-Up Brushes

In 2022, we launched THE ONE, a complete line of

high-performing make-up brushes made with the highest quality dense bristles. The brushes were developed to support THE ONE make-up range and enable the application of make-up for the face, eyes, lips and nails – in other words, brushes for every make-up need.

THE ONE make-up brushes have also been specially designed to have a lower environmental impact. They are made with FSC™-certified, environmentally responsible wooden handles and certified by The Vegan Society™ – and the brushes come in packaging made out of 100% recycled plastic.

## Feminelle Refill

In 2022 we launched refills for the Feminelle range, which means 73% less plastic is used compared to buying a new bottle.

Feminelle is developed to help women maintain balanced pH levels, with refreshing, protecting and soothing properties. As with all our body rinse-off products, Feminelle is formulated to be biodegradable.



## Tender Care Natural Multi-Purpose Balm

First introduced in the 1970s, Tender Care is one of Oriflame's oldest and most iconic products. It is a multi-purpose protecting balm that deeply nourishes and protects not only lips, but skin all over the body.

In 2022, we treated Tender Care to a major upgrade. To make this icon product more respectful of the environment, we upgraded the formulation with renewable natural oils, beeswax and vitamin E, so that Tender Care Natural Multi-Purpose Balm now has a 99.9% natural-origin formula. We also reduced the packaging weight and expanded the opening of the jar, to make it easier for users to access all of the formula, resulting in less product waste.



## Love Nature

One of Oriflame's largest brands, the Love Nature range of skin, body and hair care products has always been about celebrating nature and the delicious scents and indulgent textures of natural ingredients.

In 2022 we introduced an updated Love Nature range with a stronger sustainability profile. All products in the range are formulated without parabens and contain certified organic extracts – and the hair care products are free from silicone. All conditioners, body creams, body lotions and soap bars contain a minimum of 95% natural-origin ingredients, and the face masks contain an upcycled ingredient.

As always, the scrub products contain only natural-origin exfoliants, such as almond shells, that break down naturally over time. And all rinse-off products for the face and body are formulated to be biodegradable.

Love Nature soaps, conditioners, body creams and body lotions now also proudly display on their package the exact percentage of natural-origin ingredients they contain. Love Nature bottles, jars and tubes are made from a minimum of 20% and as much as 100% recycled plastic – the exact percentage is also displayed on the package.



Love Nature



“Our Brand Partners are the core of our business, and thanks to their commitment to our company, we are able to make a real difference in people’s lives.”



## CEO statement

As we mark our 55th anniversary at Oriflame, I am proud to reflect on our achievements and the progress we have made as a company. We are pleased to have been providing beauty and nutritional products to our customers for over five decades, and we look forward to continuing to do so for many more years to come. However, the past year has presented various challenges, including the war in Ukraine and lockdowns in China, which has had a major impact on all of us. Furthermore, we have experienced decreasing sales, especially in Asia, which, together with increasing prices due to inflation, has impacted our business. Despite these challenges, we remained steadfast in our commitment to delivering high-quality products. Our Brand Partners are the core of our business, and thanks to their commitment to our company, we are able to make a real difference in people’s lives. Their success is vital for us, and with a broad product offer we stand strong, regardless of what challenges are to come.



# “Being inspired by and respecting nature, and finding new ways of incorporating it into make-up, skin care and wellness products is a firmly established part of our DNA.”

We have always been passionate about helping people improve their lives and making entrepreneurship accessible to all, and this year has been no different. Our commitment to transformation has been unwavering, and during 2022 we wanted to both create new and bring back well-established ways for people to meet again. I am, therefore, delighted to announce that our conferences have resumed, and we look forward to continuing to bring our community together to learn, grow and connect.

## Product development

At Oriflame, we are dedicated to creating great products while taking responsibility for the impact of our production and business. Being inspired by and respecting nature, and finding new ways of

incorporating it into make-up, skin care and wellness products is a firmly established part of our DNA. That’s why we have launched our Forest Commitment, extending our ingredient commitment beyond paper and palm oil to other ingredients that may contribute to the risk of deforestation and ecosystem conversion. We have set targets to improve traceability in the supply chain through certifications and third-party controls. With this commitment, we aim to increase transparency in our supply chain and across our ingredient sourcing.

To further develop our offering and broaden the consumer base, we strengthened our vegan offering in 2022, with the introduction of the comprehensive Waunt Skin Care range, which is certified by The Vegan Society™. This range combines the benefits of skin care and make-up, with the aim to enhance healthy and beautiful skin. In addition, we also launched our iconic Tender Care with an updated 99.9% natural-origin formula. Providing products that are developed with respect for nature is deeply rooted in our heritage, and we will continue to find innovative ways to continue delivering beauty and products in a responsible manner.

## Innovations and steps forward

I am also proud to announce that for the second year in a row, Oriflame has been acknowledged as a Climate Leader by the Financial Times and Statista. The companies listed in the report are the ones that have made the greatest reduction in their Scope 1 and 2 emissions in recent years. This recognition is a testament to our dedication to lowering our climate footprint and taking further steps towards our climate goals. We also improved our CDP result for palm oil, a reporting

platform that helps companies measure and manage their ESG (environment, social and governance) risks.

Furthermore, in line with our passion for science, this year we formed an independent Scientific Advisory Board comprising international researchers in the fields of nutrition and health. We believe that this board will help us remain at the forefront of scientific research and innovation, enabling us to create even better products that positively impact our customers’ lives.

In conclusion, we have taken some important steps towards our sustainability targets over the past year, even though it has been a challenging time for our business and employees. Our objective remains the same: to create business opportunities for our Brand Partners while ensuring responsible stewardship of our planet. Our dedication to people and nature is fundamental for our future success, and it is vital for our business that we see the potential in ourselves and our stakeholders to create a brighter and sustainable future.

Magnus Brännström, CEO and President



# This is Oriflame

Founded in 1967, Oriflame is an international social-selling beauty company present in more than 60 countries across Europe, Africa, Asia and Latin America. Our wide portfolio of Swedish, nature-inspired, innovative beauty products is marketed through about two million Members\*, generating annual sales of almost one billion euros.

## Business model

Oriflame operates as a direct-selling business, selling its products through social selling and an expansive online platform. Today, Oriflame is a true online business with around 98% of all orders placed online. Oriflame operates on an Independent Brand Partners-centric approach, with initiatives shaped from the perspective of empowering Oriflame Brand Partners to sell, recruit customers and manage their businesses using the latest digital tools. Oriflame’s products are marketed and distributed by about two million Members located in more than 60 countries.

## Product offering

Oriflame’s product offering builds on more than five decades of skin care and cosmetics expertise, combining innovation and inspiration from nature. Oriflame provides a broad range of high-quality products for everyday use at affordable prices. The portfolio spans six categories: Skin Care, Colour Cosmetics, Fragrance, Personal & Hair Care, Accessories and Wellness.



*\*Members are all Independent Brand Partners and online customers who have placed at least one order within the last three months*

# Geographical footprint

## Sales regions

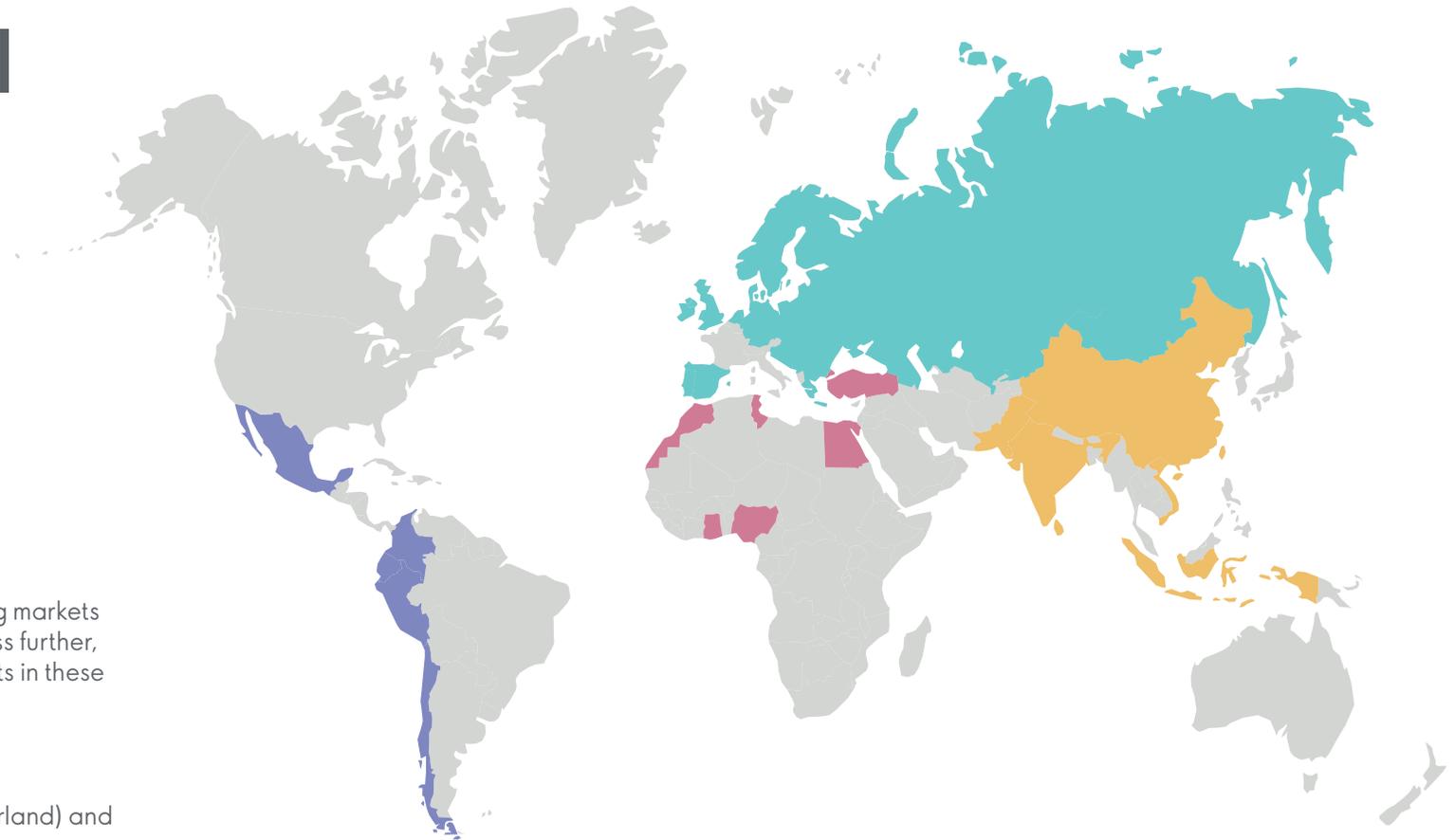
-  Latin America
-  Europe & CIS
-  Turkey & Africa
-  Asia

## Our sales markets

We are present in over 60 markets – including markets operated by franchisees. To grow our business further, we are focusing our resources and investments in these strategic markets.

## Corporate offices

- Corporate offices in Schaffhausen (Switzerland) and London (United Kingdom)
- Group Support Offices in Dublin (Ireland), Luxembourg (Luxembourg), Singapore (Singapore), Stockholm (Sweden), Singen (Germany) and Warsaw (Poland)
- Global IT Centre of Excellence in Olomouc (Czech Republic)
- Group Support Finance Centre of Excellence in Warsaw (Poland)



## Supply chain

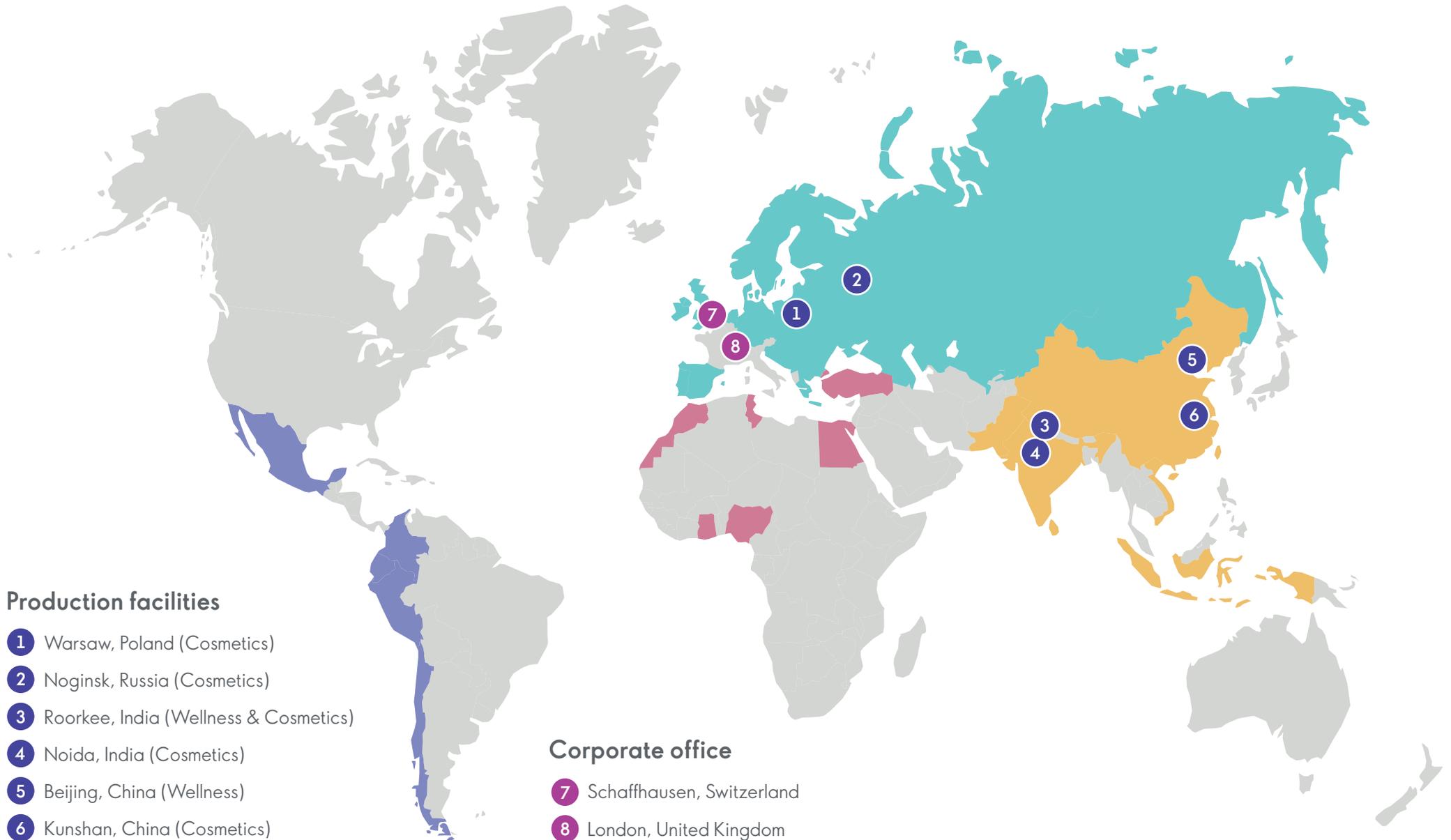
More than 70% of our product volumes are manufactured in our own production facilities. In 2022, we sourced around 238 million units, including finished goods from more than 55 global and regional suppliers. These are shipped to Oriflame's markets worldwide. Our main sourcing markets in 2022 were Poland, India and China.

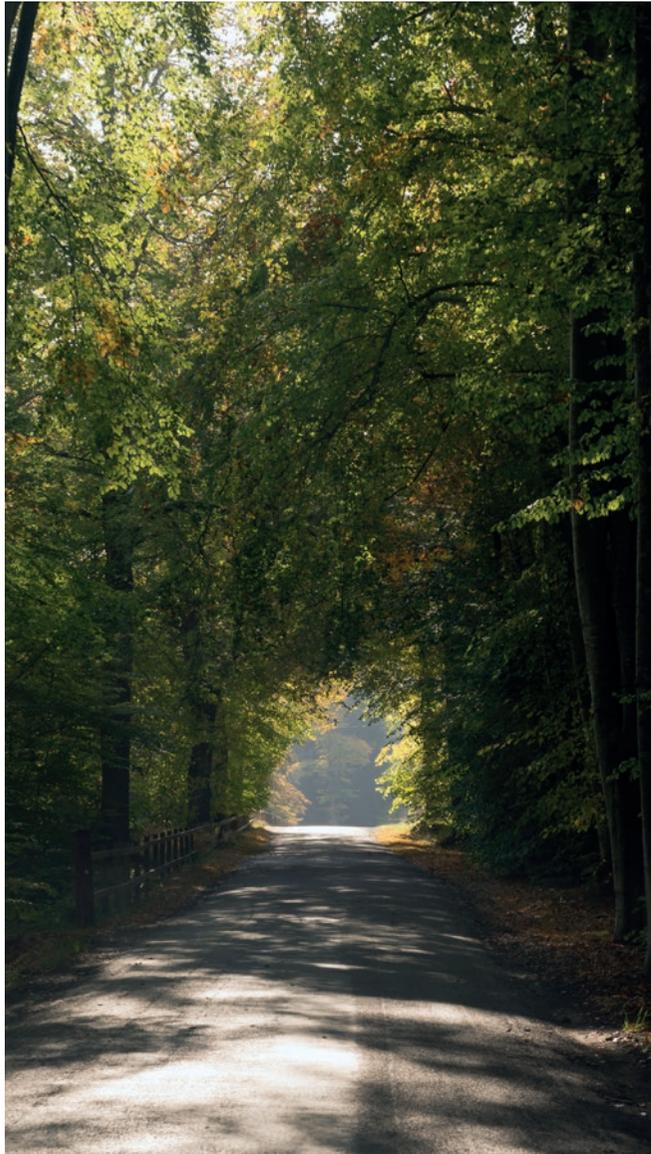
## Production

We have six production facilities. These are situated in four countries (Poland, China, India and Russia).

## Global Distribution Centres

We have two Global Distribution Centres. These are situated in Poland and Hungary.





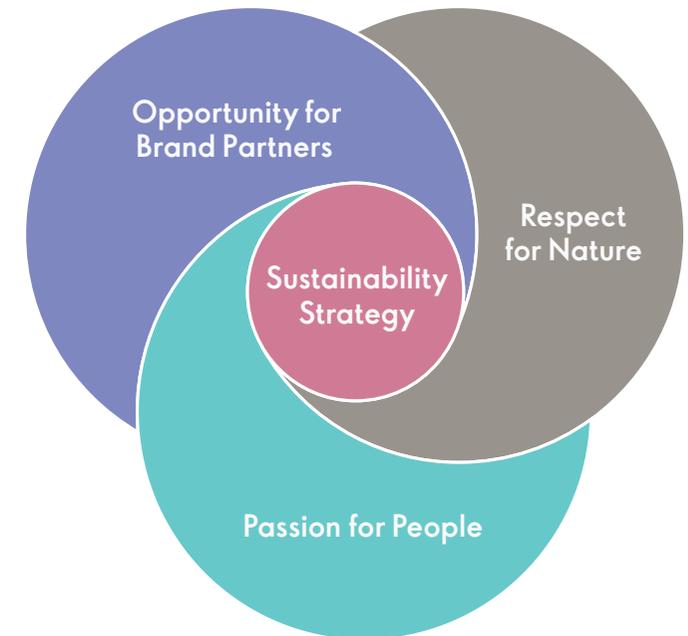
# Sustainability strategy

**Sustainability is the core of who we are as a company – it is integral to our Swedish heritage, our brand and our mission to fulfil dreams. Our long-term commitment to sustainability is also reflected in our brand positioning – beauty is about more than how you look, it is about how you live, feel and act.**

Taking action to increase the company’s positive impact on people’s lives, while reducing any negative impact on the environment is a key part of our sustainability strategy. This combination is fundamental to our sustainability strategy’s three core areas: Opportunity for Brand Partners, Respect for Nature and Passion for People.

This detailed strategy taps into the very heart of the Oriflame business model, where opportunities provided to Brand Partners translate into real, positive change. This can range from a simple increase in income and the social impact this has on a family, to increased business skills, improved self-esteem and confidence as well as a newly acquired sense of belonging. The company’s efforts to reduce its environmental impact focuses on actions that offer the greatest opportunity and possibility to achieve change.

There has also been an increased interest in sustainability among employees, investors and Brand Partners. Being in a position to meet their expectations of Oriflame as a company is very important to us. In fact, for all the reasons mentioned above, delivering on our sustainability strategy is vital.



## Three strategic focus areas

### 1. Opportunity for Brand Partners

Focusing on the value we can offer our Brand Partners, this section addresses the income opportunity and subsequent increase in flexibility and freedom. It also highlights empowerment and skills creation, as well as access to a local and an international community of like-minded people.

Read more about our Opportunity for Brand Partners on [pp. 15-23](#).

### 2. Respect for Nature

In this part of the report, we address the environmental aspects of our business, such as packaging and formulations, as well as the impact our business has on forests, water and climate.

Read more about our Respect for Nature on [pp. 24-62](#).

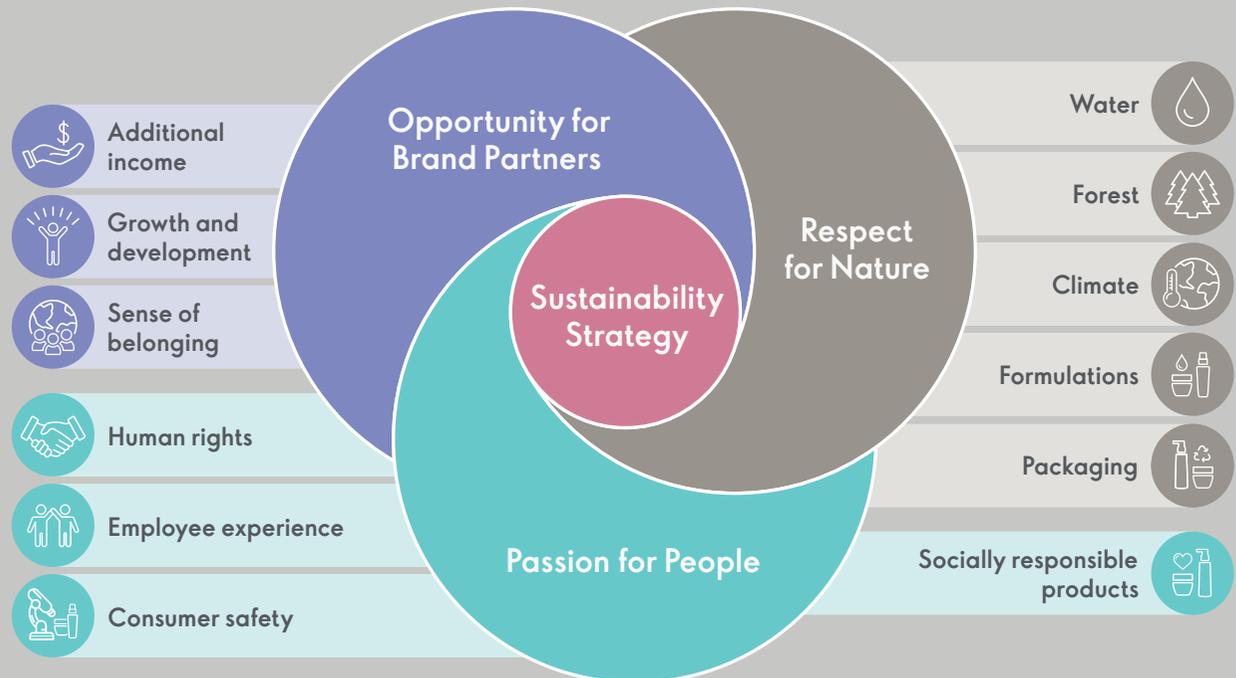
### 3. Passion for People

This section covers everything related to sustainability and people across our value chain – from our consumers and Brand Partners to our employees and our suppliers' employees. This includes topics such as human rights in our supply chain, our work with consumer safety and our efforts to create socially responsible products.

Read more about our Passion for People on [pp. 63-81](#).

### Strategy structure

These three core areas are underpinned by 12 sub-areas which contain 41 goals and commitments with different time horizons.





Additional income

Growth and development

Sense of belonging

Goals and commitments



# Opportunity for Brand Partners

Social selling gives people – most often women – a real opportunity to earn an income by building and nurturing relationships with customers. In the digital age, this transforms into more flexibility and freedom than traditional employment and gives the option to combine social selling with primary job, studies or childcare. Some people even opt for social selling full time.

When someone becomes an Oriflame Brand Partner, they get access to a network of business and beauty experts and become part of a global beauty community. They also get access to training, meetings and events, all of which boosts their abilities, confidence and self-esteem.

Our vision is to become the #1 Social-Selling Beauty Company by building the world's largest beauty community. Achieving this goal would make our business accessible to more people around the world and create positive change for our Brand Partners to improve their lives and contribute to their economic development.



## Additional income

**Oriflame's business model creates value by offering people around the world a chance to improve their lives: offering a unique shopping experience for customers as well as enabling entrepreneurial opportunities for Oriflame Brand Partners.**

Anyone can become an Oriflame Brand Partner if they live in one of our markets around the world. They can start their own social-selling business, and earn income by attracting customers and selling Oriflame products. A minority of Brand Partners also opt to increase their earnings by inviting and coaching others to sell and thereby earn additional commission, bonuses and other forms of recognition.

Especially for women in low- and middle-income countries, the additional income generated by their Oriflame business can make a big difference to their lives.

We are committed to continuing to grow the business to increase the total amount distributed to Brand Partners annually. In 2022, we awarded €244 million, a small decrease from €249 million in 2021. This amount includes payments related to the participation of Independent Brand Partners in sales conferences. The reduction in Brand Partner bonus and performance discounts is mainly explained by lower sales which was partially offset by higher number of meetings and conferences in 2022. In prior year due to the Covid-19 pandemic the international conferences for Brand Partners were cancelled and the related cost accruals reversed.

## Digital sales tools

To empower our Brand Partners in their online sales experience we are continuing to improve our digital content and integrated suite of attractive and modern business tools.

In 2021, we launched the eCatalogue, a digital version of the Oriflame catalogue, to make it easier for Brand Partners to share the catalogue with customers, browse and shop, and to discover new products with videos, tutorials and more in-depth product information. In 2022, to further streamline our digital sales tools, we strengthened the functionality of the eCatalogue and integrated it into the Oriflame App to further propel the transition of our business to digital platforms.

During the year, 37% of all sales originated from the eCatalogue and other digital shopping facilities, and 98% of all orders were placed digitally, demonstrating a rapid adaption to our digital tools as well as their efficiency.

## Brand Partner satisfaction

We want our Brand Partners to recognise Oriflame as a good opportunity to earn an additional income. It is therefore important that we make sure we meet Brand Partner expectations. We have been using the Net Promotor Score (NPS) to measure Brand Partner satisfaction in all our markets since 2017. The NPS gives us feedback on Brand Partner's expectations and perception of eg, product quality, product availability and ordering experience. It also helps us to identify areas of improvement.

To make sure we offer an attractive product portfolio we also measure Brand Partners' and consumers'



satisfaction with our products through the Bazaarvoice platform. In 2022, we collected 429,00 product reviews and our global average score was 4.6 out of 5, which is in line with last year's result and our Brand Partner expectations. While the Fragrance category gets the most reviews, Wellness continues to be rated as the

best category. Swedish Spa is the highest-rated brand with two of its products qualifying in the top 10 highest rated products globally. Essense & Co. and Tender Care have very high ratings as well and are included in Top 5 highest rated brands globally.



## Growth and development

Personal and professional development is an important part of our value proposition. We aim to provide our Brand Partners, most of whom are women, with online and offline training in order to build beauty, sales and marketing skills. We also want Brand Partners to see Oriflame as a good opportunity for self-development in order to become more confident and improve self-esteem. In the last Oriflame Global Brand Tracking from 2020, a total of 74% agreed that their business skills had improved and 76% noticed improvements in their self-esteem and confidence because of working with Oriflame.

### Training opportunities for Brand Partners

We offer continued support to our Brand Partners by strengthening their knowledge of products, social selling and leadership development through Oriflame Academy. Oriflame Academy is a training programme that Oriflame has used for more than 15 years. The programme is based on the best practice of thousands of Brand Partners across the Oriflame world. In the past two years we've updated the programme and introduced nine new trainings steps, and in 2022 we launched three new training courses globally. These training courses coach Brand Partners on how to expand their beauty community with registered customers and new Brand Partners, how to activate their network by conducting events and how to develop Leaders and help them rise in the Success Plan.

## Mobile Office in 51 markets

Oriflame offers all registered Brand Partners access to their own digital back office, called Mobile Office. Mobile Office consists of features to support Brand Partners in all aspects of their business, including how to start their business, how to keep track of their own and their team's performance – and much more. To date, Mobile Office has been launched in 51 markets. The First 90 Days digital onboarding programme for newcomers and sponsors has proved to be a popular part of Mobile Office, with an average of 145,000 unique users going through the action-oriented steps each month. The First 90 Days offers training and practical steps designed to help new Brand Partners get started with Oriflame and is currently available in 42 Oriflame markets. During 2021, we conducted a survey in five key markets, gathering feedback and lessons learned from newcomers on how to develop the onboarding programme. The participants rated the programme 4.6 out of 5 in response to the question, 'How helpful was the programme to you when starting your business'? They found the programme to be useful, clear, instructional and inspiring.

In 2022, Oriflame continued to strengthen its efforts to onboard new Brand Partners, making sure they get a perfect start, at the same time facilitating the work for our supporting Brand Partners by developing an enhanced step-by-step digital onboarding tool on Mobile Office: The Perfect Start.

This tool will be launched in 2023 and will improve the accessibility, flexibility and attractiveness of our business opportunity. It will help ensure that newcomers get clear direction and support, learn the right skills to

kick-start their business, and experience the possibility to develop personally and professionally.

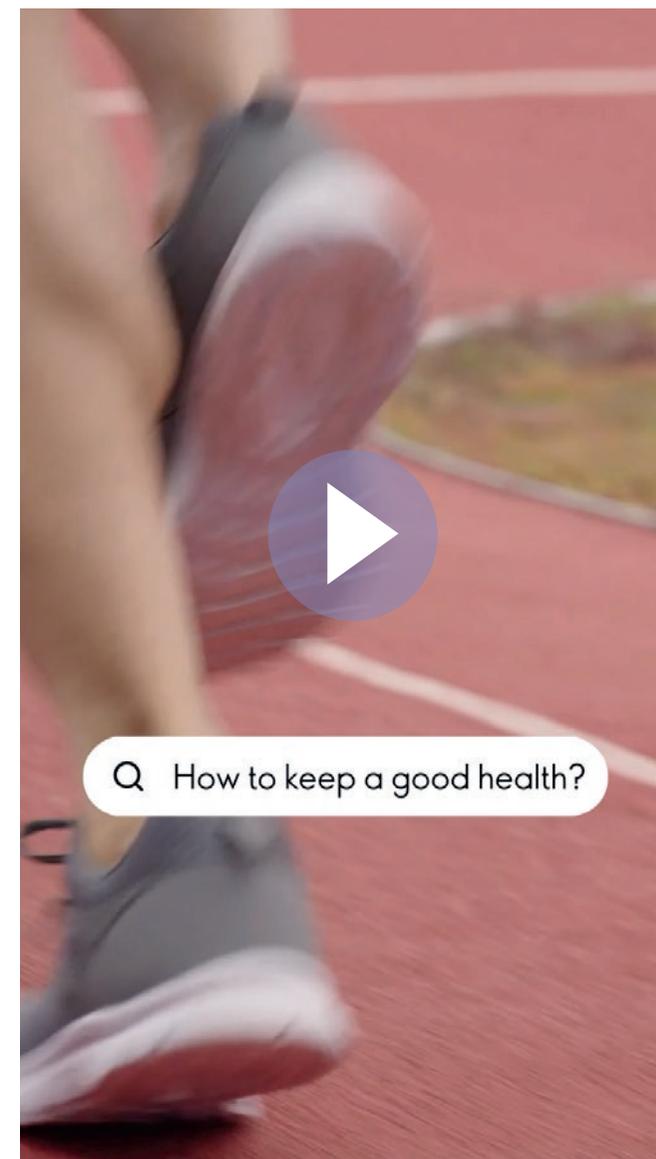
## E-learning in 50 markets

In addition to the above tools, we also provide e-learning courses to Brand Partners. Our e-learning platform includes 16 microlearning courses and one advanced certification, covering topics such as Oriflame products, the business opportunity, sales and recruitment skills and sponsoring skills. A total of 50 markets have implemented the e-learning platform.

The number of course completions by Brand Partners recorded on our e-learning platform decreased significantly to around 12,000 courses in 2022 (compared to 70,000 courses completed in 2021). The main reason for this is the limited availability of new e-learning courses in local languages.

## Oriflame Wellness Club Coach programme

In 2021, we launched the Wellness Club Coach programme – the advanced training level of the Wellness Academy. The programme was developed in Sweden by health experts and is based on a combination of the latest scientific research, practical Wellness knowledge about a holistic healthy lifestyle, physical exercise and Oriflame Wellness products. In 2022, we implemented the Wellness Club Coach e-learning and other digital tools in 17 countries. Currently, we have 32,000 Brand Partners undertaking the programme, with more than 5,500 already certified. Furthermore, more than 500 of these have started their own Wellness Club.





Additional income

Growth and development

Sense of belonging

Goals and commitments



## Sense of belonging

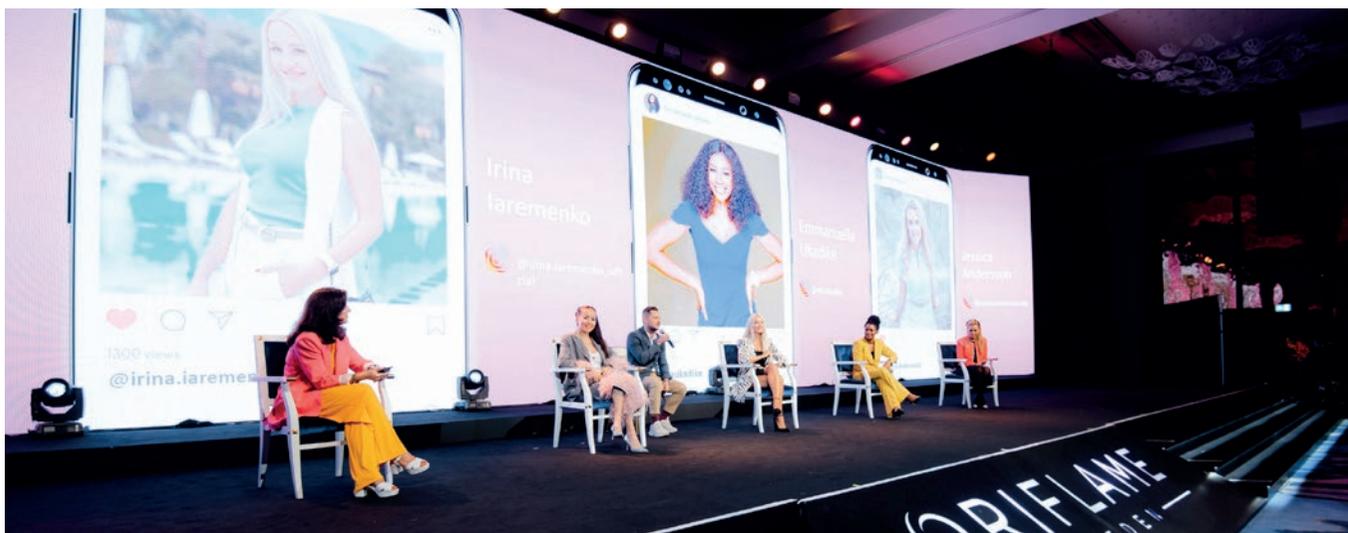
**We want our Brand Partners to recognise Oriflame as a good environment for meaningful and fun activities, making new friends and feeling that they are part of a community. Oriflame conferences are key to building the Oriflame community and creating a sense of social belonging.**

At conferences, Oriflame Brand Partners get access to product launches and training – and have the possibility to hear best practice stories from successful Leaders across the regions. Conferences are also a platform for Brand Partners to learn about the Oriflame brand and

culture, and for people to meet and connect with each other. Oriflame conferences are one of our strategic growth drivers and an incredibly powerful motivation for our Brand Partners. But beyond motivation, our conferences are also there to inspire and connect people. In the last Oriflame Global Brand Tracking from 2020, 81% of Brand Partners consider Oriflame enables them to meet new people and our conferences contributing to this.

### **Oriflame international conferences**

In time for our 55th anniversary, we could finally bring back our physical conferences and create a platform for our Brand Partners to meet and learn. Despite



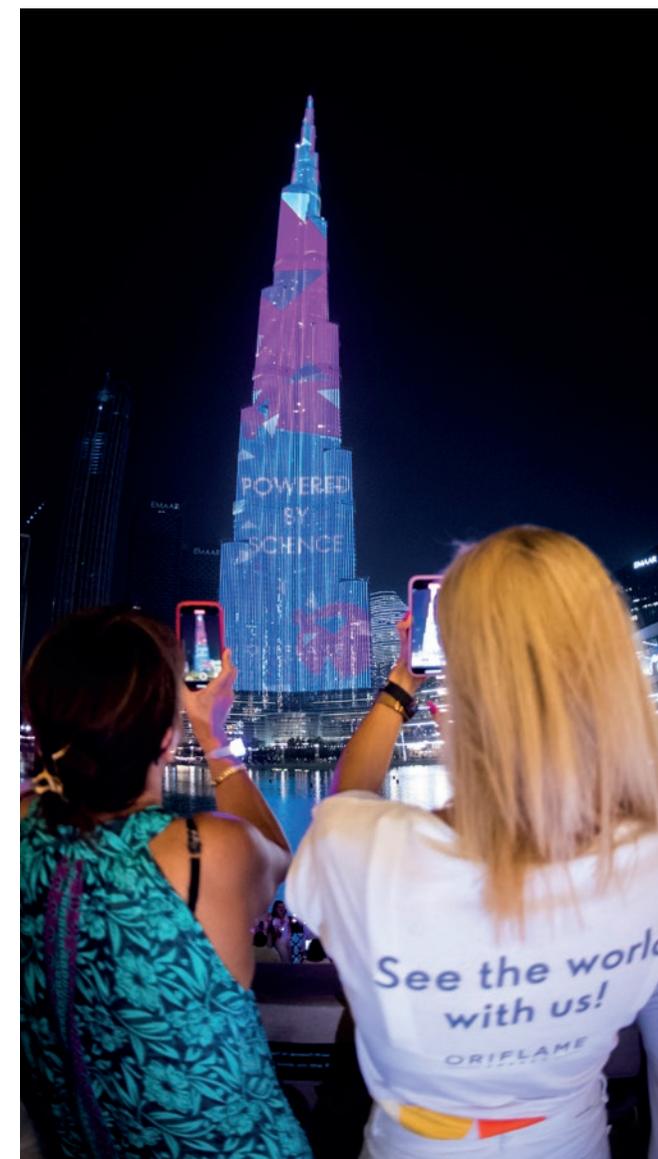
quickly adopting a digital conference format during the pandemic, we were eager and excited to invite our Brand Partners to, once again, come together in person.

Our main event of the year was the Anniversary Gold Conference in Dubai, where Brand Partners from more than 50 countries came together to celebrate the 55th anniversary of our company. The conference lasted for seven days, and 1,600 Brand Partners celebrated under the theme "Good as Gold". Oriflame's presence in Dubai cannot have gone unnoticed by anyone in the city, as one of the many highlights of the week was a video in celebration of Oriflame's 55th anniversary displayed on the façade of the skyscraper Burj Khalifa, a landmark in the city and the tallest building in the world.

## Digitally connected

The digital wave brought upon us during the pandemic changed how we conduct conferences. While the purpose of our conferences remains the same, the platform for how people meet can be both physical and digital – or a hybrid.

At the Anniversary Gold Conference in Dubai, we decided to stream some of the events for Brand Partners and employees all over the world to enjoy. Participants joined both digitally and physically to learn communication strategies in social media and how to build a personal brand online in our SoMe Summit. We also offered Master Classes in Wellness and Skin Care for both conference and online participants. By being digitally connected we can reach out to our Brand Partners worldwide and consequently strengthen the Oriflame community.



# Goals and commitments



## Additional income

| Goal/commitment   | Deadline     | SDG                                   | Result   | Comment   | Status   |
|---|--------------|---------------------------------------|--|---|--|
| 1. Continue to grow the business in order to increase the total amount paid out to Brand Partners annually.   | Year on year | <br>8 DECENT WORK AND ECONOMIC GROWTH | Decreased by 2% vs 2021  | In 2022, we paid out €244 million, a small decrease from €249 million in 2021. This amount includes payments related to the participation of Independent Brand Partners in sales conferences. | More to do   |
| 2. We want our Brand Partners to recognise Oriflame as a good opportunity to earn an additional income and gain an increase in freedom and flexibility in their daily life. | Year on year | <br>8 DECENT WORK AND ECONOMIC GROWTH | 84% of Brand Partners consider Oriflame as a good opportunity to earn an additional income | Data from the last Oriflame Global Brand Tracking 2020. We are assessing new ways of measuring our progress for this target.  | <b>Achieved</b> in last Global Brand Tracking (2020) |



Additional income

Growth and development

Sense of belonging

Goals and commitments

## Growth and development

| Goal/commitment  | Deadline     | SDG               | Result   | Comment  | Status   |
|--|--------------|-------------------|--|--|--|
| 1. Provide our Brand Partners, most of whom are women, with online and offline training to build sales, marketing and beauty skills.   | Year on year | 5 GENDER EQUALITY | No change  | A total of 50 markets have implemented the e-learning platform.  | On track   |
| 2. We want our Brand Partners to recognise Oriflame as a good opportunity for learning and self-development and as a result, perceive that they have: <ul style="list-style-type: none"> <li>• Become more confident</li> <li>• Improved their self-esteem</li> <li>• Improved their skills</li> </ul> | Year on year | 5 GENDER EQUALITY | 76% of Brand Partners consider Oriflame has helped to improve their self-esteem and confidence | Data from the last Oriflame Global Brand Tracking 2020. We are assessing new ways of measuring our progress for this target. | <b>Achieved</b> in last Global Brand Tracking (2020) |



## Sense of belonging

| Goal/commitment  | Deadline     | SDG               | Result  | Comment  | Status   |
|--|--------------|-------------------|---|--|--|
| 1. We want our Brand Partners to recognise Oriflame as a good environment for meaningful and fun activities, making new friends and feeling that they are part of a community. | Year on year | 5 GENDER EQUALITY | 81% of Brand Partners consider Oriflame enables them to meet new people | Data from the last Oriflame Global Brand Tracking 2020. We are assessing new ways of measuring our progress for this target. | <b>Achieved</b> in last Global Brand Tracking (2020) |



# Respect for Nature

For more than a decade we have been systematically striving to reduce our impact on nature. We started by identifying and understanding how we impact the world around us – within our own operations and along our full value chain. From this foundation, we have built a sustainability strategy with a focus on our most significant impact areas, where we have the biggest opportunities and possibilities to achieve change.

Respecting nature starts by truly valuing what it provides, such as clean air and water, a stable climate, fertile soil and rich biodiversity. Our aim to become a sustainable company is reflected in a number of environmental initiatives. In practice, this means preventing deforestation, avoiding the pollution of air, land and waterways, decarbonising our demand for energy, fuel and ingredients and driving demand for environmentally responsible products both in terms of the formulations and materials we use and the packaging we choose.



# Water

## OUR WATER JOURNEY

**2013**

Conducted a global water impact study to identify our water footprint.

**2015**

Since 2015, all new rinse-off products have been formulated with natural-origin exfoliants only.

Launched biodegradable cosmetic wipes, cloth sheet masks and nail polish remover pads.

**2016**

Stopped production of legacy products containing plastic microbeads and plastic glitter.

**2017**

Launched Love Nature rinse-off range with biodegradable formulations.

**2018**

Expanded biodegradability to other ranges, including Discover.

Committed to formulating all new Skin Care and Personal Care rinse-offs to be biodegradable.

**2021**

Launched our first shampoo bar – developed to be more concentrated than a traditional shampoo and therefore uses less water and packaging materials.



# Water

## PROTECTING WATER RESOURCES

**There is increasing pressure on global water resources – from population and economic growth factors, climate change and water pollution, to competition for water resources. Water issues are a global challenge, but because we operate in some water scarce countries it is important for us to consider the implications at a local level too. With climate change and population growth, we are faced with the dual challenge of access to clean water and water scarcity.**

In our business, we depend on water throughout the product lifecycle, in particular during raw material sourcing, manufacturing and consumer usage. Therefore, there are two main challenges we need to

address: water pollution and water scarcity. To understand these challenges better, we conducted a water impact study a number of years ago, on the lifecycle of a representative selection of our key products. The results helped us to define the focus areas for our water strategy and to strengthen our commitments. For example, the study showed that over the lifecycle of a shampoo, 88% of freshwater use is generated by consumers. As a result of this insight, we look at ways to engage our consumers around more sustainable water use, while also looking into opportunities to develop products which limit impact on water.

### No plastic microbeads

Microplastic contamination is a cause of water pollution. A variety of pollution sources have been identified, including the use of plastic microbeads in cosmetic formulations. Therefore, we started testing



alternatives in early 2013. We investigated a number of alternatives of natural origin, including plant waxes, nutshells and seeds that all met our high performance and safety expectation standards. Since 2015, all new rinse-off scrubs have been formulated with natural origin scrub particles. Furthermore, by the end of 2016, all production of legacy products containing plastic microbeads and plastic glitter were stopped.

### Formulated to be biodegradable

We know that rinse-off products have a high impact on the water system. It is therefore important to us that we formulate our rinse off/wipe off products to be biodegradable. Our ingredients are carefully chosen with this in mind. To validate the biodegradability of our rinse-off products, we require that at least 90% of the carbon-based ingredients be biodegradable, based on the method developed by OECD\* or similar. We have a commitment that by 2025, 100% of new Skin Care and Personal Care rinse-off products (face and body) will be formulated to be biodegradable. In 2022, we delivered successfully on this commitment.

### Biodegradable masks and wipes

The materials we use to make cosmetic wipes, cloth sheet masks and nail polish remover pads have been biodegradable since 2015. This means the material will break down naturally, as long as it is disposed of correctly and not flushed down the toilet.

*\*The Organisation for Economic Co-operation and Development  
\*\* Our Wellness manufacturing site in China was excluded from the target due to property limitations restricting our abilities to make operational improvements.*

### Water management at our manufacturing sites\*\*

Manufacturing of cosmetics, use of purified water and washing equipment are the most water intensive processes accounting for more than half of the company's total water consumption. In 2022, the water used in our products accounted for about 8% of total water use at manufacturing sites. About 70% of the total water withdrawn at our manufacturing sites comes from ground water. Out of the total water withdrawn, 40% was discharged as wastewater to municipal water networks after treatment by effluent treatment plants at all factories.

Water use and discharge may have an impact on local ecosystems and affect water quality and supply in a region. We monitor water use at our manufacturing sites to promote water efficiency and assess future risks. All sites have a secured water supply with regulatory consent. All manufacturing sites treat water as per applicable water regulations and monitor physical, chemical and biological water quality parameters before discharge.

We use the WRI Aqueduct Water Tool to evaluate water stress in regions where our manufacturing sites are located. About 8% of total water withdrawn was from two sites located in high water stress areas. At these sites, we have implemented water saving initiatives and drive sustained actions for replenishment of groundwater.

In 2022, some of our water efficiency improvement efforts such as water reuse, ground water recharge and water saving actions led to savings of 8.6 megalitres of water\*, thereby reducing some of our dependence on water from utilities.

To manage water efficiently, we have undertaken the following measures at our manufacturing sites:

- The Wellness factory in Roorkee, India is a zero liquid discharge (ZLD) factory. 100% of water is reused after treatment for local landscaping.
- In 2022, at our factory in Noida, India we reused 1.3 megalitres of water from our effluent treatment plant for cooling tower water.
- Water is partly reused from backwash of sand filter and RO membranes at the factory in Poland.
- Rainwater is collected in rainwater harvesting pits at two sites, to replenish groundwater (Roorkee, India) and to reuse for lawn watering (Russia). In 2022, to help create a positive impact on water, we replenished more groundwater at our site in Roorkee than our water consumption at the site.
- Optimised use of water for purification, vessel cleaning and sanitation through use of sensors and dual flush systems at our manufacturing site in China.
- Regular training of employees in factories on efficient water usage and about our water targets.
- All factories engage with government stakeholders to improve water management.

\*Based on internal calculations and metre readings

\*\* Our Wellness manufacturing site in China was excluded from the target due to property limitations restricting our abilities to make operational improvements.



We are committed to reduce water consumption per unit produced at our own manufacturing sites\*\* by 10% by 2030 from a 2019 base year. Our total water consumption declined by 35% since 2019. This is due to our water efficiency improvements but also due to 40% decline in in-house production since 2019.

Despite water savings and decline in production, water required for cleaning and sanitation remains same. Hence, the water used per unit produced increased

13% from a 2019 base year. We will continue to optimise our water usage for cleaning, purification and water intense products to meet our 2030 water targets. Managing water risks and mitigation plans in future includes looking for water efficiency solutions, alternate water sources, in case water supply is affected in a region of high water stress; managing water costs associated with water treatment, leakage detection and repair and regulatory costs in case of failure to meet local discharge standards.



# Forest

## OUR FOREST JOURNEY

**2010**

Started covering our palm oil usage with RSPO Book & Claim Credits, while supporting market transformation towards sustainable palm oil products – one of the first in the cosmetics industry to take this initiative.

Initiated our collaboration with Rainforest Alliance and developed a global Responsible Paper Sourcing Commitment.

**2012**

Launched the world’s first shower gel with 100% segregated palm oil – Swedish Spa Shower Gel\*.

Started CDP Forest reporting.

**2014**

Started purchasing Mass Balance certified palm oil.

**2019**

Started our climate compensation programme supporting reforestation and forest conservation projects.

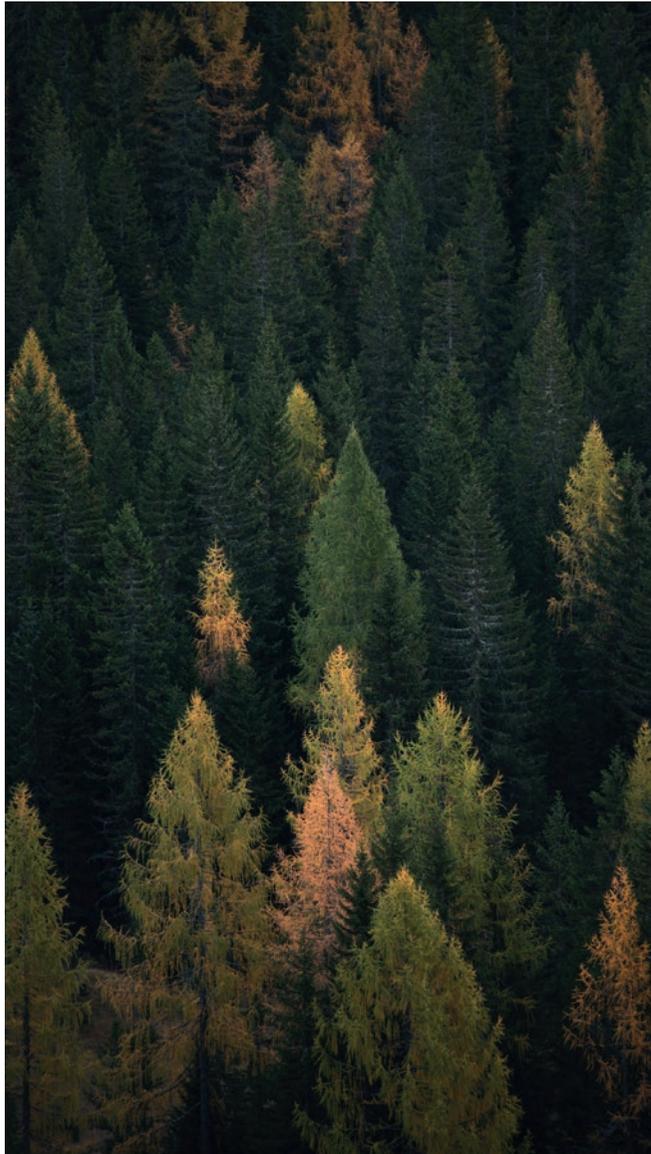
**2021**

All newly developed wooden pencils in the Colour Cosmetics category were made from FSC™ certified wood.

**2022**

Launched our Forest Commitment, extending our commitment beyond paper and palm oil to other forest risk materials that may contribute to deforestation and ecosystem conversion.

\*The product is no longer in our product portfolio.



## Forest

### COMMITMENT TO PROTECT FORESTS THROUGH RESPONSIBLE SOURCING

Forests cover about one-third of earth's land surface. According to the State of the World's Forests Report 2022, forests hold 662 billion tonnes of carbon. About 1% of the global workforce is estimated to work directly in the formal and informal forest sector. The wealth generated from certain forest ecosystem services such as recreation, non-timber forest products, water services, etc. is estimated to be €7 trillion, about 9% of the world's gross domestic product. The largest threat to our forests today is deforestation. Deforestation can cause climate change, desertification, soil erosion and increase the risk of pandemics, among other things. Climate change could affect

availability and access to certain raw materials causing material changes in market prices. Forests play a vital role in limiting the rise of the average global temperature to 1.5°C. They present an opportunity to reduce emissions by limiting deforestation and the amount of carbon that can be sequestered through forest reforestation and conservation activities.

Our Swedish nature has always inspired us to turn to natural extracts to produce high quality and high-performance products sourced in a manner that is respectful of nature. We understand our dependence on forests for natural raw materials and we're aware that when not managed properly, some of the raw materials Oriflame sources - including wood, paper,



palm oil and other natural raw materials – may contribute to the risk of deforestation and ecosystem conversion.

Our main raw material by weight is timber. We work with our suppliers so that they can report their volumes and sustainability credentials annually. In 2022, we used 7,126 tonnes of timber materials\*. 86% of total volume assessed was catalogue paper, 14% belonged to paper and board packaging and 0.2%, constituted wood-based products. In 2021, we launched the eCatalogue, a digital version of the Oriflame catalogue. In 2022, as the adoption of the eCatalogue in our markets increased, we also integrated it into other digital platforms. As a result, our total paper consumption of catalogues and paper and board packaging, decreased by 60% as compared to 2021.

Because a significant proportion of our impact comes from the raw materials we use, we need to make the right decisions about how, where and what we source to avoid deforestation. We report our forest-related risks for timber and palm oil annually to the CDP, a global disclosure system for investors and companies to manage environmental impact. In 2022, we improved our CDP Forest score to A- for palm oil (Leadership level) and received B for timber.

### Oriflame Forest Commitment

We started working towards more sustainable forestry practices in 2010. In collaboration with the Rainforest

*\*Data from supplier questionnaires. Response rate of 89%. Includes directly sourced raw materials, finished goods in our own production, and primary packaging of our products as part of global operations. \*\*Source is defined as mill*

Alliance, we developed a global Responsible Paper Sourcing Commitment, which was updated in 2014. In 2022, we developed and publicly launched Oriflame Forest Commitment. The Commitment replaces our former Responsible Paper Sourcing Commitment to include key forest raw materials and outlines our ambition to achieve responsible supply chains. Forest raw materials in the scope of our Commitment includes both timber materials and non-timber forest materials, some of which are associated with risk of deforestation.

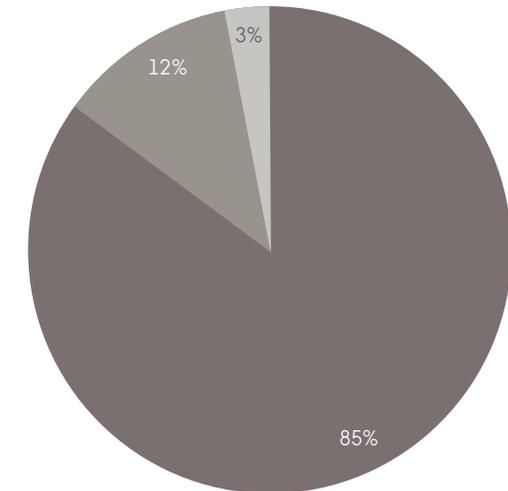
We will work together with our suppliers and within our own operation towards eliminating deforestation and conversion of natural ecosystems in all our supply chains subject to this commitment. For more details on the scope, commodity-specific targets and cut-off dates, please refer to [Oriflame Forest Commitment](#).

### Sustainable sourcing of timber materials

As part of our commitment to sustainable sourcing of key forest raw materials, we aim to purchase 100% of volumes of our paper-based products (catalogues and primary product packaging) certifiably from sustainably managed forests or from recycled raw materials. Out of this, 100% of volumes of paper-based products will have supply chain visibility to the country of origin and to the mill level by 2025.

In practice, this means giving preference to Forest Stewardship Council (FSC™) certified paper when possible. In certain markets, where FSC™ certification is not available, we allow other certifications that meet our minimum requirements, such as Programme for the Endorsement of Forest Certification (PEFC). In 2022, 97% of volumes of paper-based products (catalogues and primary product packaging) came from certified

**Paper and board packaging and catalogue paper from credible certified sources\* or recycled materials in 2022**



- Catalogue paper
- Paper and board packaging
- Uncertified sources

sustainable sources\*\* or from recycled raw materials with supply chain visibility to mill level. This excludes 2% of volumes with sourcing origins linked to Russia, where FSC™ suspended its operations in 2022 and hence any valid claims of certification stand unverified. The results are based on survey response rate of 89%. Performance was evaluated based on data collected through Forest assessment supplier survey for timber materials which includes wood-based products,



paper and board for primary product packaging, and catalogue paper. The survey was developed by Rainforest Alliance to verify the origin of paper, supplier claims of FSC™ certification or other credible certified sources and supply chain visibility.

In 2022, in partnership with Rainforest Alliance, we also assessed the risk of deforestation associated with country of harvest from which we source our paper used in catalogues and primary product packaging. This was based on the country risk assessment list developed by Preferred by Nature, which is a non-profit organisation. Preferred by Nature operates an open-source hub that provides timber legality risk assessments for over 70 countries, in collaboration with local forest experts.

In 2022, about 97% of our volumes of paper-based products (catalogues and primary product packaging) were harvested from countries with low risk of deforestation. 2% of volumes of paper-based products were harvested from countries with high risk of deforestation and the remaining 1% was from recycled sources and unknown origin where volumes could not be traced to any country. Overall, in 2022, 99% of our volumes of paper-based products (catalogues and primary product packaging) were traceable to country of harvest.

We are committed to source 100% of all our wood products certifiably from sustainably managed forests by 2025. We started the transition towards FSC™ certified wood for our cosmetic pencils in 2020. In 2022, all of our wood pencils in the Colour Cosmetics category and make-up brushes in the Accessories category came certifiably from sustainable managed forests.

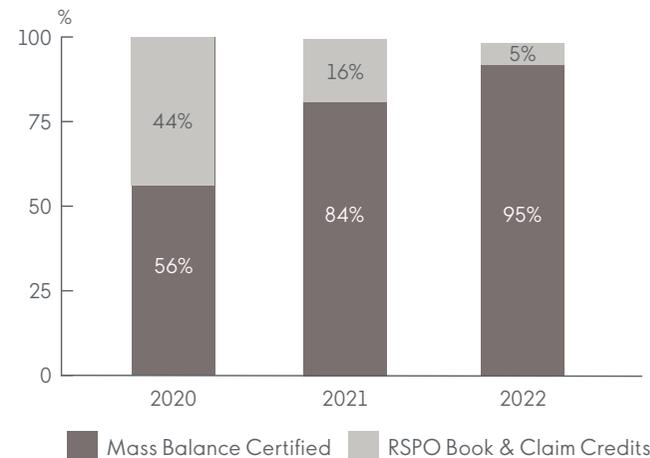
### Towards a sustainable future for palm oil

Palm oil is one of the world’s most widely used raw materials and its demand continues to rise. Its cultivation may have serious environmental impacts – such as large-scale deforestation and habitat loss, soil erosion, pollution and climate change. However, stopping the use of palm oil shifts the problem elsewhere. To get the same amount of other vegetable oils, 4 to 10 times more land would be needed and palm oil gives the highest yield per hectare. According to WWF, palm oil supplies 40% of the world’s vegetable oil demand on just 6% of the land. Sustainably produced and sourced palm oil can contribute positively towards the environment and farming communities.

We have been a member of the Roundtable on Sustainable Palm Oil (RSPO) since 2010. We aim to source 100% of palm oil and palm kernel oil-based raw materials used in our own production, including derivatives, and in sub-contracted soap bars from certified (Mass Balance) sustainably managed operations by 2025. If Mass Balance certified derivatives are not available, we use RSPO Book & Claim Credits.

In 2022, we purchased 2,884 tonnes of derivatives of palm oil (45%) and palm kernel oil (55%) based raw materials used in our own production and in sub-contracted soap bars. Out of this, 1,107 tonnes of palm oil derivatives and 1,473 tonnes of palm kernel oil derivatives were Mass Balance certified. This resulted in sourcing of 89% of total volume of derivatives of palm oil and palm kernel oil-based raw materials used in our own production and in sub-contracted soap bars from physically certified sustainable sources (RSPO Mass

### Sustainably certified derivatives of palm oil and palm kernel oil in our raw materials



### Sustainably certified derivatives of palm oil and palm kernel oil in subcontracted soap bars



Balance). The remainder of our consumption (11%) will be covered by RSPO Book & Claim Credits.

The proportion of RSPO Mass Balance certified derivatives in palm oil and palm kernel oil-based raw materials used in our own production was 95%. In our sub-contracted soap bars, 83% of the derivatives of palm oil and palm kernel oil were RSPO Mass Balance certified. This is a decrease as compared to 88% in 2021. Our Soap bar volumes decreased by 27% in 2022. As a result, the share of RSPO mass balance derivatives of palm oil and palm kernel oil in soap bars decreased.

We have a limited overview of the total volumes and level of Mass Balance certified derivatives of palm oil and palm kernel oil used in some of our sub-contracted finished goods. For our sub-contracted soap bars, we have been working together with our suppliers for several years to map the supply chain and account for volumes from physically certified sustainable sources. In 2022, this led us to gain supply chain visibility to mill level for our sub-contracted soap bars. As a result, 48% of our total volumes (2,448 tonnes) of derivatives of palm oil and palm kernel oil had supply chain visibility to mill level. This was based on internal assessment of RSPO mill status of our suppliers' mills with the Universal Mill List to validate volumes sourced from origins with low risk of deforestation. The Universal Mill List (UML) is a collection of palm oil mill locations across the world based on data contributed from processors, traders and consumer goods manufacturers, the Roundtable on Sustainable Palm Oil (RSPO). Our aim is that by 2030, all palm oil and palm kernel oil-based raw materials used in our own production, including derivatives and sub-contracted soap bars will be 100% traceable to mill level.





# Climate

## OUR CLIMATE JOURNEY

2010

Started calculating greenhouse gas emissions.

Started our CDP Climate reporting.

2011

Started an internal energy audit programme at offices and manufacturing sites.

2014

Installed solar panels at our Wellness manufacturing site in India.

2015

Our two new manufacturing sites in Roorkee, India and Noginsk, Russia were LEED® certified – a green building certification that recognises best-in-class building practices.

2016

Main office in Moscow was BREEAM certified – another green building certification.

2018

100% renewable electricity in place at all Oriflame operated sites.

2019

100% climate neutral operations – started our climate compensation programme to annually compensate for emissions from Oriflame’s operations (Scope 1, 2 and parts of Scope 3).

Organised our first two climate neutral conferences.

2020

Achieved our climate target. In 10 years’ time (2010–2020) we reduced our absolute greenhouse gas emissions by 76%.

2021

Approved greenhouse gas emission reduction targets for 2030 by the Science Based Targets initiative.

Recognised as one of 300 climate leaders in Europe by the Financial Times and Statista.

Installed solar panels at our manufacturing site in Poland.

2022

For the second year running, recognised as Climate Leader in Europe by the Financial Times and Statista.



# Climate

## TOWARDS A LOW-CARBON ECONOMY

**Greenhouse gas emissions are a serious global challenge and a major factor in global warming and climate change. Each year, the United Nations reports increasing levels of carbon dioxide (CO2) and other greenhouse gases (GHG) in the atmosphere. In the years to come, changing global climate patterns will incur more extreme and unpredictable weather, including more frequent and intense storms, heat waves, droughts and floods.**

**The World Economic Forum’s Global Risks Report 2022 ranks climate action failure and extreme weather as the top two severe risks on a global scale over the next 10 years.**

We take steps to integrate sustainability issues into the company’s risk and mitigation process. Hence, we identify the risks posed by climate change to our business and the implications our business has on the climate, both directly via our operations and indirectly via our supply chain. We also understand the potential of climate change to affect our access to certain raw materials and to our operations due to natural hazards and disasters resulting from climate change (eg floods, weather). This motivates us to take action to reduce our impact on nature and transition towards a low-carbon economy.

We report our climate-related risks annually to CDP, a global disclosure system for investors and companies to manage environmental impact, and in 2022 we scored B in the climate category. As a member of the European Climate Pact, we support the European Commission in meeting its goal to be the first climate-neutral continent in the world by 2050.



## Performance

Our emission reduction targets were approved by the Science Based Targets initiative in 2021 as consistent with the levels required to meet the goals of the Paris Agreement. Oriflame commits to reduce absolute Scope 1 and 2 GHG emissions 50% by 2030 from a 2019 base year. Oriflame also commits to reduce Scope 3 GHG emissions 22% per unit sold over the same timeframe. In 2022, we reduced our absolute Scope 1 and 2 GHG emissions 35% since 2019 and Scope 3 GHG emissions per unit sold reduced 19% since 2019. The decrease in emissions in 2022 compared to 2019 was due to the decrease in units in 2022.

Our progress towards the Science-Based Targets will be monitored annually via our CDP Climate questionnaire.

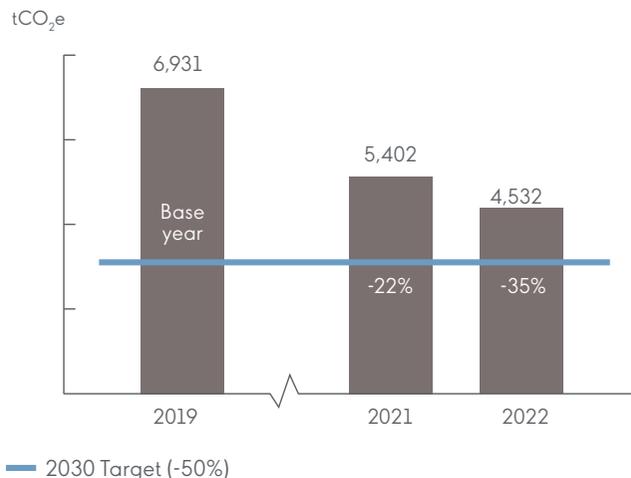
## Greenhouse gas emission breakdown

Our major GHG emission sources in Scope 1 and 2 are the fuel and district heating combusted when energy is consumed at our offices, manufacturing sites and warehouses. As we procure 100% renewable electricity, we account this as zero tonnes of CO<sub>2</sub>e according to the market-based methodology. Within Scope 3 our largest GHG emission sources are purchased goods and services such as finished goods from external suppliers and production of catalogues, but also downstream transportation and distribution and downstream leased assets.

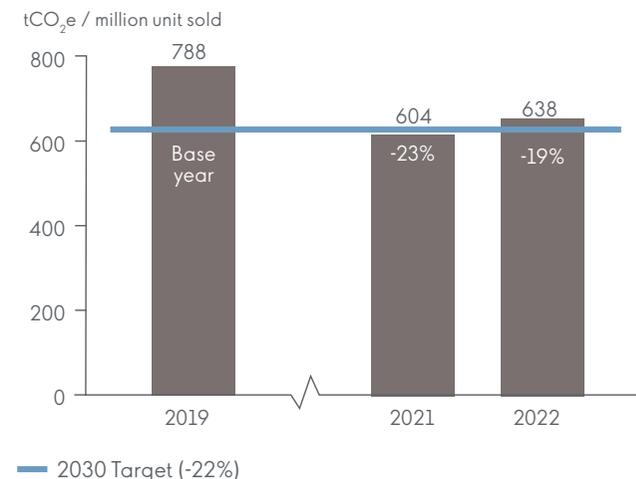
## Energy breakdown

Overall, 56% of Oriflame’s energy consumption within the organisation originated from renewable sources during the year. In total, the energy consumption within

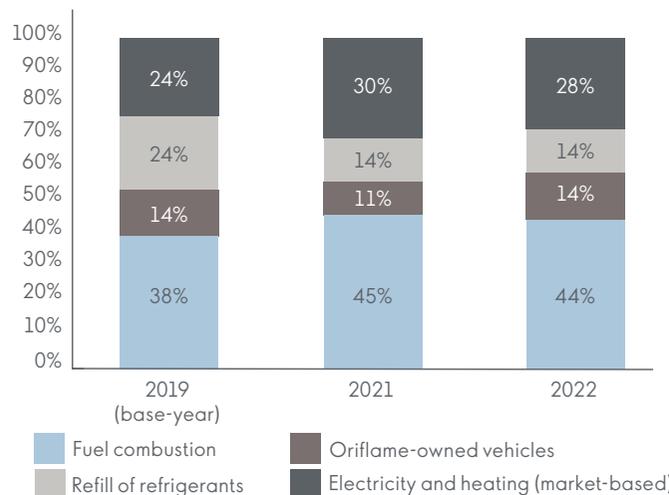
### Scope 1 and 2 GHG emissions vs 2019 (base year)



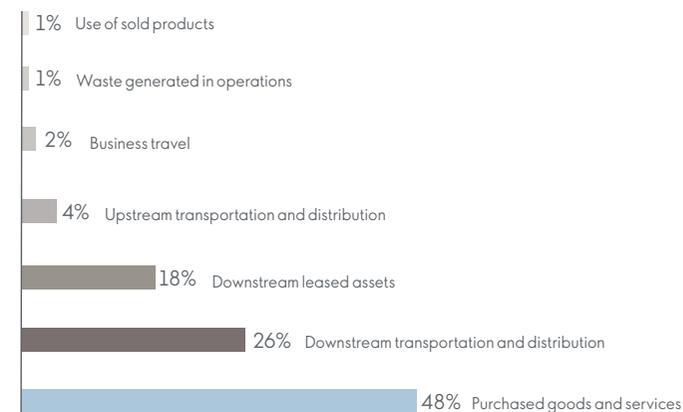
### Scope 3 GHG emissions per unit sold vs 2019 (base year)



### Scope 1 and 2 GHG emission sources



### Scope 3 GHG emission under our Science Based Targets in 2022





### Climate actions

In the past decade (2010-2020), we reduced our absolute GHG emissions (Scope 1, Scope 2 and parts of Scope 3) by 76% through the implementation of company-wide emissions reduction programme. We implemented an energy audit programme at our manufacturing sites with a focus on energy efficiency, water consumption and waste. This helped us to identify areas of improvement and to establish energy saving programmes.

As per the latest climate science, global temperature increase must not exceed 1.5°C compared to pre-industrial levels in order to avoid severe effects of climate change. This goal requires that emissions fall by half by 2030. The private sector has an important role to play and at Oriflame we are committed to achieve our Science-Based Targets. Our key initiatives are focused on reducing direct and indirect emissions from own operations as well our value chain and are explained below.

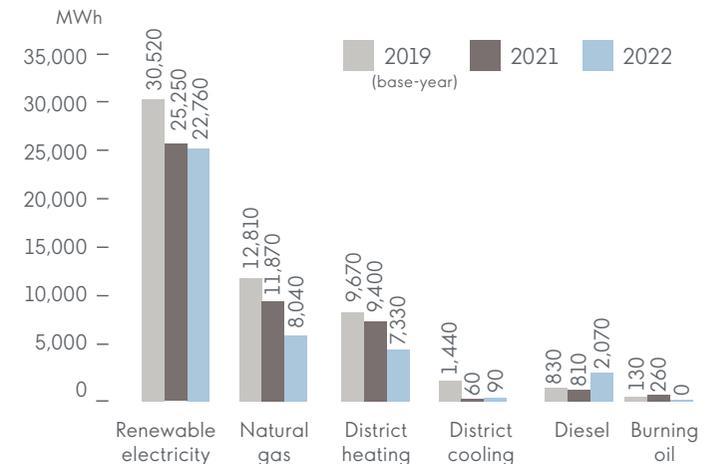
### Energy-efficient buildings

We aim to certify all new construction and major renovations. In 2015, we built two new manufacturing sites in Noginsk, Russia and Roorkee, India with LEED® certifications. LEED® is a green building certification recognising best-in-class sustainable building practices. The following year, our main office in Moscow was BREEAM certified – another green building certification that helps drive sustainable improvements through operational efficiency. Our manufacturing site in Poland was assessed by Eco-Vadis – a scorecard to assess environmental, social and ethical risks – and has received gold certification. In addition, manufacturing

sites in Poland and Russia have environmental management systems certifications (ISO 14001:2015).

In 2022, we implemented energy efficiency measures at our global hub in Poland, which helped reduce emissions at the site by about 55% compared to 2021. The measures include temperature optimisation in storage and public areas, installation of active light sensors in the warehouse and optimising forklift loading routines.

### Energy sources within the organisation\*\*



\* Our Wellness manufacturing site in China was excluded from the target due to property limitations restricting our abilities to operational improvements.

\*\* Numbers rounded to the nearest 10.

the organisation reduced by 15% in 2022 to 40,000 MWh. Most of the energy originated from renewable electricity, but natural gas and district heating were also large energy sources. We are committed to reduce energy consumption per unit produced at our own manufacturing sites\* with 10% by 2030 from a 2019 base year. In 2022, we increased the energy consumption per unit produced by 32% from a 2019 base year. This was due to the impact of significant decrease in our production volumes while the energy consumption remained almost similar to last year. We will continue to implement energy efficiency measures at our manufacturing sites in order to reach our 2030 energy goal.



## 100% renewable electricity across sites

Our energy sourcing strategy focuses on sourcing renewable electricity from suppliers through contracts, on-site generation of renewable electricity and finally purchase of energy certificates. The 0.1 MW capacity solar panel system installed at the Poland manufacturing site in 2021 became operational in 2022. Solar panels were installed at our Wellness manufacturing site in India in 2014 and cover around 5% of the factory's consumption as of 2022. On-site power generation from renewable sources at these two sites accounted for 1% total electricity consumption at our manufacturing sites in 2022. By 2030, we aim to increase the share of our own produced renewable electricity at our manufacturing sites\* to 10% from a 2019 base year.

For the sites that do not produce or procure renewable electricity directly, we use Energy Attribute Certificates (EACs). EACs provide a single claim to renewable energy and enable us to transparently document the renewable origin of our electricity consumption. In Europe, we use Guarantees of Origin (GOs), and on other continents, we use the International REC Standard (I-RECs). Since 2018, we have purchased Energy Attribute Certificates for all Oriflame-operated sites (offices, manufacturing sites, and warehouses). The origin of this electricity is a mix of wind power, solar power, and hydropower. The associated Scope 2 CO<sub>2</sub> emissions from our electricity consumption is zero using market-based methodology.





## Logistics programme

We developed a logistics programme to gradually consolidate local warehouses and move our product sourcing, catalogue printing and Global Distribution Centres closer to our major markets. For the first time since 2010, our emissions from global logistics transportation increased by 5% per pallet shipped from 2010-2022.

During 2022, we reduced the total number of pallets used in air, road and sea transports by 23% and optimised loading of boxes per pallet. However, due to an increase in air transportation, the total emissions per pallet increased. We are continuously reviewing packaging and loading routines to fit more into each truck and container. When selecting road carriers, a minimum of 85% of the substituted equipment should meet the environmental standard Euro 4, Euro 5 or Euro 6.

## Better packaging

In order to achieve our 2030 emission reduction targets we also focus on reducing the climate impact of our product packaging. Increasing recycled materials in our packaging, reducing product packaging weight and developing refills are some examples of the actions we take to improve our packaging, which subsequently will lower our greenhouse gas emissions. These efforts helped us to prevent emitting 490 tCO<sub>2</sub>e in 2022. Read more about these initiatives in the [packaging section](#).



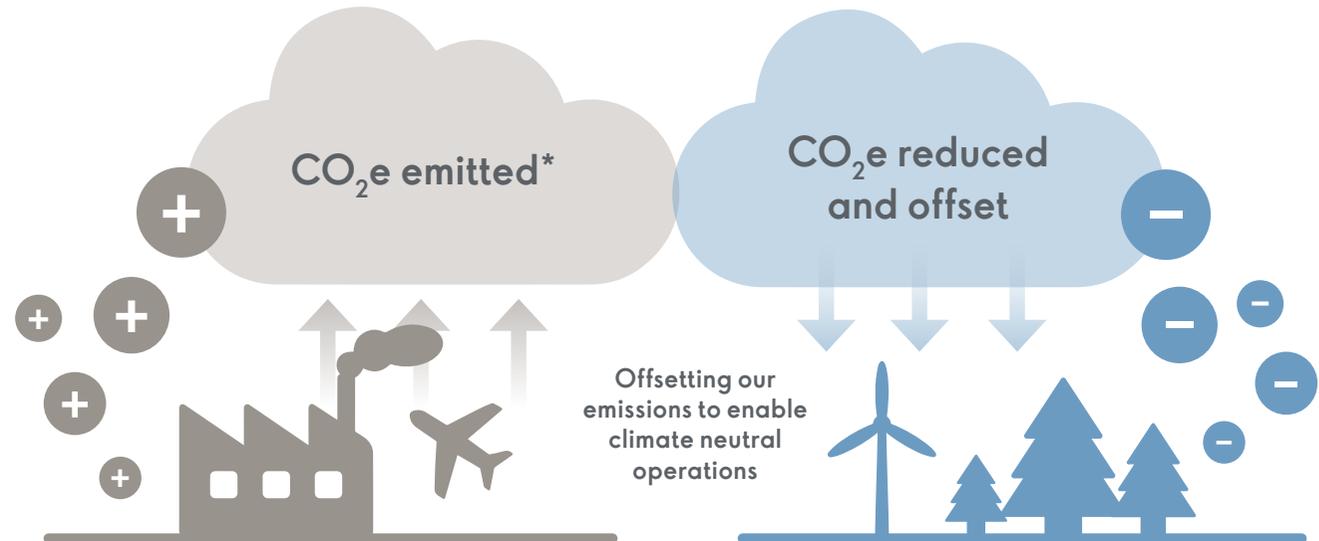


## Climate-neutral operations and events

A future where the world strives to maintain a rise of average global temperature within 1.5°C, requires investment in carbon sequestration projects in addition to emission reduction.

We are continuously working to reduce our GHG emissions in our operations and value chain. Since 2019, we have compensated annually for parts of the GHG emissions we cannot reduce (Scope 1, Scope 2 and selected categories in Scope 3). For 2022, this was done by purchasing carbon credits in forest conservation and renewable energy projects in Peru, China, Turkey and Indonesia. By balancing our emitted emissions with an equal amount of climate reduction initiatives and carbon credits, we are climate neutral in our own operations, including our own manufacturing sites (Scope 1, Scope 2 and parts of Scope 3).

In 2019, we organised our first climate-neutral conferences and since 2020 we aim to have all our regional and global conferences certified as climate neutral. This is done by first quantifying all greenhouse gas emissions from the event according to the GHG Protocol, including all attendees' travel, meals, hotel stays, energy use, etc. Then the calculations are validated by a third party, South Pole, to assure accordance with their Climate Neutral Event certification, defined by the strictest PAS 2060 standard. Lastly, we implement emission-reduction initiatives to reduce ensuing climate impact. We climate compensate for the emissions we cannot reduce. In 2022, we organised four climate-neutral conferences: Europe Entrepreneurial Summit, Rhodes; Gold Conference, Dubai; Global Leadership Council; and Race for 55, Stockholm.



\*From Scope 1, Scope 2 and parts of Scope 3



CASE STUDY

# Climate compensation projects 2022

## Forest conservation in Peru

The Alto Huayabamba forest conservation project in Peru aims to reduce emissions by preventing deforestation and instead conserving natural ecosystems to boost carbon sequestration. By protecting the Alto Huayabamba area, the project protects many endemic and threatened animal species, but also the services that strong and healthy ecosystems provide, for example filtering freshwater from the Huayabamba River. Working hand in hand with the local community, there are also a number of social and economic initiatives that benefit families living in the area. Through the Alto Huayabamba Forest Conservation project, Oriflame will contribute to the continuous protection of 9.78 hectares of forest.



CASE STUDY

## Asahan River hydropower in Indonesia

Situated on one of Sumatra's largest rivers, the Asahan, this run-of-the-river project channels the power of flowing water to produce renewable electricity. Eliminating the need to build a dam or reservoir, the project preserves the landscape while powering Indonesia's economy and supporting the country's transition towards renewable energy. While providing clean energy to power sustainable development, the project reduces GHG emissions that would otherwise be generated from the use of fossil fuels, which currently provide a large share of power to Sumatra's grid. Neighbouring local communities benefit from an increase in employment opportunities, as well as from multiple initiatives funded by the project such as the installation of a drinking water facility, learning resources and school yard reconstructions for nearby schools.

In addition to the projects above, Oriflame will also support the Ulubelu Geothermal Power project in Indonesia and wind power projects in Turkey and China.



# Packaging

## OUR PACKAGING JOURNEY

**2009**

Launched first refillable packaging.

**2011**

Started implementing post-consumer recycled (PCR) plastic in our packaging.

**2012**

Launched first packaging made of PCR glass.

**2014**

First trials with bio-based materials.

**2020**

Launched Greener Packs concept as a guide to packaging solutions with a reduced environmental impact.

Launched the Beautanicals range with packaging containing the highest PCR content across all our ranges. The bottles are made of 100% PCR plastic.

Launched first mascara with packaging made of PCR plastic.

**2021**

Launched several ranges with Greener Pack logo eg .SE – Swedish Experience with an improved packaging of 40% PCR glass and Optimals Urban Guard 3D with lightweight serum bottles and PCR materials in selected bottles, tubes and jars.

**2022**

Launched Feminelle Refills reducing plastic packaging with 73% compared to original bottle.



## Packaging

WE ARE STRIVING FOR MORE SUSTAINABLE PACKAGING SOLUTIONS AND REDUCING WASTE

**Product packaging is an important part of the consumer experience and ensures that safe and high-quality products are delivered to the consumer. Today, product packaging has a high environmental footprint, both during production and disposal.**

Oriflame believes in circularity and we want to move from today's linear take-make-waste model and contribute to a circular economy. Packaging accounts for 11% of our in-scope emissions under the Science Based Targets initiative. Therefore, actions to develop packaging with a reduced environmental impact will drive us towards our 2030 emission reduction targets. Our packaging strategy is focused on five key areas:

### 1. Recycled materials

Global production and consumption of virgin plastics continues to rise – and with limited access to correct waste disposal, this is leading towards worldwide plastic pollution, with implications for human health,

animal health and our climate. We are committed to increasing our use of recycled materials in all our product packaging. In 2022, we improved our packaging data collection and recording system at a material level based on sold units. Our main primary packaging materials by weight are glass (48%) and plastic (40%). Therefore, we focus on moving towards more post-consumer recycled (PCR) plastic and glass across all our brands. During 2022, we introduced internal guidelines for PCR in our cosmetics packaging\*, which will drive our future packaging development. This includes a commitment to use at least 30% PCR plastic in new PET containers and 25% PCR glass in new glass containers, where technically feasible.

In 2022, 20% of our PET cosmetic packaging was made of post-consumer recycled (PCR) plastic. Also, 13% of our PE and PET cosmetics packaging came from PCR plastic against our commitment to reach 20% by 2022. By using PCR materials, we reduce the amount of virgin materials used and contribute to a circular economy. However, PCR materials are not yet available for all types of plastic materials and may be difficult to source

*\*Applicable to packaging developed centrally. Regional developments are subject to local recycling infrastructure and regulations.*



in some Oriflame markets. Therefore, we aim to use PCR materials where technically feasible and will gradually increase the amount of PCR in our product packaging over time. We have chosen to use PCR materials that are in line with industry standards to ensure safe and quality materials. In 2022, we continued to implement PCR plastic into our packaging, most notably in bottles and jars including, the relaunched Love Nature range and most Waunt Skin Care products, with packaging containing recycled glass or recycled plastic varying between 25-100% of the total product packaging. During the year, PCR plastic implementations in our cosmetic packaging\* resulted in an increase in the amount of PCR plastic to 6% of our total plastic packaging portfolio. By 2025, we plan to have a significant share of our plastic packaging from either post-consumer recycled (PCR) plastic, or other sustainable materials.

## 2. Renewable materials

Renewable materials sourced in a sustainable way are part of our strategy. Replacing finite and fossil-based materials with responsibly managed renewable materials can decrease greenhouse gas emissions while reducing dependency on finite resources. In 2022, 97% of our paper and board packaging was sourced from FSC™ certified sources\*\* or recycled materials. We will continue to aim to source 100% paper and board packaging from FSC™ certified sources\*\* or recycled materials by 2025. In addition, we also focus on replacing fossil-based materials with renewable materials if possible.

\*Applicable to packaging developed centrally. Regional developments are subject to local recycling infrastructure and regulations.

\*\*Source is defined as the paper mill

## 3. Less packaging

We aim to reduce the overall weight of packaging material used in our products every year. The environmental impact of a product's packaging can be reduced by improving the packaging design. Designing with the environment in mind gives us packaging that weighs less than comparable or previous packaging, eliminates unnecessary packaging and requires fewer natural resources to be made. In 2022, we took a conscious decision to eliminate leaflets from some Skin Care products. We have been working to find a good balance between more lightweight packaging and durability. We never compromise on the quality of our packaging. When we develop more lightweight packaging, tests are always conducted to ensure the packaging quality is approved and meets our packaging standards.

## 4. Refills

Refillable packaging increases the product life cycle, as the main packaging can be refilled and reused several times. Refill systems use less materials and therefore reduce packaging waste, but they also require the consumer's commitment to refill and reuse them. Turning to refillable does not mean that we compromise on the quality or safety of our products. In 2022, we launched Feminelle Intimate Wash refills intimate care products with packaging that uses 73% less plastic than a new bottle. This led to reduction of 107 tonnes of virgin plastic (based on our assessment of one reuse). At Oriflame, we are committed to increasing our use of refillable and reusable packaging year on year.



## 5. Recyclability

Recyclability of packaging especially plastics is a complex topic and requires innovative redesign and packaging solutions. In absence of regulatory definitions for recyclability, we assessed our portfolio of packaging in 2022 according to Industry Design for Recycling guidelines and developed Oriflame Directions for Recycling. Some of these directions include use of colourless packaging, use of mono-materials or components made of compatible materials. These directions will guide our design and packaging development towards accounting for the usefulness at the end of life of product packaging. We strive to make our packaging recyclable, with the aim that it can be disposed of responsibly where recycling facilities are available. In 2022, we achieved 71% of Cosmetic and Wellness product packaging designed to be recyclable as per Oriflame Directions for Recycling. By 2025, we aim to have 75% of our Cosmetics and Wellness products' packaging designed to be fully recyclable, reusable or compostable.

### Greener Packs

To help consumers make the right choices and facilitate demand of sustainable packaging solutions, we have developed the Greener Packs logo as a guide to our packaging solutions with a reduced environmental impact. Products with improved packaging have a Greener Packs logo if at least one of the below requirements are met:

- Primary packaging made from at least 25% recycled materials, often much more
- Primary packaging made from FSC™ certified paper and board

- Primary packaging made from a minimum of 20% sustainably sourced bio-based materials
- Primary packaging made with at least 20% less material by weight than comparable or previous packaging
- All refillable

### Reducing waste in our value chain

Waste is a significant impact area for our business. Due to our presence in markets that lack a recycling infrastructure, a large proportion of our product packaging ends up in landfill. This is problematic as unmanaged landfill creates a lot of harmful gases and contaminants, including methane – a particularly potent greenhouse gas. In addition, informal landfills are present in many of our markets, contributing to street pollution and the pollution of water streams and eventually oceans. We are aware of the scale of our waste challenge and are committed to tackling it. Much of our progress will come from creating better, more efficient packaging from the very start. Our primary focus areas are the removal of unnecessary packaging, reuse of materials where possible, weight optimisation and selecting more sustainable materials such as renewable and recycled materials. We are also facilitating our Brand Partners and consumers to recycle their packaging waste in some of our markets. In 2022, India, Indonesia and Ukraine launched recycling programmes to collect empty containers from Brand Partners at collection points across the country.



## Waste management at manufacturing sites and distribution centres

To address the impact of waste generated, we look at our inputs, activities and outputs which contribute to the majority of waste generation at our manufacturing sites. As a beauty company, cosmetic raw materials and packaging materials are major inputs during production processes such as material procurement, product development and packaging. The raw materials are used in product formulations and generate pre-production waste due to changeovers, rejects and spillage.

Packaging of raw materials and finished goods delivered to manufacturing sites also contribute to packaging waste. Sludge from the effluent treatment plants is generated during post-production processes. In 2022, about 6% of total waste generated at manufacturing sites\* was hazardous waste. We ensure that hazardous waste is disposed of and processed in accordance with local waste regulations. Recyclable waste and municipal waste are recycled and composted. In 2022, we met our target and sent zero waste generated at our manufacturing sites\* to landfill. 72% of waste (excluding hazardous waste) was sent for recycling. We are committed to sending zero waste to landfill and will continue to pursue this target. By 2030, we aim to recycle 100% of waste (excluding hazardous waste) generated at our manufacturing sites\*. About 166 tonnes of waste from the effluent treatment plant at our manufacturing site in Poland was composted.

*\*Our wellness factory in China was not included in the target setting due to low production volumes at the time, and therefore not included in the results.*

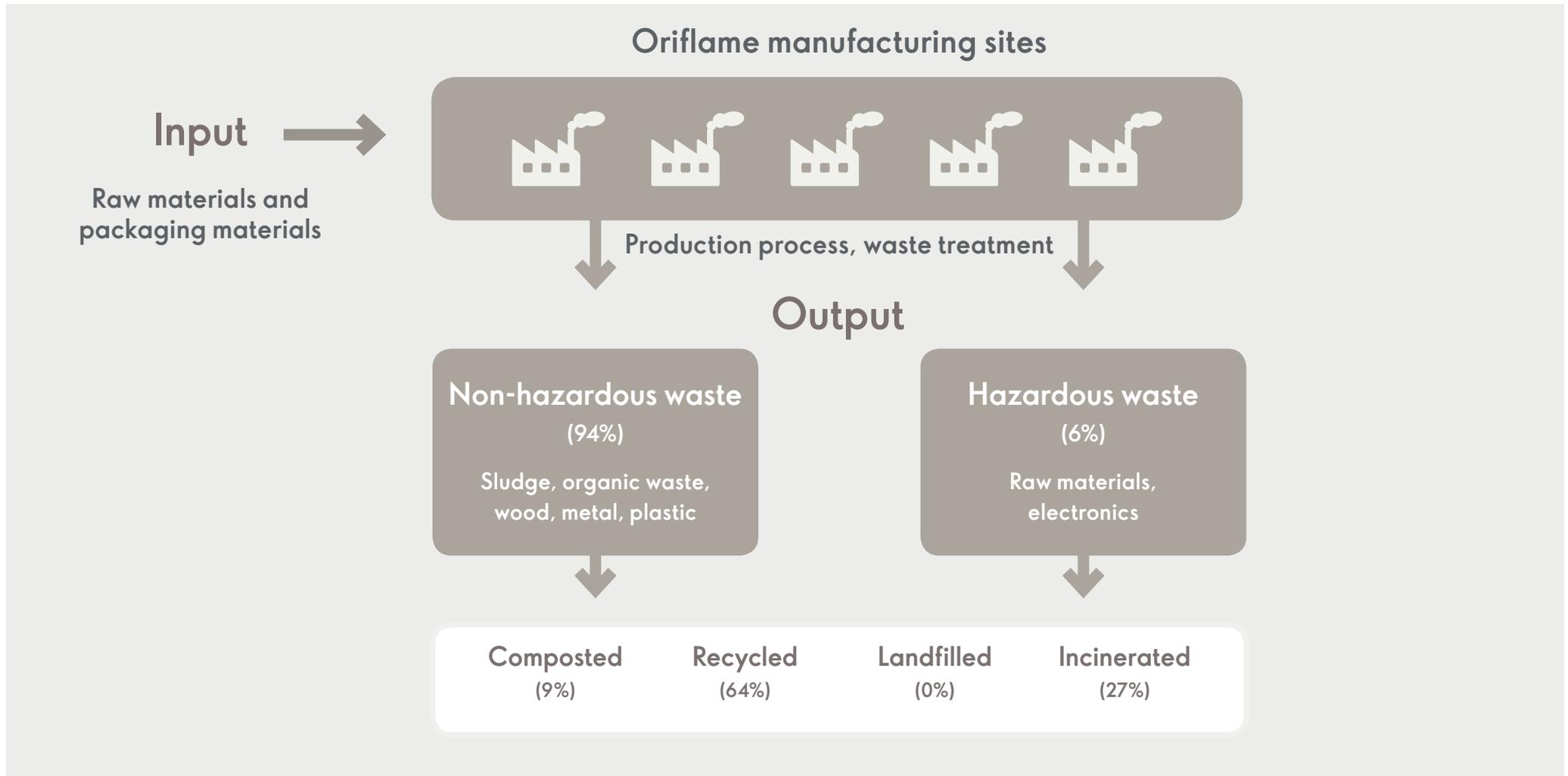
During 2022, we also implemented circularity measures in material usage across our central warehouse in Poland and regional distribution centres in India. As a result, we reused our supplier carton boxes weighing

approximately 140 tonnes, and about 200 tonnes of wastepaper was sent for recycling at these sites, resulting in substantial resource and cost savings.





## Waste process flow at manufacturing sites





# Formulations

2011

Replaced synthetic alcohol with natural origin.

2012

Launched EcoBeauty – the first global cosmetics range to partner with the four independent global organisations for sustainable and environmental responsibility: Fairtrade®, Ecocert®, The Vegan Society™ and Forest Stewardship Council (FSC™).

Launched the world’s first shower gel with 100% segregated palm oil – Swedish Spa Shower Gel\*.

2013

Launched our first range containing plant stem cells.

2016

Relaunched EcoBeauty with a focus on organic certified products.

2017

Joined the Responsible Mica Initiative.

2019

Relaunched Love Nature Skin Care with organically sourced extracts and oils, zero silicones and parabens, biodegradable rinse-off products and natural origin exfoliants.

2021

Launched NovAge Skinrelief – our first premium Skin Care range to be developed using our Swedish balanced approach.

Launched our first vegan\* meal replacement products.

Launched our first shampoo bar – developed to be more concentrated than a traditional shampoo and therefore uses less water and packaging materials. It is formulated to be biodegradable and has no silicone or parabens.

2020

Launched Beautanicals range – the first Oriflame body range approved by The Vegan Society™. All rinse-off formulations are biodegradable, and the products are formulated without parabens, silicones and mineral oils.

Launched Baby O – an exclusive baby range with 95% natural-origin ingredients across the range and paediatrician endorsed.

2022

Re-developed our iconic Tender Care with 99.9% natural-origin formula.

Launched Waunt – our first comprehensive Skin Care range certified by The Vegan Society™.

\*The product is no longer in our product portfolio.

\*\*Certified by The Vegan Society™.



## Formulations

### PRODUCT DEVELOPMENT PHILOSOPHY – RESPONSIBLE APPROACH

**Our product formulations have an environmental impact during production, as well as during and following consumer usage. This is why we need to take the right decisions regarding which ingredients we select, as well as how and from where we source them.**

#### Our product development philosophy

Because we are from Sweden we have a different, and holistic, view on beauty. For us, it is not only how you look, but how you live, feel and act. We also believe in a responsible beauty, creating safe products that are inspired by nature and powered by science. Our product development philosophy is how we design and create all of our beauty products to bring Beauty by Sweden to life. At the core of this philosophy is our Swedish balanced approach, where all products are developed to be:

- Performing – to always perform and deliver what they promise
- Safe – while working in harmony with your body, skin and mind

- Responsible – respecting our planet and overall society

#### Partnering with nature

Nature, and ingredients from nature, play an important part in our product development philosophy. Our respect for nature means we do not use ingredients derived from protected or endangered flora and fauna. We were one of the first cosmetics companies in the world to use ingredients sourced directly from nature. For example, instead of using petroleum-based synthetic alcohols in our products, we use natural-origin alcohols that most often come from fermented grains – a great example of promoting the use of natural raw materials and reducing environmental impact. We also have a large portfolio of natural ingredients including extracts, butters, waxes and oils, and we use only natural-origin scrubs in our exfoliating products. We also look to nature for inspiration during the concept stage and develop new formulations with ethically and environmentally responsible ingredients. For example, our search for sustainable anti-ageing actives led us to develop our own patented technology, which provides performance while considering environmental impact.



## Ingredient focus

Our product development starts with our ingredients and we are actively working with our partners to seek exciting new brand-aligned ingredients and responsible alternatives to concern ingredients. We strive to only use ingredients that support our Performing, Safe and Responsible focus areas for our Cosmetic and Wellness products.

We address ingredients with potential negative environmental impact and phase out their use, such as phthalates and plastic microbeads/glitter from rinse-off cosmetic products. More recently in our cosmetic developments, we are actively phasing out oxybenzone-3 due to the recognised environmental impact. We have also removed triclosan globally due to safety concerns and have committed to phasing out parabens and formaldehyde releasers from our products.

From an ethical sourcing perspective, we took the decision to stop using natural diamond powder due to conflict concerns. We always ensure our ingredients do not come from endangered sources or materials. In addition, our ingredients are not derived from genetically modified organisms (GMO) feedstocks. We never use direct animal ingredients in our cosmetic formulations (in our nutritional products some are used for superior nutritional and quality purpose).

For certain ingredients that are key to the cosmetics industry, such as palm oil and mica, we have taken a pragmatic and proactive sourcing approach. As such, we partner with the Roundtable on Sustainable Palm Oil (RSPO) and the Responsible Mica Initiative (RMI) and consider other credible partnerships where



appropriate. For more information about RMI, see [pp. 76-77](#) and about RSPO see [pp. 30-33](#).

## Understanding our ingredients

We have an Ingredient Rationale process in place to ensure that we drive the influx of new ingredients that are in line with our brand. Our experts review cosmetic and nutritional ingredients from a safety and sustainability perspective, including the following:

- **Naturalness:** this addresses origin and determines whether the ingredient has come directly from nature or has been processed in some way – such as physical pressing of avocado oil or a biotechnical process like fermentation.
- **Environmental impact:** this involves checking whether an ingredient has come from an endangered plant/ ecosystem and evaluating its biodegradability and potential aquatic toxicity.
- **Ethical impact:** we ensure that no ingredient contains

genetically modified organisms (GMO). We also assess our ingredients for links to child labour and conflict concerns such as mica.

- **Traceability:** we have started to work with our partners to track the country in which our natural ingredients have been grown. This year we published our extended Forest Commitment, with a stronger focus on ingredients that we source that may have a link to deforestation.

We are also constantly monitoring scientific reports on environmental issues to stay up-to-date and informed. By building this holistic understanding of our ingredients we know where and how to take the most impactful action.

## Improving the Tender Care formula

Tender Care is one of our most iconic products, softening and protecting our dry hands, cuticles, and lips all the way back to the 1970s. We re-developed the formula to be 99.9% natural-origin formula. In the



recipe you'll find natural blend of oils including sunflower and castor oil instead of mineral oils. It also contains Vitamin E and natural beeswax. The product is just as amazing as it was before, just a little bit more sustainable.

### Product development of accessories

In addition to Cosmetic and Wellness products, we also have a range of accessories in our product portfolio that we design and create according to the same product development philosophy and its three focus areas: Performing, Safe and Responsible, and we continuously strive to create our accessories from materials that support these focus areas.

We address materials that could have a potentially negative environmental or social impact and always ensure the materials we use do not come from endangered sources or materials, and we never use direct animal materials.

In 2022, we improved the profile of the protective outer plastic cover used for certain products by ensuring all are made from 100% recycled plastic\*.

We are actively increasing the use of recycled materials across all our products, including plastic, textile and metal, and in fact we are including an element of recycling in every product we launch.

In addition, our paper packaging is sourced from FSC™ certified material or from recycled content.

Also in 2022, we certified our new range of make-up brushes, THE ONE, with The Vegan Society™.

\* Except for foot files which require a stronger packaging



## Nutritional Products – driven by scientific expertise

While expanding our product offering in the Nutritional product category, in 2020, we formed a Nutrition Council consisting of Oriflame’s own team of experienced nutritionists and dietitians who guide product development and communications and offer nutritional education and training to markets.

In 2022, we formed an independent Scientific Advisory Board comprising international researchers in the fields of nutrition and health, including weight management, gut health and microbiome, and healthy ageing. We work with this board to help steer and fuel ideas for our future research, product development, innovation and offering to our Brand Partners.

## The Nutrition Philosophy

The Nutrition Philosophy was developed by our internal Nutrition Council and serves as a tool for innovation and new product development alongside our product development philosophy. It also forms the scientific basis for our communication and education initiatives such as the Wellness Club and our Skin-Body-Mind approach. The Nutrition Philosophy consists of the following three pillars:

### Inspired by the Nordic Diet

We take inspiration from the principles of the renowned Nordic Diet, which focuses on locally sourced, seasonal, whole foods from the Nordic countries and is renowned for its many health benefits. Therefore, we promote nutrients that many people do not eat enough of, or in the right proportion (such as protein,

fibre, omega 3, micronutrients, phytonutrients). We limit nutrients where high intakes are linked with disease (such as calories, saturated fat, trans fat, salt, sugar). Where possible, we include Nordic Diet ingredients such as berries and vegetables in our products. We believe you should love your daily routine and so we strive to offer a truly delicious sensory experience. We opt for non-GMO and natural-origin ingredients where possible and avoid artificial colourants, flavours and preservatives.

### Underpinned by the latest research on nutrition

The ingredients that we use are based on science and the expert-led opinion of our internal Nutrition

Council and the external Scientific Advisory Board. Our products are developed according to international nutrition guidelines and comply with EU and/or local legislation. Our ingredients are delivered at an optimal dose to deliver proven health benefits and ensure safe everyday consumption.

### Sustainable nutrition

Sustainable nutrition is healthy nutrition for both people and the planet. We ensure that our products are of high nutritional quality and contribute to good health. We also strive to use plant-based and sustainably sourced ingredients where possible.





## Animal welfare

We are committed to developing products that meet our own social and ethical standards, and those of our customers. We have high standards for all the ingredients we source:

- We only use responsibly sourced animal by-products – such as beeswax and honey, lanolin (a secretion from wool-bearing animals) and dairy products.
- We do not use ingredients derived from animals (fur/leather) in our accessory products. Furthermore, we focus on using synthetic hair in our brushes.
- We use fish oil from sustainably managed stocks in our Wellness food supplements range. We have never tested our products or ingredients on animals at any stage during product development.
- Moreover, we continue to expand our vegan offerings to provide consumers with a choice. We work with The Vegan Society™ and only communicate a product as vegan if registered with The Vegan Society™ and can bear the logo.

We have always advocated alternative test methods and use the latest in-vitro (non-animal) methods for any tests that are not appropriate for human volunteers – for example, eye irritation. In 2013, more than 40 years after Oriflame first stood against the use of animal testing, the EU prohibited the sale of cosmetics that have been animal tested.

This means from 2013, to be sold in Europe, no cosmetic product or ingredient can be tested on animals. Unfortunately, this approach is not always followed globally. Test data gained through animal testing may be required by local authorities to legally register a



product in their market, according to local laws and regulations. For more details, see our Animal Welfare Policy on our [corporate website](#).

### Active participation in industry forums

In 2022 we joined a new industry consortium aimed at promoting the use of animal-free alternatives for safety testing of ingredients/products, as part of our strong commitment against animal testing in the cosmetic industry. The consortium is called the International Collaboration of Consumer Safety (ICCS) and we are one of 35 members, together with other major brands and NGOs.

Our membership enables us to be at the forefront of the latest alternatives to animal testing, supporting the safety pillar under our product development philosophy.

Oriflame has a strong commitment to corporate responsibility and a long history of active participation in industry associations in markets in which we operate, most notably, we have been a member of Cosmetics Europe since 2012.

Furthermore, in 2021, we joined the EcoBeautyScore Consortium, a global initiative to create an industry-wide system for assessing and showcasing the environmental impact of cosmetic products. The aim is to help consumers make more informed choices regarding the sustainability of their cosmetics. As a full corporate member, Oriflame is proactively responding to the growing consumer demand for greater transparency around the environmental impact of the products they buy. This membership demonstrates our commitment to a responsible product development philosophy approach.



CASE STUDY

# Natural-Origin Bio Activating Technology

Our Swedish Research & Innovation lab in Stockholm has developed a natural-origin skin care technology, Bio Re:Barrier. A culmination of more than two years of work, screening a multitude of plants originating from Scandinavia, and evaluating their potential for skin enhancement in the lab, Bio Re:Barrier combines two organic extracts from cold pressed black crowberry fruit and birch bark.

Our latest patent-pending skin care innovation is termed a Bio Activating Technology: one which triggers the skin's own biological functions to help it strengthen, repair and regenerate. With strong antioxidant and anti-inflammatory capability, Bio Re:Barrier increases skin's hydration index, boosts

collagen and preserves skin structure, resulting in supple, firmer and healthier looking skin.

To further evaluate its effectiveness, Bio Re:Barrier was compared to Niacinamide in clinical testing. Niacinamide is considered to be a 'gold standard' active ingredient with numerous benefits for skin, most notably for strengthening the barrier. Results show Bio Re:Barrier yields better barrier-strengthening performance than Niacinamide, but at a lower concentration. Details of the testing and results were published this year by our scientists in a special edition of the 'International Journal of Molecular Sciences\*.'

\*Int. J. Mol. Sci. 2022, 23, 12507



# Goals and commitments



## Water

| Goal/commitment   | Deadline | SDG                 | Result | Comment  | Status     |
|---|----------|---------------------|--------|--|------------|
| 1. To have 100% of new Skin Care and Personal Care rinse-off products formulated to be biodegradable.*    | 2025     | 14 LIFE BELOW WATER | 100%   | 100% of new Skin Care and Personal Care rinse-off products were formulated to be biodegradable in 2022.  | On track   |
| 2. Reduce water consumption per unit produced at our own manufacturing sites** 10% from a 2019 base year. | 2030     | 14 LIFE BELOW WATER | +13%   | In 2022 we increased the water consumption per unit produced by 13% from a 2019 base year. The main reason for the results were an increase in production of water-intense external products. We will continue to implement water improvements at our manufacturing sites in order to reach our 2030 water goal. | More to do |

\*Historically, we independently tested a number of our rinse-off products to validate their biodegradability. Going forward, biodegradability will be assessed at an ingredient level, where 90% of the carbon-based ingredients must be biodegradable, based on the method developed by OECD or similar.

\*\* Our Wellness manufacturing site in China was excluded from the target due to property limitations restricting our abilities to operational improvements.



# Forest

| Goal/commitment  | Deadline | SDG   | Result | Comment  | Status   |
|--|----------|---|--------|--|----------|
| 1. To have 100% of volumes of our paper-based products (catalogues and primary product packaging) certifiably from sustainably managed forests or from recycled raw materials. | 2025     | 15 LIFE ON LAND    | 97%    | 97% of volumes of paper-based products (catalogues and primary product packaging) came from certified sustainable sources* or from recycled raw materials. This excludes 2% of volumes with sourcing origins linked to Russia, where FSC™ suspended its operations in 2022 and hence any valid claims of certification stand unverified. | On track |
| 2. To have 100% of volumes of paper-based products (catalogues and primary product packaging) with supply chain visibility to the country of origin and to the mill level.     | 2025     | 15 LIFE ON LAND    | 97%    | In 2022, 97% of volumes of paper-based products (catalogues and primary product packaging) had supply chain visibility to mill level.  | On track |
| 3. To have 100% of volumes of paper-based products (catalogues and primary product packaging) traceable to the country of origin.  | 2025     | 15 LIFE ON LAND  | 99%    | In 2022, 99% of volumes of paper-based products (catalogues and primary product packaging) were traceable to the country of origin/harvest. The remaining 1% came from unknown/undeclared origins by the suppliers where volumes could not be traced to any country.   | On track |

\*Source is defined as the paper mill.



## Forest

| Goal/commitment   | Deadline | SDG  | Result | Comment  | Status     |
|---|----------|--|--------|--|------------|
| 4. To source 100% of palm oil and palm kernel oil-based raw materials used in our own production, including derivatives, in sub-contracted soap bars from certified (Mass Balance) sustainable sources. | 2025     | 15 LIFE ON LAND<br>   | 89%    | In 2022, 89% of total volume of derivatives of palm oil and palm kernel oil-based raw materials used in our own production and in sub-contracted soap bars came from physically certified sustainable sources (RSPO Mass Balance). The remainder of our consumption (11%) will be covered by RSPO Book & Claim Credits.  | On track   |
| 5. All palm oil and palm kernel oil-based raw materials used in our own production, including derivatives, in sub-contracted soap bars will be 100% traceable to mill level.                            | 2030     | 15 LIFE ON LAND<br>   | 48%    | In 2022, we were able to gain supply chain visibility to mill level for our sub-contracted soap bars. As a result, 48% of our total volumes (2,448 tonnes) of derivatives of palm oil and palm kernel oil were traceable to mill. This was based on engagement with our suppliers and internal assessment of RSPO mill status of our suppliers' mills and its cross-verification with location of palm oil mills on Global Forest Watch Universal Mill List. | On track   |
| 6. 100% of other forest materials* including cellulose and non-timber forest materials will be traceable to country level.  | 2025     | 15 LIFE ON LAND<br>  | New    | In 2022, we developed and publicly launched Oriflame Forest Commitment, which replaces our former Responsible Paper Sourcing Commitment. It includes both timber materials and non-timber forest materials. These targets are new and we aim to start working on them during 2023.   | More to do |
| 7. By 2030, our priority list** of forest risk materials will be sourced sustainably, addressing risks of deforestation, and will be traceable to the origin of the raw material.                       | 2030     | 15 LIFE ON LAND<br> | New    | In 2022, we developed and publicly launched Oriflame Forest Commitment which replaces our former Responsible Paper Sourcing Commitment. It includes both timber materials and non-timber forest materials. These targets are new and we aim to start working on them during 2023.  | More to do |

\* Other forest materials include acacia, bamboo, cacao, coconut, coffee, cotton, grain, milk, palm (derivatives of palm oil and palm kernel oil, sub-contracted soap bars), rice, soy and tea tree

\*\* Priority list of forest risk materials includes coconut, rice, and soy



## Climate

|    | Goal/commitment  | Deadline | SDG  | Result | Comment  | Status     |
|----|--|----------|--|--------|--|------------|
| 1. | Reduce absolute Scope 1 and 2 GHG emissions 50% from a 2019 base year.   | 2030     | 13 CLIMATE ACTION<br>   | -35%   | Oriflame commits to reduce absolute Scope 1 and 2 GHG emissions by 50% in 2030 from a 2019 base year. This target was approved by the Science Based Targets initiative as consistent with the goals of the Paris Agreement. By the end of 2022, we achieved a 35% reduction since 2019.  | On track   |
| 2. | Reduce Scope 3 GHG emissions 22% per unit sold from a 2019 base year.  | 2030     | 13 CLIMATE ACTION<br>   | -19%   | Oriflame commits to reduce Scope 3 GHG emissions per unit sold by 22% in 2030 from a 2019 base year. This target was approved by the Science Based Targets initiative as consistent with the goals of the Paris Agreement. By the end of 2022, we achieved a 19% reduction per unit sold since 2019. The decrease was mainly due to reduction in sales due to business impact by the Russian-Ukraine conflict and Covid-19 pandemic-related restrictions in China. | On track   |
| 3. | Reduce energy consumption per unit produced at our own manufacturing sites* 10% from a 2019 base year.                 | 2030     | 13 CLIMATE ACTION<br>  | 32%    | In 2022, we increased the energy consumption per unit produced by 32% from a 2019 base year. We will continue to implement energy efficiency measures at our manufacturing sites in order to reach our 2030 energy goal.   | More to do |
| 4. | Replace refrigerants at our own manufacturing sites* with a GWP factor higher than 750.                                | 2030     | 13 CLIMATE ACTION<br> | New    | Implemented the use of R454B as refrigerant at manufacturing site Poland.  | More to do |
| 5. | Increase the share of our own produced renewable electricity at our manufacturing sites* by 10% from a 2019 base year. | 2030     | 13 CLIMATE ACTION<br> | 1%     | In 2022, 1% of the electricity consumption at our manufacturing sites came from on-site solar panels, installed at both sites in India and Poland. We expect the share of on-site renewable electricity production to increase going forward.  | On track   |

\* Our Wellness manufacturing site in China was excluded from the target due to property limitations restricting our abilities to operational improvements.



## Climate

| Goal/commitment  | Deadline     | SDG  | Result | Comment  | Status   |
|--|--------------|--|--------|--|----------|
| 6. Pursue LEED® Green Building scheme certification for all new construction and major renovations and pursue environmental effectiveness on all our premises.                 | Year on year | 13 CLIMATE ACTION<br>   | N/A    | No new construction and major renovations were concluded in 2022.  | On track |
| 7. Certify all regional and global conferences as climate-neutral conferences.   | Year on year | 13 CLIMATE ACTION<br>   | N/A    | In 2022, we organised three global conferences for our Brand Partners. The conferences were certified as Climate Neutral Events as per the PAS 2060 standard, by a third party, South Pole.  | Achieved |
| 8. Continue to purchase renewable electricity at Oriflame-operated sites.  | Year on year | 13 CLIMATE ACTION<br>  | 100%   | Our energy sourcing strategy focuses on sourcing renewable electricity from suppliers through contracts, on-site generation of renewable electricity and finally purchase of energy certificates. For all Oriflame-operated sites (offices, manufacturing sites and warehouses) that do not produce or procure renewable electricity directly, we match our electricity consumption with Guarantees of Origin (GOs) in Europe and the International REC Standard (I-RECs) on other continents. The origin of this electricity is a mix of wind power, solar power and hydro power. | Achieved |
| 9. Continue to climate compensate for parts of Oriflame's GHG emissions (Scope 1, Scope 2 and parts of Scope 3) in order to have climate-neutral operations and manufacturing. | Year on year | 13 CLIMATE ACTION<br> | 100%   | In 2022, we purchased carbon credits for emissions we could not reduce, and will climate compensate for parts of our GHG emissions (Scope 1, Scope 2 and parts of Scope 3).  | Achieved |



Water

Forest

Climate

Packaging

Formulations

Goals and commitments

## Packaging

| Goal/commitment   | Deadline | SDG   | Result | Comment   | Status     |
|---|----------|---|--------|---|------------|
| 1. Use at least 20% post-consumer recycled (PCR) plastic in our PE and PET cosmetics packaging.   | 2025     | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION    | 13%    | 13% of our PE and PET cosmetics packaging came from PCR plastic in 2022 as compared to 12% in 2021. We also improved our packaging data set at a material level and introduced internal guidelines for PCR in cosmetic packaging*. Due to these improvements, the percentage of PCR plastic in our PE and PET cosmetics packaging changed from 15% in 2021 (as communicated in 2021 Sustainability Report) to 12%. Therefore, the target deadline is prolonged to 2025. | On track   |
| 2. Facilitate our Brand Partners' and consumers' need to recycle their product packaging by continuously increasing the proportion of recyclable products on the market (see goal 4) and providing information on how and where the products should be recycled*. All sales offices should be able to help our Brand Partners with this at latest by the end of 2022. | 2022     | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION    | N/A    | In 2022, India, Indonesia and Ukraine launched recycling programmes. Brand Partners and consumers were invited to deposit their empty containers at collection points across the country. We support improvements in recycling infrastructure through Extended Producer Responsibility schemes, which exist in some of our markets.   | More to do |
| 3. Have a significant share of Oriflame's plastic packaging from either post-consumer recycled (PCR) plastic or other sustainable materials.  | 2025     | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION  | 6%     | During the year, PCR plastic implementations in our cosmetic packaging* resulted in an increase in the amount of PCR plastic to 6% of our total plastic packaging portfolio.  | More to do |
| 4. Have 75% of the packaging used in our 2025 Cosmetics and Wellness products designed to be fully recyclable, reusable or compostable.   | 2025     | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION  | 71%    | In 2022, 71% of the packaging used in Cosmetics and Wellness products was designed to be recyclable as per Oriflame developed Directions for Recycling based on Industry Design for Recycling guidelines.   | On track   |

\* Applicable to packaging developed centrally. Regional developments are subject to local recycling infrastructure and regulations.



## Formulations

| Goal/commitment   | Deadline     | SDG   | Result            | Comment   | Status     |
|---|--------------|---|-------------------|---|------------|
| 1. Have 0% revenue originating from products containing ingredients on the REACH Substances of Very High Concern (SVHC) candidate list*.  | 2030         | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION    | 15%               | In 2022, 15% (22% in 2021) of product revenue (€139m) originated from products containing ingredients on the REACH SVHC candidate list*.  | More to do |
| 2. Conduct a sustainability review process of 100% of our Cosmetic and Wellness ingredients.  | Year on year | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION    | 100%              | In 2022, all of Cosmetics and Wellness ingredients were reviewed under our sustainability criteria (Ingredient Rationale process).  | Achieved   |
| 3. Have a road map in place for all identified ingredients of concern in order to find alternatives and phase them out in potential future developments.                        | Year on year | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION    | Achieved for 2022 | We addressed materials with potential negative environmental impact and phased out their use, such as phthalates and plastic microbeads/glitter from rinse-off products. We also began to actively phase out oxybenzone-3 due to the recognised environmental impact. We also removed triclosan globally due to safety concerns and committed to phasing out parabens and formaldehyde releasers from our products. In 2022, we maintained our review and documenting of concern ingredients, our active focus was on ingredients that have regulatory obligations. | Achieved   |
| 4. Improve our product portfolio by increasing sustainable/natural/circular/innovative ingredients and solutions and by launching new and more sustainable products every year. | Year on year | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION  | Achieved for 2022 | During 2022, we launched several product ranges with a stronger sustainability profile such as Tender Care Natural Multi-Purpose Balm, Waunt Skin Care range and Love Nature with organic and upcycled extracts.  | Achieved   |

\*Candidate list December 2022.



# Passion for People

Social responsibility is important to us at Oriflame and we're aware of the impact and potential influence we have on people around the world. Through our 4,700 employees, our independent Brand Partners, suppliers, customers and the communities where we operate, our business touches the lives of millions of people every day.

Our commitment to social sustainability is an ongoing one. This chapter covers the targets that relate to people and social sustainability. That includes our employees, Brand Partners, customers and the people employed by our suppliers. That's why this chapter addresses issues such as human rights, consumer safety, diversity and inclusion, anti-corruption and employee health and safety.



# Employee experience

THE COMPANY FOR PEOPLE WHO ACT ON THEIR DREAMS

**2022 has been a challenging and transformative year for Oriflame – and this affected not only our operations and sales, but our employees and culture. To adapt to the challenges, we decided to rely even more on our values of Togetherness, Spirit and Passion.**

Despite the rapidly changing environment both outside and within Oriflame, our approach to building a unique community of professionals who are passionate about beauty and determined to achieve their dreams, remained the same. We want everyone working in and with this company to feel the connection, the excitement, to be challenged and needed – and in order to achieve these things, over the course of 2022 we executed a number of global and local initiatives, tied to overall company strategy and goals.

## Support for Ukraine

In the face of the war in Ukraine, our first priority in 2022 became the well-being, safety and security of employees living and working in Ukraine. To this end, we organised the evacuation of more than

100 members of our staff and warehouse in Kiev to the western border of Ukraine and beyond – to Poland, Romania and other neighbouring nations. All employees continued receiving their salaries despite their inability to work for prolonged periods of time due to the circumstances. We also supported our people with transportation, accommodation and other necessities during their relocation.

While we were unable to evacuate all our Brand Partners and Leaders from Ukraine, we provided them with financial support during these tragic events, including freezing their titles at pre-invasion levels as well as issuing additional payments locked in EUR.

## Company transformation

In 2022, Oriflame underwent a major organisational transformation meant to ensure sustainable and continuous growth in the future. We organised ourselves into five Experience Areas, focusing on the needs of Consumers, Brand Partners and Employees. We also conducted restructuring activities and vertical integration of global and European organisations. As a result, a number of members of our senior management left Oriflame. The main focus during this time was





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on individual conversations, clear and transparent communication to staff about the changes and the way forward, as well as celebration and showing gratitude to our departing colleagues. During the year we had to reduce our Group headcount from 5,128 (Dec 2021) to 4,437 (Dec 2022) which is the key reason to a high employee turnover in 2022.

### Adapting to new ways of working

In 2022, we re-opened our offices and refreshed our office spaces to post-pandemic ways of working. In April, we moved to a new, fully activity-based Global Support Office in Stockholm, allowing us to provide different working environments for different types of work. A similar approach was followed in other offices in the markets and regions.

In June, we organised a conference for Oriflame global management called the Global Management MeetUp. The purpose of this event was to align on the strategy going forward and put the transformational activities in focus. This was the first physical gathering for our global top 100 senior managers since the Covid pandemic and we webcasted parts of the event. The Global 55th Anniversary event provided all employees worldwide with the opportunity to celebrate Oriflame’s history and our many achievements during this challenging year. Close to 2,500 employees connected online via Zoom for this event.

In 2022, we supported the markets with the launch and activation of our annual theme “Together Towards Tomorrow”, celebrating the 55th anniversary of Oriflame and our continuous journey towards a better future. At the end of the year, we also began developing the annual theme for 2023 – “Heart2Heart”,

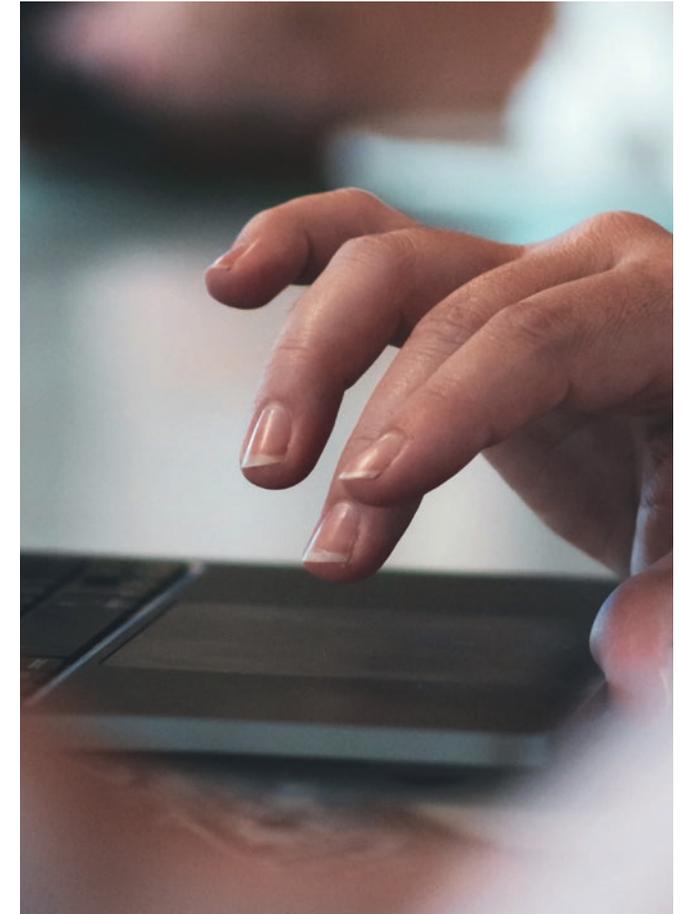
which aims to inspire employees and Brand Partners with the power of human connection and memorable moments in our company.

### Measuring our impact

At the end of the year, to evaluate the effectiveness of our initiatives, events and campaigns, we launched a global wave of eNPS (Employee Net Promoter Score) surveys in all Oriflame markets. When measuring the Employee Experience Index, we evaluated three main areas: culture, office space and technology, based on Jacob Morgan’s methodology.

In 2022 our average yearly Employee Experience Index grew compared to pre-Covid levels and for the second year in a row it remained at the level of 4.0 on a scale of 1 to 5. We can see the same trend in the Recommendation Index, which grew by 0.2 points compared to pre-Covid levels and has reached the level of 7.8 on the scale of 1 to 10. This is a great trend for us, as it shows that more and more employees are willing to recommend Oriflame as a workplace to their social circles.

Overall, Oriflame remains a pre-experiential company, despite having increased the EE Index slightly. In 2022 we saw major improvements in such areas as culture and physical space, with people returning to the office to work more frequently and recognising the efforts we put into making the space accommodating and comfortable for their professional needs. However, back-office technology still remains a point of improvement for us, as employees ask for more user-friendly internal systems and tools, as well as simplified internal processes. Another major improvement point is the workload, which respondents



noted increased in 2022 due to all the organisational changes in the company and the reduction of the workforce. In 2023, we plan to search for opportunities to address these issues and strive to push Oriflame to become an experiential company, answering all the needs of our employees.

# Oriflame employees in numbers

## Number of nationalities



## Average age

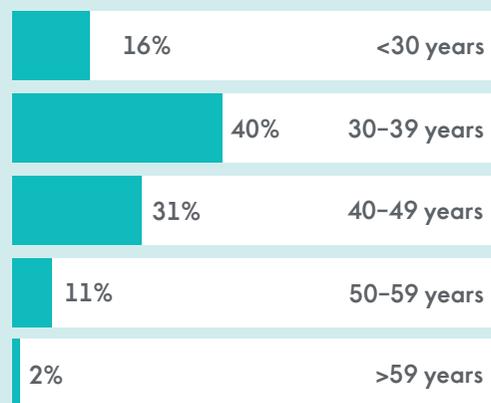
39



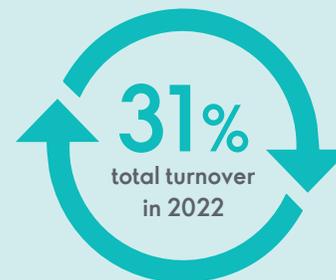
## Average tenure



## Age distribution

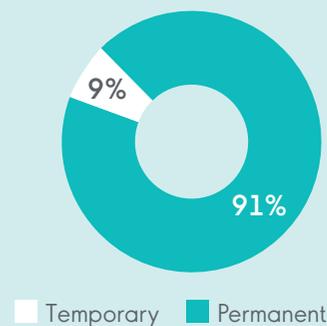


## Employee turnover\*

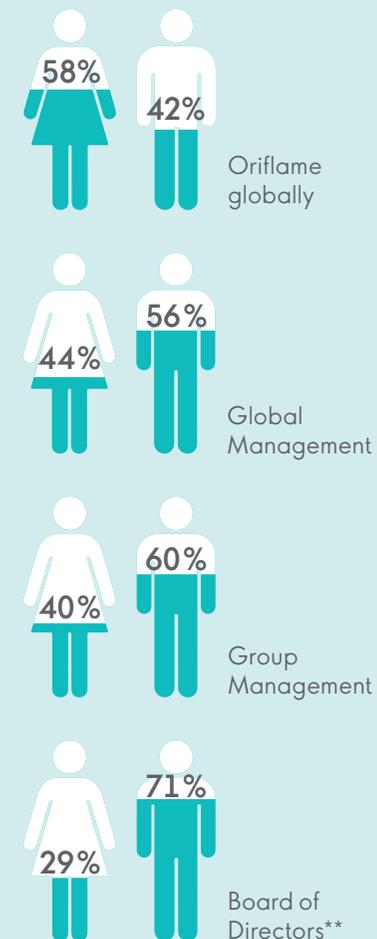


|             |     |
|-------------|-----|
| <30 years   | 51% |
| 30-39 years | 31% |
| 40-49 years | 24% |
| 50-59 years | 22% |
| >59 years   | 46% |

## Employment contract



## Gender balance



\*Turnover rate is defined as the ratio of employee leaves per total number of employees. \*\*Oriflame Holding Ltd.



## Health and safety

At Oriflame, we are committed to ensuring that no employee should be exposed to health or safety risks when they work for us or on our behalf. To better manage these risks, Oriflame has an occupational health and safety management system in place. The Global Occupational Health & Safety functional responsibility lies with the Global Assurance team. The management system concerns all workers, including contractors/suppliers working at Oriflame premises or on behalf of Oriflame, and all workplaces owned or directly managed by Oriflame. The Global Assurance team oversees the assessment and minimisation of significant occupational health risks. In line with applicable local regulations, local entities of Oriflame may implement local initiatives to identify hazards and minimise occupational health risks.

### Health and safety policy

The key requirements for the management of health and safety at the workplace are detailed in our publicly available [Group-level policy](#). These requirements include but are not limited to monitoring of compliance with applicable health and safety regulation, emergency planning, fire and loss prevention, qualification of suppliers and contractors. The policy is followed up through an internal control process, where each Oriflame entity must confirm policy implementation, which is verified annually in all Group entities.

### Health and safety e-learning

Our Health and Safety Awareness e-learning is available to all employees in English, Russian, Chinese

(simplified) and French. The e-learning is required to be undertaken by all management and supervisors of Oriflame manufacturing, laboratories and warehouses. Since its inception in 2018, it has been undertaken by more than 600 employees. The course states clearly the rights and responsibilities of all workers to report hazard and to not engage in any activity that they consider would pose an unacceptable danger to their health or safety. In addition, all employees are required to report breaches of compliance with the Oriflame Code of Conduct. Read more in the section on [Human Rights](#).

### Occupational health and safety assessment

We gather and monitor incident and accident data from all our sites and analyse results to help us implement any necessary improvements or preventive measures. Our manufacturing sites in Poland and Russia have the Occupational Health and Safety Management Certification (ISO 45001:2018). All warehouses controlled by Oriflame are required to undertake an occupational health and safety self-assessment at least once per year. The self-assessment reviews the level of control of the twelve most common risks encountered in this setting. For each of these risks, a hierarchy of controls is proposed as follows:

1. Eliminate the hazard
2. Substitute the hazard
3. Engineering controls
4. Administrative controls
5. Behavioural controls and personal protective equipment

### Process to investigate work-related incidents

There is a global procedure for the management of work-related incidents. This procedure includes:

- Definitions and scope of reporting
- Requirements for the reporting of information about work-related incidents
- Requirements for the management of related emergency situations
- Requirements for the performance of complete and transparent investigations
- Requirements for the identification and implementation of adequate corrective actions
- Requirements for the communication and global implementation of lessons learned

Entities undertaking the self-assessment are responsible to design improvement plans for all identified gaps and to demonstrate improvements.

### Worker participation on occupational health and safety

At our major sites we have established health and safety committees that meet at least four times a year, depending on the location, and include representatives from both management and employees. The committees review the objectives of the site's health and safety

management system and risk-reduction programme. Whenever relevant, these committees make decisions related to the definition and implementation of such objectives.

### Promotion of worker health

In addition to organising Wellness events internally and promoting a Wellness lifestyle, we have local and regional programmes where employees receive information related to the prevention of ill health, the promotion of their health, and recovery, in line with local applicable regulation. Moreover, several of our local entities offer regular, free access to confidential medical check-ups to their employees – in addition to the standard and legally required occupational health checks.

### Preventing risks at suppliers

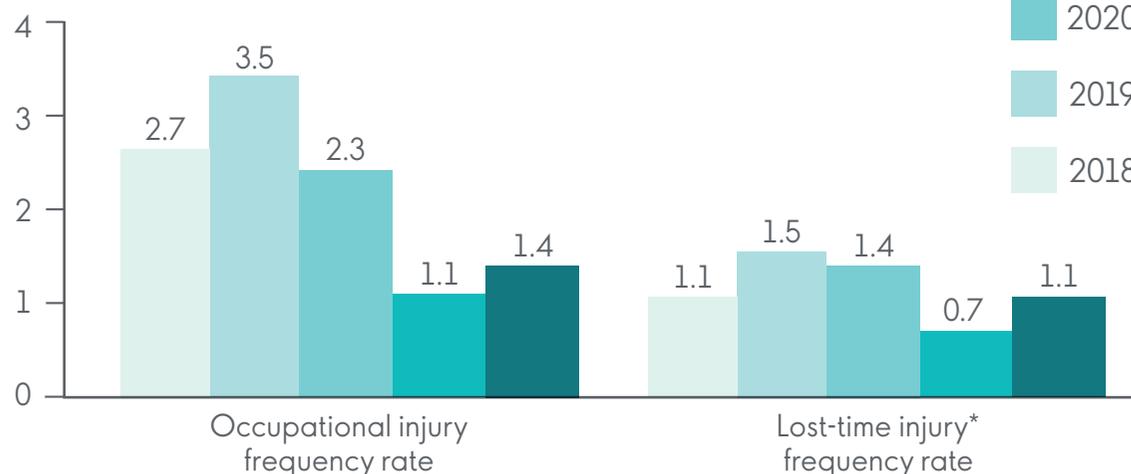
Oriflame suppliers are required to comply with the [Oriflame Supplier Code of Conduct](#), which highlights basic requirements in relation to the reduction of occupational health and safety risks. We have launched an updated version of our Supplier Code of Conduct in 2022. More information on this is presented in the Human Rights section. Where Oriflame outsources some operations and wherever the contractual relationship allows, concerned Oriflame business partners have the obligation to minimise occupational health and safety risks their workers are exposed to while working on behalf of Oriflame.

### Progress in 2022

Global and local initiatives to provide our employees with safe workplaces, processes and tools continued in

## Occupational injury frequency rate and lost-time injury frequency rate

Injuries/million hours worked



2022. The in-person Health & Safety audits that took place in previous years resumed in some places where the Covid-19 pandemic travel restrictions allowed, and were complemented by virtual audits. We report and record every accident and occupational illness at all our sites, including fatalities, severe injuries (high consequence), major injuries (resulting in at least one day lost beyond the day of injury), minor injuries and ill health. The increase in injury frequency rate in 2022 compared to 2021 is mainly driven by a decrease of working hours (-20%).

During 2022, there were no fatalities as a result of work-related injury and no high-consequence work-related injury for employees and contractors/

suppliers working on Oriflame premises or on behalf of Oriflame. In 2022, there were six work-related ill health cases, and 12 occupational injuries affecting Oriflame employees. We investigate accidents and occupational illnesses with the aim to identify root causes. Consequently, we implement corrective actions to prevent future incidents. More detailed health and safety data is presented with the aim to identify root causes. Consequently, we implement corrective actions to prevent future incidents. More detailed health and safety data is presented in the [Performance Summary](#) in the Appendix.

\*Lost-time injuries are all injuries requiring a medically prescribed absence from work for at least one day, beyond the day of the injury.



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|  | Manufacturing environment   | Laboratory environment   | Warehouse environment   | Office environment   |
|--|---|--|---|--|
| Hazards posing a risk of high-consequence injury | <ul style="list-style-type: none"> <li>• Moving parts of machines</li> <li>• Intervention on machines in abnormal conditions</li> <li>• Hot fluids</li> <li>• Slips, trips and falls</li> </ul> | <ul style="list-style-type: none"> <li>• Hot fluids</li> <li>• Hazardous substances</li> <li>• Slips, trips and falls from the same level</li> </ul> | <ul style="list-style-type: none"> <li>• Interaction between pedestrians and moving vehicles</li> <li>• Falls of objects from height</li> <li>• Slips, trips and falls from the same level</li> </ul> | <ul style="list-style-type: none"> <li>• Slips, trips and falls from the same level</li> </ul>               |
| Hazards posing a risk of work-related ill-health | <ul style="list-style-type: none"> <li>• Exposure to hazardous substances</li> </ul>  | <ul style="list-style-type: none"> <li>• Exposure to hazardous substances</li> </ul>   | <ul style="list-style-type: none"> <li>• Repetitive tasks</li> <li>• Manual handling of heavy loads</li> </ul>  | <ul style="list-style-type: none"> <li>• Repetitive tasks</li> <li>• Stress and work-life balance</li> </ul> |

All hazards identified above have been determined through incident analysis, on-site visits, self-assessment checklists and remote reviews. Risks related to the hazards are minimised through elimination, engineering, administration/procedures, training and personal protective equipment.

### Focus on hand safety

As the hands and fingers of our employees are the body parts the most likely to be injured at work\*, we have implemented several measures to mitigate this risk. For example, our factory in Poland now packages the products it manufactures in “no-knife” boxes. Those boxes have a pre-cut line that allows to manually tear the box open. This reduces the need for our operators in warehouses to use dangerous knives to open boxes.



\* Based on incident and accident data collected since 2017



# Human rights

## IMPROVING STANDARDS ACROSS OUR VALUE CHAIN

**Oriflame operates in more than 60 countries and has a supplier base with a broad geographical footprint, which brings with it numerous challenges. We take a strong stance on social and ethical issues. Should any non-conformances become apparent in our own or our suppliers' operations, we are committed to act.**

To understand the human rights risks associated with our operations, we conducted an in-depth study assessing the major human rights impacts throughout our business. As a result, we identified our most salient risks and are now working to ensure these are adequately addressed. Our commitment to respecting human rights throughout our own operations, in

our supply chain and in the communities where we operate, is summarised in an internal Human Rights Commitment approved by the Group Management and is incorporated in our Group-level policies. We are committed to conduct a human rights risk assessment for all new markets as part of our due diligence process. In 2022, we started commercial operations in Ghana and Germany, and we have therefore, as part of our due diligence process, initiated a Human Rights Risk Assessment of these markets.

### Ethics and compliance

Compliance at Oriflame is defined as the range of tools and initiatives implemented to safeguard the company's employees, resources, integrity, reputation and business partners. We comply with the letter and spirit of the law and strive to go above and beyond



wherever we can and always do the right thing. At Oriflame, we have a zero-tolerance policy for any and all human rights violations, including any form of active or passive corruption, harassment and discrimination. In 2020, we updated our [employee Code of Conduct](#). This document builds upon the International Labour Organization's eight conventions and is supported by several internal policies and sets out the principles that guide how we operate at Oriflame, always with a high level of integrity and a strong ethical and moral conscience. The Code of Conduct is available to all employees, in several languages. The content of the

Code of Conduct is explained and available to all employees in a dedicated e-learning course. The Code of Conduct e-learning course was undertaken by 317 new employees during 2022. Our managers are our first line of defence – we expect them to lead by example in everything they do, to actively listen to concerns within their teams and to act upon them. Since 2018, our key employees submit an Annual Compliance Pledge. The Pledge is simultaneously a confirmation of individual compliance with and upholding of the rules and values of our Code of Conduct in the past year, and a commitment to continue to do so in the coming year. In 2022, our top management (Directors and above) as well as middle management with people manager responsibilities have submitted a Compliance Pledge (total: 761 employees).

We encourage employees to report concerns and to ask compliance-related questions. Oriflame Employees, as well as other interested stakeholders (eg Suppliers, Brand Partners, General Public) can report concerns related to Oriflame's compliance with the applicable law and adequate business practices. Oriflame operates several reporting mechanisms since 2007, guaranteeing confidentiality and protection against retaliation to all persons reporting in good faith. Oriflame follows the requirements of the EU Directive 2019/1937 on the protection of persons who report breaches of Union law and has extended its principles to the entire Group via a Group Procedure. All allegations of breaches of the applicable regulation, of the Oriflame Code of Conduct & Policies, or of other relevant standards are reviewed by the members of the Global Assurance Team. Substantiated cases are escalated to the Corporate Committee (CEO, Deputy CEO and CFO). This committee requests investigations

to be undertaken wherever necessary. In 2022, the Corporate Committee oversaw fewer than 10 cases. Since its inception, the committee has reviewed around 10 cases per year on average. Statistics for these reporting mechanisms, as well as highlights from notable cases, are presented on a quarterly basis to the Audit Committee, composed of members of the Board of Directors, while preserving the confidentiality of those who report. Oriflame is committed to the protection of human rights, including the freedom of association, at all stages of its value chain. Forced labour, child labour and modern slavery are clearly and strictly prohibited within Oriflame. We have a Supplier Code of Conduct that carries over these requirements to our external suppliers. The Supplier Code of Conduct was updated in 2022 and is part of our standard terms of doing business with suppliers.

## Sustainable suppliers

At Oriflame, we believe that integrating sustainability criteria within procurement practice is an essential part of moving towards a more sustainable value chain.

### Oriflame's supply chain

More than 70% of our product volumes are manufactured in our own production facilities. In 2022, we sourced around 240 million units, finished goods from more than 55 global and regional suppliers. These are shipped to Oriflame's markets worldwide. Our main sourcing markets in 2022 were Poland, India and China. We strive to source as closely to our markets as possible through different regional sourcing initiatives, while maintaining legal requirements and increasing service levels.



### Oriflame Responsible Sourcing programme for direct suppliers



Some of our products, packaging and raw materials are sourced from markets that are classified as high-risk from a human rights and corruption perspective according to Transparency International’s Corruption Perceptions Index. Major risk-countries for Oriflame are Russia, Indonesia, India, China and Malaysia. In 2019 we started to develop a process for strengthening requirements and improving compliance for both direct suppliers and indirect suppliers. This work continued in 2022, with the aim of making sure that we manage our suppliers in high-risk countries.

### Oriflame Responsible Sourcing programme

To improve our sustainability performance across our whole value chain we have developed the Oriflame Responsible Sourcing programme. The programme is for our direct suppliers and starts with our onboarding process and continues during the entire business relationship. It allows us to objectively assess our suppliers on a range of sustainability criteria, including human rights, and specify our requirements for how suppliers are evaluated, scored and developed.

The Oriflame Responsible Sourcing programme consists of a risk assessment and prioritisation process, the Oriflame Supplier Code of Conduct, commodity-specific requirements, EcoVadis assessment and/or sustainability audits, and improvement and corrective action plan.

The foundation of the programme is the [Oriflame Supplier Code of Conduct](#), which outlines our requirements regarding working conditions, health and safety, discrimination and environmental impact,

among others. The Code applies primarily to all our first-tier direct suppliers, although we expect our suppliers to implement the Oriflame Supplier Code of Conduct in their own value chain. The Oriflame Supplier Code of Conduct was updated in 2022 and is publicly available at our website.

For some of our commodities, we have specific requirements to ensure that we are meeting our sustainability targets and minimising risks. This applies to commodities such as palm oil and palm kernel oil (including derivatives), paper and board, wood and plastic.

Since 2012, Oriflame has been inviting our suppliers to the EcoVadis assessment. The assessment provides detailed scorecards that make it easy for us to understand the supplier’s sustainability performance. It is an evidence-based assessment, adapted to hundreds of business categories and takes relevant industry labels and certifications as well as local laws into account. It is also aligned with global standards such as the UN Global Compact. We have set a score target at 45 for meeting basic requirements for our Responsible Sourcing programme and consider a scorecard valid for three years. If a supplier scores less than 45, we form a corrective action plan together and a reassessment should be made within one year of the publication of the previous scorecard.

In 2022, we strengthened our efforts to increase supplier and spend coverage and decided to include all direct spend areas in our statistics from now on. As per 31 December 2022 we had approximately 91% of the global direct external spend covered with a valid EcoVadis scorecard.



## Sustainability audits

Sustainability audits are prioritised based on risk assessment or Ecovadis score for high-risk direct suppliers. Sustainability audits are carried out to confirm compliance against Oriflame Supplier Code of Conduct and sustainability minimum requirements. We conduct both new supplier audits and regular audits for existing suppliers. The audits include environmental and social criteria. From May 2020, we started to conduct remote audits to protect the health of employees during the Covid-19 pandemic, but also to ensure business continuity, service and support to stakeholders. Remote audits have a similar process as on-site audits; a real-time assessment is conducted via online video where the team is interviewed, the site is inspected, and records and documents are verified. The same audit grade and scoring system applies to remote audits as on-site audits. In 2022, 27% of the audits conducted were remote audits.

The categories audited include Cosmetics, Wellness, Packaging and Accessories suppliers. When non-conformances are found, a corrective action plan is agreed upon with the supplier and put into place. The supplier is then given a set amount of time (general timeline is within three months) to complete the actions required to close the non-conformances. Suppliers are scored on a scale A to E, with A being the best score. To pass an Oriflame audit, a supplier must score a minimum C grade. D-grade suppliers (existing or potential) are identified as having critical non-conformances or a compliance score of less than 70%. E-grade suppliers (existing or potential) are identified as having critical non-conformances or a compliance score of less than 50%. The D- and E-graded potential

suppliers either improved significantly via a corrective action plan or are not awarded our business. The D- and E-graded existing suppliers are most often willing to improve and to close non-conformances via a corrective action plan. If not, they are up for exit-plan discussions. Each supplier's current progress status is regularly reviewed by the procurement team and by the global quality and sustainability team. The focus in the past years has been on working together with suppliers to reduce non-conformances and improve their sustainability performance.

In order to achieve an A-grade, a supplier must have a compliance score higher than 95%. Due to these high standards, only one of the audited suppliers has reached A-grade in the last three years. The two suppliers who received an E score in their initial audits, were both upgraded from E to C after corrective actions were taken and closing of all findings in the follow up audits, global quality and sustainability team. The focus in the past years has been on working together with suppliers to reduce non-conformances and improve their sustainability performance.

### Summary of audit findings

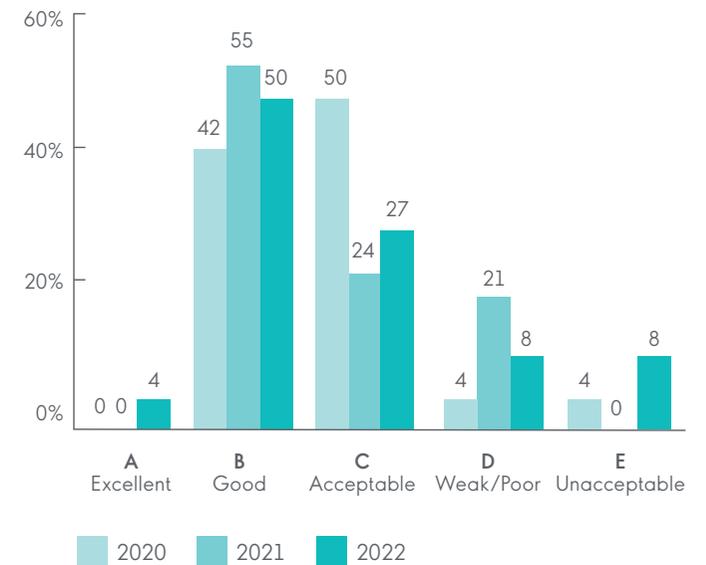
The three main areas of concern in the last three years are:

- Workplace safety (eg insufficient personal protection equipment, insufficient occupational health examination management, blocked emergency exits, inadequate policies on electrical safety).
- Condition of employment and work (eg exceeding working hours, inadequate benefits to contractual workers including leaves and bonuses, etc).

- Legal compliance (eg insufficient license, labour contract and personal information registration control, etc).

No zero-tolerance finding was recorded in any audit in 2022. We have not found any evidence of child workers in our audits, nor have we faced any cases of forced labour. A major part of non-conformances is related to the absence of formal policies and procedures to suitably control risks.

### Sustainability audit score results





# Consumer safety

WE NEVER COMPROMISE ON THE SAFETY OF OUR CONSUMERS  
- THEIR WELL-BEING IS OF PARAMOUNT IMPORTANCE TO US

**Oriflame has a team of safety experts working with internal and external specialists, who undertake and provide regular trainings to improve our safety assessment approach. Together, they make sure every ingredient we use and every product we sell meets our high quality and safety standards. We have the same high standards wherever in the world our products are made or sold.**

At Oriflame we only use high quality raw materials. By doing this we ensure that we minimise the presence of any unintentionally added ingredients. All our raw materials undergo a rigorous assessment by numerous experts at various stages in the development of our products. All Oriflame Cosmetic products are made to be safe in accordance with the provisions of the European Cosmetics Regulation (EC No 1223/2009) and other major international regulations. In markets where regulations are less developed, Oriflame applies the European regulation requirements for safety as a minimum. We have even more stringent measures in place to ensure the safety of our Wellness products.

**For all our Cosmetic products, we apply a comprehensive evaluation that includes the following:**

- We conduct a thorough evaluation of all raw materials. We only use reputable suppliers, and only select ingredients that are supported with robust data.
- We carefully measure safe concentration levels.
- Our team of expert toxicologists ensure ingredients are safe for each intended use and intended consumer group.
- We test our final formulations for skin compatibility on healthy human volunteers in independent laboratories, and also use 'in vitro' (non-animal) tests to further confirm the safety of our products.
- Post-launch, we proactively collect feedback from consumers and data about any unwanted effects, to investigate the potential reasons, and integrate the learnings into our product development to continuously improve the safety of our products.

All our products are formulated in line with global and local food legislation, applying stringent criteria to ensure their quality and safety. Furthermore, as part of Oriflame's commitment to product quality and food safety, we insist that all suppliers who produce our products adhere to strict food safety and quality standards.

To achieve this, we have developed the Oriflame Code of Practice for Wellness Suppliers, which is based on European food law, food safety certification standards, industry best practice and Oriflame specific requirements – ensuring all our Wellness products meet the same level of high safety standards around the world.

100% of Oriflame's globally developed Cosmetic, Accessory and Wellness products follow strict internal procedures and are assessed prior to launch to ensure they meet the relevant labelling requirements in all markets in which the products are sold, eg EU Cosmetics Regulation No 1223/2009, 1169/2011 for Foodstuffs.

We recognise the importance of receiving consumer feedback on our products and we are working on making it easier for our consumers to report an incident relating to the use of a product. In 2020, we rolled out an online tool that enables a more real-time reporting, which gives valuable information to our safety team.

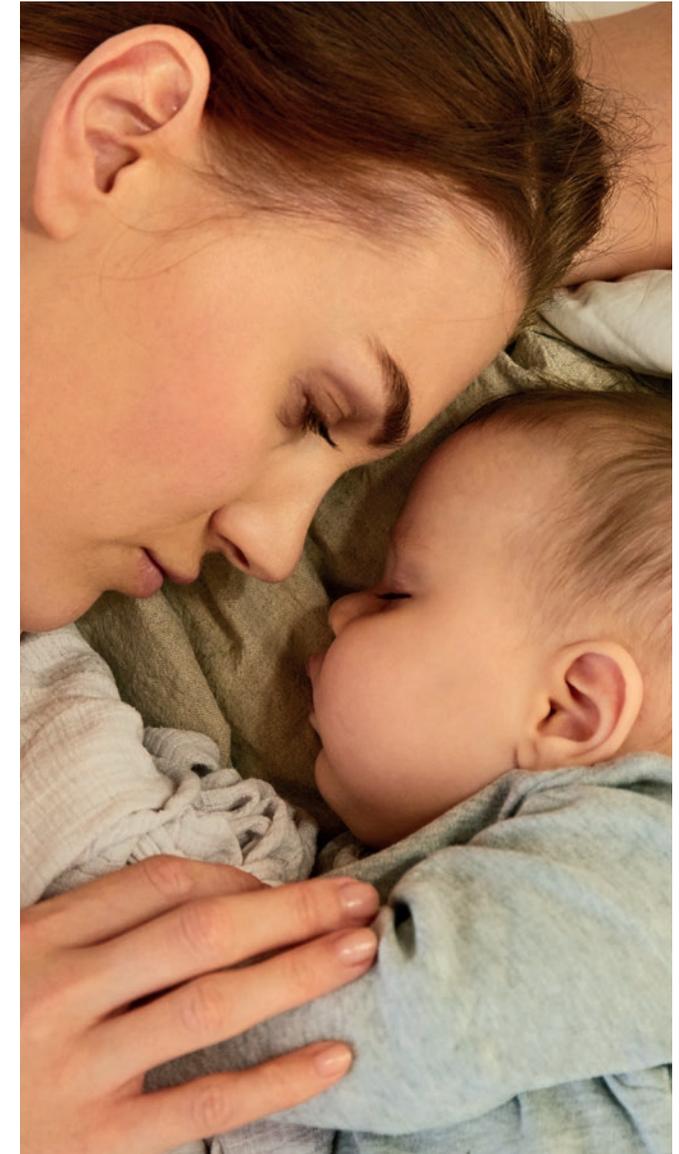
We have safety certificates present for 100% of our globally developed Cosmetic and Wellness products we have on the market. We have developed quality management system elements that allow us to record non-conformances and customer complaints and later resolve them with a root cause analysis and corrective

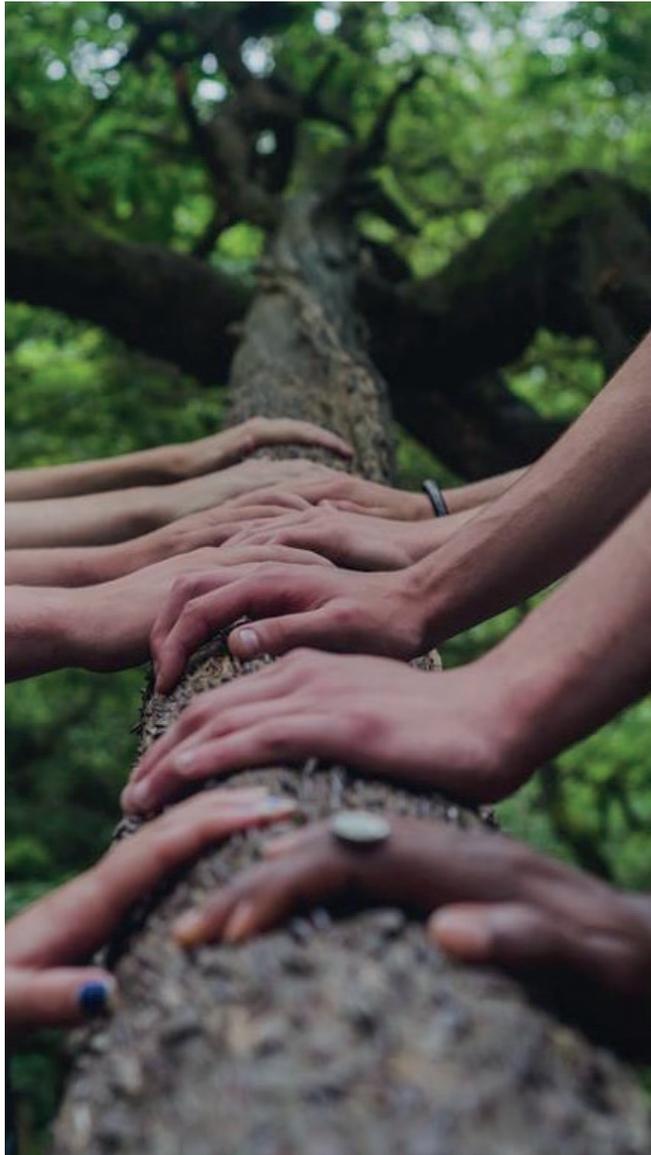
and preventive actions system. We also executed in 2022 product recall training sessions and conducted mock recalls in most of our key markets as a readiness check. Those checks confirmed positive results and our ability to quickly identify products potentially affected and confirmed procedures for product collection, contacting customers and preparing communications.

Oriflame is committed to avoiding the use of CMR substances (substances classified as carcinogenic, mutagenic, or toxic for reproduction) in our products. We do this by continuously monitoring the latest scientific data on our ingredients and by acting early if we feel an ingredient doesn't meet Oriflame's high standard for safety. We are, therefore, proud to report that we do not have any CMR substances present in our products.

We are aware that endocrine disruptors are of concern for our consumers. Our approach here is the same – we continually monitor developments regarding endocrine disruptors, and we prohibit or remove any ingredient that does not adhere to our high commitment to safety.

At Oriflame we believe in taking extra measures to ensure the safety of children who use our products. For this reason, we ensure that any fragrance used in children's products is free from any of the known fragrance allergens. Nanotechnology is still an emerging science and presents many great possibilities. While the science is still evolving, we commit to only using nanomaterials assessed by the independent scientific body that advises the European Commission (SCCS) and that have been proven to be safe. We want to give our consumers the confidence that the nanomaterials present in Oriflame products are both safe and efficacious.





# Socially responsible products

## MAKING A DIFFERENCE

**Our products need to add value in several ways for us to stay relevant to our customers. We have added this specific target area to highlight our intentions going forward. We have established several initiatives throughout the years with a focus on social responsibility.**

### Sourcing natural mica responsibly

Mica is a group of minerals used in a large variety of industries and consumer goods. At Oriflame, we predominantly use natural mica as a pearlescent pigment in cosmetics but also to enhance performance and texture. Additionally, mica can be present in some of our packaging. Much of our natural mica comes from India, where social and economic challenges can lead to a risk of child labour and unsafe conditions for those working in the mines. Oriflame joined the Responsible Mica Initiative (RMI) in 2017 and have continued our proactive engagement to date. The aim of the RMI is to eradicate child labour and unacceptable working

conditions in the Indian mica supply chain by working collaboratively with companies from different industries and with valuable support of local NGOs. The strategy for the organisation recognises three areas to be worked on to improve the overall conditions for the people working in the Indian mica supply chain:

#### 1. Mapping & workplace standards

The goal is to enable 100% of mica supply chain participants in Bihar and Jharkhand to comply with globally recognised workplace employment, occupational health and safety, and environmental standards that include prohibition on the use of child labour. In 2019, Oriflame, along with all the other RMI member companies, participated in a supply chain mapping project to understand the origin of the mica we use. Processing plants involved in the supply chain were invited to pilot or adopt the workplace standards, and three plants volunteered to do so. RMI members must now map the source and amount of mica in their products and record this data in a traceability tool. Each member's supply chain participant must then adopt workplace environment, health, safety and fair labour practices that include a prohibition on the use of child labour.

## 2. Community empowerment

The goal is to enable 100% of the communities in mica collection areas in Bihar and Jharkhand to be reached by inclusive empowerment programmes that provide improved standards of living, improved educational resources for children, better health care and alternative means of income to reduce economic dependency on mica. In 2018, RMI launched a three-year programme to develop innovative and scalable solutions, improving the wellbeing of both children and adults in the communities and enabling a sustainable mica industry. The programme envisions enhanced access to quality education, improved economic conditions as well as improved access to health services.

## 3. Legal framework

The goal is to enable 100% of the mica pickers, owners and operators of companies participating in the mica sector in Bihar and Jharkhand to operate under a clear legal framework and associated control systems that govern all aspects of the mica industry. RMI is involved in an engagement programme with key stakeholders in government, the private sector and civil society organisations that are knowledgeable about current conditions affecting the mica industry and that could recommend and implement the changes needed to create a sustainable mica industry in Jharkhand and Bihar. In 2022 the Jharkhand Government sent very positive signs and engaged concrete steps, taking the lead in addressing the Mica topic. Also, in 2022 there was a successful introduction into Madagascar. Key stakeholders have been introduced to the RMI approach and an active baseline was launched.





CASE STUDY

ORIFLAME  
INDONESIA  
FAVORITE  
HALAL BRAND



Subcategory Cosmetic  
LPPOM MUI  
Halal Award 2022



## Halal achievements for Oriflame in 2022

**We believe in making our products accessible to everyone – people with diverse backgrounds, ethnicity and religion. This means that we are committed to providing products that are permissible, ethical and safe for use for the whole family.**

The Halal cosmetic market is expanding rapidly and is expected to have an annual growth rate of 6.8% during the period 2016-2024. Companies are recognising the opportunities that Halal certifying their products can create and have started to invest in the Halal certifying process. Indonesia is one of Oriflame’s key markets with an 88% Muslim population. In advance of any upcoming legislation, we made the decision in 2017 to ensure a diverse 100% Halal-certified portfolio for the Indonesian market.

While Halal is traditionally associated with consumables, Muslims are increasingly looking for Halal-certified cosmetics and beauty products. They want to be given the choice of buying trusted Halal-certified products for themselves and their families.

Having the Halal logo on products provides reassurance that the products are produced in accordance with Halal standards. There are very few options for Halal cosmetics on the market, however in April 2022 Oriflame provided a fully Halal-certified portfolio to the Indonesian market.

Another highlight of 2022 was that Oriflame won The Favourite Halal Brand Award in the Cosmetic subcategory. The award was based not only on the quality of our Halal Assurance System, but on the voting results of LPPOM MUI promotional media users and consumers as well.



# Goals and commitments



## Employee experience

| Goal/commitment   | Deadline     | SDG               | Result  | Comment  | Status   |
|---|--------------|-------------------|---------|--|----------|
| 1. Ensure equal opportunities for women and men by having the minority gender representing no less than 40% in key governing bodies and management teams. | Year on year | 5 GENDER EQUALITY | 40%/60% | In 2022, there were 40% women in the Global Management Team (-5 pp vs 2021) and 60% men in the Group Management (+5 pp vs 2021). | Achieved |



## Human rights

| Goal/commitment  | Deadline     | SDG                                       | Result | Comment   | Status   |
|--|--------------|---|--------|---|----------|
| 1. Conduct a human rights risk assessment for all new markets as part of our due diligence process.  | Year on year | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS | 2      | In 2022, we started commercial operations in Ghana and Germany, and we are therefore, as part of our due diligence process, conducting a Human Rights Risk Assessment of these markets. | On track |
| 2. Terminating existing business relationship with any supplier or discontinuing the approval process of a new supplier, in case of systematic human rights breaches or systematic cases of corruption and/or bribery. | Year on year | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS | N/A    | No systematic human rights breaches or cases of corruption / bribery identified.  | On track |



## Consumer safety

| Goal/commitment  | Deadline     | SDG                          | Result            | Comment   | Status   |
|--|--------------|------------------------------|-------------------|---|----------|
| 1. All our Cosmetic and Wellness products undergo continuous assessment post launch, from monitoring of ingredients to receiving and analysing consumer feedback, ensuring we continuously improve the safety of our products for our consumers. | Year on year | 3 GOOD HEALTH AND WELL-BEING | Achieved for 2022 | No deviations from this statement in 2022   | Achieved |
| 2. Avoiding the use of CMR ingredients in our products. We do this by continuously monitoring the latest scientific data on our ingredients and by taking early action on any ingredient which may fall into this class.                         | Year on year | 3 GOOD HEALTH AND WELL-BEING | Achieved for 2022 | No deviations from this statement in 2022.  | Achieved |
| 3. Monitoring developments on endocrine disruptors and ensure we do not permit their use or remove them from our products if the scientific data confirms an ingredient's endocrine disrupting effect.   | Year on year | 3 GOOD HEALTH AND WELL-BEING | Achieved for 2022 | We are continuing to monitor the developments on endocrine disruptors. No deviations from this statement in 2022. | Achieved |
| 4. Taking extra measures to ensure the safety of children who use our products. For this reason, we ensure that any fragrance used in children's products is free from any of the known fragrance allergens.                                     | Year on year | 3 GOOD HEALTH AND WELL-BEING | Achieved for 2022 | No deviations from this statement in 2022.  | Achieved |



Employee experience

Human rights

Consumer safety

Socially responsible products

Goals and commitments

| Goal/commitment  | Deadline     | SDG   | Result            | Comment  | Status   |
|--|--------------|---|-------------------|--|----------|
| 5. Only use nanomaterials which have been assessed by the independent scientific body that advises the European Commission and that have been proven to be safe.   | Year on year |  | Achieved for 2022 | We have not permitted any new nanomaterials into product development since 2018. | Achieved |
| 6. Only use high quality raw materials. By doing this we ensure that we minimise the presence of any unintentionally added ingredients. All our raw materials undergo a rigorous assessment by numerous experts at various stages through the product development process to ensure that all materials meet our very high standards. | Year on year |  | Achieved for 2022 | No deviations from this statement in 2022.                                       | Achieved |



## Socially responsible products

| Goal/commitment   | Deadline     | SDG   | Result            | Comment  | Status   |
|---|--------------|---|-------------------|--|----------|
| 1. Develop new products with a social purpose and grow sales of existing ones*. | Year on year |  | Achieved for 2022 | During the year, we launched Tender Care Togetherness to support the victims in Ukraine. | Achieved |

\*Social purpose is when the product and its surrounding communication aims to benefit the consumer pertaining to their physical or mental wellbeing.



# Communicate and engage

We want an open, transparent dialogue with all our stakeholders – employees, Brand Partners, suppliers, investors and other actors of society.

We also recognise the potential that engagement and successful communication with our Brand Partners and consumers has in achieving our sustainability ambitions. Our business reaches more than 9 million people in more than 60 countries every month. If we can showcase the value of sustainability behaviours to these Brand Partners and consumers, they will help spread these behaviours to many millions more.

# Communicating sustainability

We communicate our sustainability initiatives to let Oriflame Brand Partners and consumers know what steps we are taking to become more sustainable. A total of 89% of Oriflame Brand Partners agree that we care for nature and the environment, and we also hope to inspire our Oriflame Brand Partners and our consumers to act and make their own contributions towards a better, more sustainable world.

## Our brand positioning

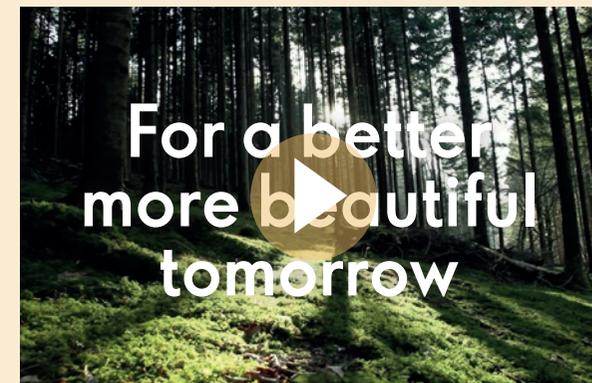
Oriflame was born in Sweden in 1967, based on a profound belief that all people deserve the same opportunities in life to reach their full potential. Today, we continue to stay true to the dream of our founders by inspiring others, giving opportunities and creating a better tomorrow by constantly striving to improve ourselves and our offering. We strongly believe that beauty starts with wellbeing, working from the inside out, rather than the outside in. We want to share this view with people all around the world and make quality Swedish beauty and wellness products, inspired by nature and powered by science, accessible through personal recommendations and trusted testimonials.

## Brand activation

In 2022, we provided all Oriflame regions with updated material in our brand activation toolbox on sustainability. The aim with our sustainability toolboxes is to make sustainability an integral part of our brand communication – and long term, to educate and inspire Brand Partners and consumers about Oriflame’s sustainability initiatives and encourage them to make more sustainable lifestyle choices themselves. As there are very different levels of awareness of sustainability issues, we want to deliver easy-to-understand communication to Brand Partners around the world to raise awareness of the topics.

## Sustainability perception among our Brand Partners

In addition to creating sustainability communication, we also use the annual Oriflame Global Brand Tracking to measure how our sustainability initiatives are being perceived. The Oriflame Global Brand Tracking aims to understand Oriflame’s brand image over time on a global scale. In 2021, we received answers from over 16,000 Brand Partners in 49 markets about Oriflame’s brand image, to understand how they perceive our brand positioning. Questions were asked on a 5-point scale, ranging from strongly disagree to strongly agree and the results concluded that 89% of Oriflame Brand Partners agree to the statement that Oriflame cares for nature and the environment.



## For a better, more beautiful tomorrow

To make sustainability an integral part of our brand communication and to educate and inspire Brand Partners and consumers about Oriflame’s sustainability initiatives, we have produced a video of Oriflame’s sustainability highlights.

## Sustainability Ambassadors

In each Oriflame region we have at least one Sustainability Ambassador with the purpose to drive change. The global sustainability team meets the ambassadors regularly to share sustainability information, receive feedback on communications material, share best practice between the regions and provide opportunities for discussions and questions.



# Regional sustainability initiatives

## Oriflame Mongolia planting trees

Oriflame Mongolia organised a tree planting event for our community service day and Oriflame Mongolia staff gathered to plant a total of 200 trees – 100 maple and 100 crab-apple trees in the National Garden Park of Ulaanbaatar. This event was part of a national campaign with the goal to plant 1 billion trees.

## Plogging at Sevan National Park in Armenia

Forty staff members of Oriflame Armenia went plogging to collect waste in Sevan National Park together with the Embassy of Sweden in Yerevan and ISSD NGO.

Recycling boxes for plastic and glass were sponsored by Oriflame and the Embassy of Sweden and were placed in Sevan National Park and in one of the regional schools in the city of Gavar.

## Clean-up challenge with Oriflame

Oriflame Kyrgyzstan organised a clean-up challenge

for Oriflame Kyrgyzstan staff together with Brand Partners. The challenge resulted in the collection, sorting and recycling of about 150 bags of waste material.

## Oriflame Georgia in cooperation with the Keep Georgia Tidy project

In 2022, Oriflame Georgia started a cooperation with Keep Georgia Tidy, an NGO that is funded by the Swedish Government and runs many interesting and impactful environmental initiatives, including the Make the Schoolyard Green competition. The purpose of the competition was to encourage students to clean and green the yards of their schools. During the process of the competition, the students observed the stages of planting and caring for plants, getting to know them, caring for them on a daily basis and helping to mitigate the global problem of climate change. Oriflame Georgia supported the project and organised the main prizes for the winners – an educational corner for each winning school, complete with furniture and relevant literature.

## Less Waste Lifestyle with Oriflame Indonesia

To support and educate Brand Partners in Indonesia about recycling Oriflame product packaging, Oriflame Indonesia initiated two sustainability programmes, Less Waste Lifestyle with Oriflame and Lyfe with Less.

Less Waste Lifestyle with Oriflame, with the hashtag #dropyourempties, invites Brand Partners and consumers to drop off their empty bottles and containers from Oriflame products at five collection points across Indonesia. Within two months, 243 kg of plastic and 269 kg of glass were collected.

The aim of Lyfe with Less is to make it easier for Brand Partners who live far from the Oriflame Experience Centre to participate in protecting the environment with Oriflame. Brand Partners can send their empty bottles directly to recyclers that collaborate with the Lyfe with Less programme. More than 400 Brand Partners have participated, and a total of 5,326 empty bottles collected so far.

## Love Nature Forest Berries selected as product of the year in Portugal

In Portugal, Love Nature's Forest Berries range won the Sustainable Cosmetics category in the 2022 Product of the Year Award due to its biodegradable formula, exfoliation based on natural particles, ingredients of natural origin and innovative texture. The winner was selected based on a research study of more than 2,000 consumers that was carried out by an independent research company.



## Decreased emissions from order delivery in Romania

During 2022, Oriflame Romania managed to decrease emissions from order deliveries by offering delivery to parcel lockers as an alternative to home delivery. In the first nine months of the year, the number of customers using this delivery option increased from 4 to 14%, and the rollout of this solution will continue in 2023.

## Recycling initiatives in Ukraine

Oriflame Ukraine launched a sustainability project called «Сортуј як слід» (Sort it properly). The project offers possibilities to collect, sort and recycle product packaging. Oriflame Ukraine placed sorting boxes in

26 Beauty Centres throughout the country, and makes them available for everyone (not only Brand Partners) who wants to bring their empty cosmetic bottles and other packaging for collection. After collection is complete, the sorting boxes will be delivered to our contractor to be recycled.

## Insect hotels in Poland

In 2022, our factory in Poland organised a competition under the slogan, "Even the smallest are the most important". Factory employees built imaginative hotels for insects, using natural materials such as cones, straw, wood and paper.

A network of insect hotels can be seen around the plant and the first hotel guests have moved into their humble abodes.

## Oriflame recycles in India

On 18 March 2022 – World Water Day, Oriflame India launched its recycling initiative #OriflameRecycles. This began with awareness campaigns and instructions about recycling with Oriflame on the Oriflame India website. Brand Partners and consumers were encouraged to make sustainable lifestyle choices by depositing their empty plastic containers at Oriflame offices in Delhi, Mumbai and Kolkata, resulting in about 100 kg of plastic collected during the year. The bins used for collection were spares from our factory that were upcycled by an artist using waste such as fabric, wood shavings, plastic bottles and CDs. In India, a total of about 400 tonnes of plastic were collected and sent for recycling and safe processing through our waste management partner in 2022.



# Oriflame Foundation

**Our role as an aspiring socially sustainable company allows us to create a lot of positive change across our value chain. However, we want to reach further than our own immediate network.**

This is why we engage with charitable organisations all around the world – it is our way of creating long-term value for people we do not connect with through our business, specifically for those children and young women who are most vulnerable in society. The Oriflame markets raise money for charitable organisations, for example by raising funds through sales. These initiatives are coordinated under the umbrella of our independent Oriflame Foundation. During 2022, the total amount of money raised to charity in Oriflame markets was €730,000. In 2023, we will review the ambitions and activities of the Oriflame Foundation going forward.

## Why we created the Oriflame Foundation

Oriflame has always supported charitable causes, but a number of years ago we decided we would make a bigger positive impact in all regions by combining all our efforts under one umbrella – the Oriflame Foundation, established as an independent foundation. The Foundation allows us to make long-term charity

commitments and partnerships, and measure the quantity, quality and overall impact of our investment. It also reinforces our reputation as a socially responsible company and attracts more talented and value-driven employees and Brand Partners.

## How the Foundation works

From the beginning, Oriflame has strived to support NGOs and charity organisations around the world. These include the World Childhood Foundation, founded by H.M. Queen Silvia of Sweden and co-founded by Oriflame and the af Jochnick Foundation. The Oriflame Foundation also provides grants to projects that have been selected or initiated by local markets, and/or makes donations to projects that Brand Partners are fundraising for.

## Funds raised through sales

Before, we globally developed and sold accessories and beauty products for fundraising purposes. Now, this is done locally in some markets and markets also offer customers the opportunity to make an extra donation to specific charities at the end of their online order. Markets are also encouraged to raise additional funds through fun, creative and innovative activities, for example through galas, sponsored walks and raffles.

## Employee volunteering

There are many other ways people across our business can contribute to the work of the Foundation. For example, employees are actively encouraged to become involved with their local projects and in fundraising activities, or they can support local charities by volunteering their time. All Oriflame employees have the benefit of one paid day off for volunteering and can support a charity of their choice.



**ORIFLAME  
FOUNDATION**  
EMPOWERING CHILDREN

# Regional charity initiatives

## Brand Partners raised €37,000 to support abandoned children

Oriflame Brand Partners in the Czech Republic and Slovakia cooperated with local charities to support abandoned children, who are often at risk of becoming homeless, financially indebted or involved in criminal activity. In total, Brand Partners raised an impressive €37,000 to support the children and provide them with educational workshops – and also raised awareness about the problem through articles and interviews.

## €6,000 raised to renovate youth support centre in Mongolia

In 2022, Oriflame Mongolia raised €6,000 to renovate and fully furnish a youth support centre in the Bayan-Ulgii province as part of a larger commitment to support the mental health, personal development and education of children and young people.

## Oriflame Kazakhstan supported charity projects with €10,000

In collaboration with a local charity foundation, Oriflame Kazakhstan supported three charity projects with €10,000 in 2022. The first project involved the Tansholpan orphanage in Karaganda and included purchasing furniture and equipping the office and beauty salon in the orphanage. The second project

called Retinopathy supported the purchase of a special ophthalmoscope and training tools for children with low vision. The third project was a drawing competition for children. The top 10 drawings were printed on bags and gratitude cards, which were included with the purchase of charity products from the Oriflame catalogue.

## Health education for children with hearing loss in Uzbekistan

For international charity day, Oriflame Uzbekistan launched a three-month project together with a local foundation. Doctors and sign language interpreters visited 18 schools for children with hearing loss across the 12 regions of Uzbekistan to offer the children general health education. Doctors also conducted seminars on girls' health. In total, the project supported 550 students.

## €16,100 raised for charity in CIS

To celebrate the relaunch of Tender Care, known as the kindest Oriflame product, Oriflame in 10 countries in CIS dedicated one of the most important commercial sections of the catalogue entirely to charity. From the 387,000 products sold, a fixed amount was donated to charitable causes across the region. A total of €16,100 was raised in three weeks to support a local charity that helps disadvantaged children across the CIS region.



## Charity for Ukraine

During 2022, Oriflamians around the world joined forces to raise more than €138,000 through various charitable actions in support of those affected by the geopolitical situation in Ukraine. The Oriflame Foundation partnered with Save the Children to raise money for children in Ukraine, raising and donating in total, €106,000. Throughout Oriflame's European markets, many of our employees and Brand Partners have also supported Ukraine through local projects and initiatives. Our Polish Brand Partners and employees opened their homes and hearts to support the people of their neighbouring country. Ukrainian families were offered accommodation in Poland with the support of the af Jochnik Foundation and Oriflame Ukraine. Many of our employees helped by organising accommodations for their Ukrainian colleagues arriving to Poland. Oriflame Ukraine donated 10% of the proceeds from products sold during a three-week period to the foundation 'ДПОМОГА ПАЦІЄНТАМ' Care for Patients in Ukraine and the funds raised, €30,000, were used to purchase equipment to ensure uninterrupted power and water supply for intensive care units in Amosov National Institute of Cardiovascular Surgery.



## Portugal – help to poverty-stricken region

Oriflame Portugal partnered with an association of residents and friends of Palha Verde, in Cabo Verde to visit the poverty-stricken region and help people in need. Oriflame donated toiletries from our portfolio as well as items from this community's most-needed list, including school supplies, children's books, toys, games, balls, diapers, clothing and footwear for children.



## Oriflame China donated €111,000 to support orphaned children

In 2022, Oriflame China donated €111,000 to the Chunhui Children Foundation to support the Chunhui Mama Programme in Lanzhou and Fuzhou CWI. The donation benefited 181 orphaned children and helped train 48 Chunhui Mamas, who are women who work as caretakers for the children.

## Oriflame Nigeria – support to SOS Children’s Village in Isolo

Oriflame Nigeria raised a total of €6,600 to support the education of children. Funds were generated through sales of charity products in the catalogues. In addition to these funds raised from sales, our Brand Partners and employees together donated more than



200 products, including hand gels, toothpaste and Loving Care products to the SOS Children's Village in Isolo, Lagos.

## Oriflame Morocco in partnership with SOS Children’s Villages

Oriflame Morocco has been an official partner of SOS Children's Villages for more than 12 years. Every year, we donate about €9,100 to support children in need and our Brand Partners can also choose to donate through monthly payments to SOS Children's Villages in Morocco. We support SOS Children's Villages through social media initiatives such as: ILike = 1EUR for SOS Children's Villages and by selling children's products

in our catalogues and donating the proceeds to SOS Children's Villages.

## Supporting the journey to empower women in India through education

Oriflame India has been associated with Deepalaya since 2006. Deepalaya is a not-for-profit organisation and a partner in promoting girls' education in under-privileged rural/slum areas of Delhi-NCR. The Deepalaya school in Gusbethi village of Haryana currently has 1,400 students in grades 1 through twelve. In 2022, Oriflame India donated €35,000 to support construction and expansion of the school and sponsor the education of fifteen girls.



# Stakeholder engagement

**The success of our business is created by people, from our employees, Brand Partners, customers and suppliers to our owners, investors and the general public. These stakeholders are all impacted by our operations and business decisions, and they rightly expect us – a global company – to pursue the highest level of social and environmental responsibility. We are determined to be a leader when it comes to meeting these expectations.**

To that end, we keep regular dialogues and conduct reviews of how our business is impacting our stakeholder groups so we can better understand and incorporate their expectations and needs in our business decisions. Through improved understanding of our business's social, environmental or economic impacts, we can prevent potential negative impacts that our business might cause, contribute to, or be directly linked with, or conversely, strengthen our positive impacts and find new opportunities to have positive impacts in the future.

We engage our stakeholders through a range of methods, including Brand Partner meetings, consumer questionnaires and employee surveys. Beyond this, we consult with non-governmental organisations (NGOs) and industry organisations to discuss our material

topics and other sustainability challenges as well as to receive feedback to evaluate and test the efficiency of our efforts. In addition to this, we also consult with internal topic experts to reassess our understanding of our most material impacts. This is a vital part of how we stay accountable and continue to improve our performance and manage our social, environmental and economic impacts.

**The organisations listed below are a selection of those Oriflame is either a member of or works closely with:**

- Cosmetics Europe
- World Federation of Direct Selling Associations (WFDSA)
- Seldia, the European Direct Selling Association
- Roundtable on Sustainable Palm Oil (RSPO)
- Responsible Mica Initiative (RMI)
- Forest Stewardship Council (FSC™)
- UN Global Compact
- Rainforest Alliance
- CDP
- Science Based Targets initiative
- EcoBeautyScore Consortium
- EcoVadis



Communicating sustainability

Regional sustainability initiatives

Oriflame Foundation

Regional charity initiatives

Stakeholder engagement

| Stakeholders          | Understanding impacts on stakeholder group   | Potential or actual negative or positive impacts raised by stakeholder groups:   |  |
|-----------------------|--|--|--|
| <b>Employees</b>      | <ul style="list-style-type: none"> <li>• Anonymous interviews with employees</li> <li>• Quarterly forum with regional Sustainability Ambassadors</li> <li>• In-depth interviews with regional Sustainability Ambassadors</li> <li>• Input through Whistleblowing channel</li> <li>• Employee NPS</li> <li>• CEO Connect questions</li> <li>• Insight, dialogue and sharing through Oriflame’s intranet and internal social media</li> <li>• Internal experts’ insights</li> <li>• External expertise such as regional labour unions and the International Labour Organisation</li> </ul>   | <ul style="list-style-type: none"> <li>• Animal welfare</li> <li>• Circular product life</li> <li>• Climate impact and action</li> <li>• Culture and values</li> <li>• Diversity and inclusion</li> <li>• Economic and value creation</li> <li>• Employee well-being</li> <li>• Empowerment, decision-making and corporate culture</li> <li>• Ethics and governance</li> <li>• Female empowerment</li> </ul> | <ul style="list-style-type: none"> <li>• Health and safety</li> <li>• Human rights</li> <li>• IT and digital</li> <li>• Job security</li> <li>• People and teamwork</li> <li>• Recognition and rewards</li> <li>• Responsible marketing</li> <li>• Communication and transparency</li> <li>• Sustainability strategy</li> <li>• Training and development</li> </ul>                  |
| <b>Brand Partners</b> | <ul style="list-style-type: none"> <li>• In-depth interview with Regional Managing Directors</li> <li>• Customer Service inquiries</li> <li>• Global Brand Tracking</li> <li>• Brand Partner NPS</li> <li>• Expertise by regional Seldia</li> <li>• In-depth interviews with regional representatives</li> <li>• Business meetings, training, conferences and events (regularly)</li> </ul>  | <ul style="list-style-type: none"> <li>• Animal welfare</li> <li>• Charity</li> <li>• Circular product life</li> <li>• Climate impact and action</li> <li>• Community</li> <li>• Economic and value creation</li> <li>• Education and consumer awareness</li> <li>• Ethics and governance</li> <li>• Female empowerment</li> </ul>   | <ul style="list-style-type: none"> <li>• IT and digital</li> <li>• Job creation / recruitment</li> <li>• Packaging and waste</li> <li>• Product ingredients</li> <li>• Product safety</li> <li>• Responsible marketing</li> <li>• Communication and transparency</li> <li>• Sustainable product life</li> <li>• Sustainable sourcing</li> <li>• Training and development</li> </ul>  |
| <b>Investors*</b>     | <ul style="list-style-type: none"> <li>• Meetings/calls with investors</li> <li>• Conference calls for the financial community in connection with quarterly reports</li> <li>• Attending seminars for the financial community</li> <li>• Corporate affairs meetings including Direct Selling Association (DSA) meetings</li> <li>• Responding to ongoing investor questions and data reporting requests</li> <li>• Participation and collaboration with ESG rating companies</li> <li>• External reports from World Economics Forum, ESG Rating companies such as Moody’s Sustainalytics, McKinsey, Fitch Ratings, etc.</li> </ul> | <ul style="list-style-type: none"> <li>• Animal welfare</li> <li>• Anti-corruption</li> <li>• Circular product life</li> <li>• Climate /environmental impact and action</li> <li>• Diversity and inclusion</li> <li>• Economic and value creation for Brand Partners</li> <li>• Ethics and governance</li> <li>• Geographical footprint</li> <li>• Health and safety</li> </ul>                              | <ul style="list-style-type: none"> <li>• Human rights</li> <li>• IT and digital</li> <li>• Packaging and waste</li> <li>• Product safety</li> <li>• Responsible marketing</li> <li>• Communication and transparency</li> <li>• Social impact in the supply chain</li> <li>• Sustainable sourcing</li> <li>• Training and development</li> <li>• Water management / impact</li> </ul> |

\* In this report investors are referred to as bond-owners.



Communicating sustainability

Regional sustainability initiatives

Oriflame Foundation

Regional charity initiatives

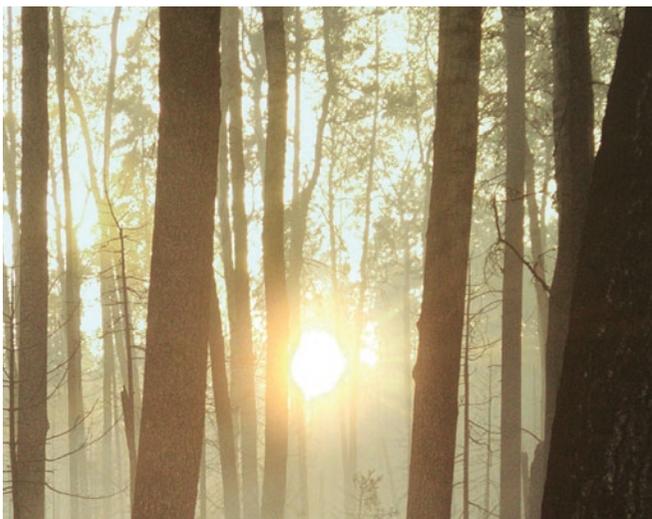
Stakeholder engagement

| Stakeholders     | Understanding impacts on stakeholder group   | Potential or actual negative or positive impacts raised by stakeholder groups:  |  |
|------------------|--|---|--|
| <b>Consumers</b> | <ul style="list-style-type: none"> <li>Regional consumer representatives</li> <li>In-depth interviews with Regional Managing Directors</li> <li>Customer feedback (comments &amp; questions) Global Social Media</li> <li>Oriflame Customer service</li> <li>Consumer research, primarily product focused (regularly)</li> <li>Consumer surveys, sometimes including Oriflame Brand Partners in their role as consumers</li> <li>Global Insights team</li> <li>Mintel Consulting 2022 Sustainability Barometer</li> <li>WGSN trend report 2025</li> <li>Brand Partner NPS</li> <li>Customer surveys</li> </ul> | <ul style="list-style-type: none"> <li>Animal welfare</li> <li>Circular product life</li> <li>Climate impact and action</li> <li>Diversity and inclusion</li> <li>Female empowerment</li> <li>Forest: Loss of biodiversity on land</li> <li>Packaging and waste</li> <li>Product ingredients</li> </ul>     | <ul style="list-style-type: none"> <li>Product safety</li> <li>Responsible marketing</li> <li>Communication and transparency</li> <li>Sustainable product life</li> <li>Sustainable sourcing</li> <li>Sustainable supply chain</li> <li>Water: Loss of biodiversity in the oceans</li> <li>Well-being</li> </ul> |
| <b>Suppliers</b> | <ul style="list-style-type: none"> <li>In-depth interviews with internal stakeholders</li> <li>Sustainability audits</li> <li>EcoVadis supplier self-assessment</li> <li>EcoVadis gap report</li> <li>External experts</li> <li>Internal surveys and investigations</li> <li>Experts in the internal procurement team</li> </ul>   | <ul style="list-style-type: none"> <li>Chemicals in production</li> <li>Circular product life</li> <li>Climate impact and action</li> <li>Economic and value creation</li> <li>Environmental impact</li> <li>Ethics and governance</li> <li>Health and safety</li> </ul>                                    | <ul style="list-style-type: none"> <li>Human and labour rights</li> <li>Packaging and waste</li> <li>Social impact in the supply chain</li> <li>Sustainable sourcing</li> <li>Sustainable supply chain</li> </ul>  |
| <b>Society</b>   | <ul style="list-style-type: none"> <li>In-depth interviews with regional representatives</li> <li>Regional surveys</li> <li>Internal experts</li> <li>Global insight reports</li> <li>Participation in industry initiatives and standardisation bodies</li> <li>Community involvement, including Oriflame Foundation initiatives</li> <li>Participation in conferences and events</li> </ul>   | <ul style="list-style-type: none"> <li>Anti-corruption</li> <li>Animal welfare</li> <li>Charity</li> <li>Circular product life</li> <li>Climate impact and action</li> <li>Community</li> <li>Communication and transparency</li> <li>Economic and value creation</li> <li>Ethics and governance</li> </ul> | <ul style="list-style-type: none"> <li>Female empowerment</li> <li>Human rights</li> <li>Packaging and waste</li> <li>Resources and raw materials</li> <li>Responsible marketing</li> <li>Social impact in the supply chain</li> <li>Sustainable sourcing</li> <li>Water management</li> </ul>                   |



# Management approach

In this chapter of the report, we have gathered information on some of the fundamentals of good sustainability work and reporting. This includes information on our organisation and our approach to materiality and sustainability risks.



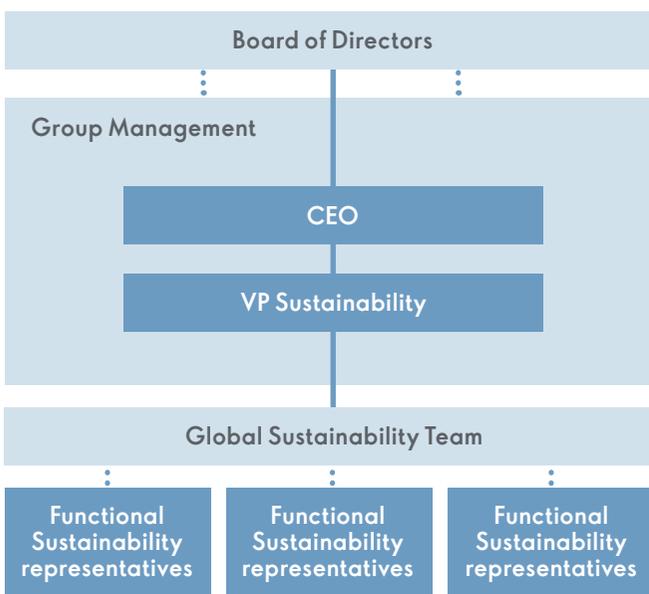
# Organising for improvements

**To make sure our sustainability strategy is successful, we need to give it the same kind of attention, respect and level of organisation as our other business strategies. This is why our CEO and Board of Directors oversee our sustainability strategy and our impacts on the economy, environment and people.**

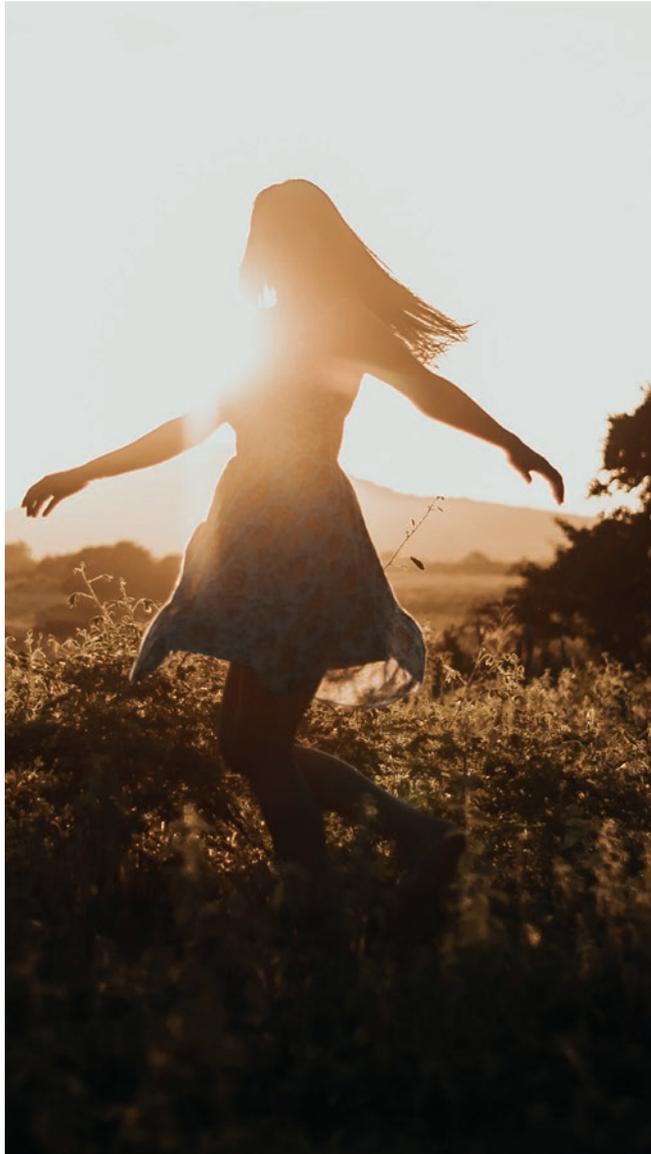
- We have integrated sustainability goals into Group Management’s performance targets and from there, they are transferred to the targets of the operational and product development team.
- We provide ongoing training in specific sustainability areas to those who require it, such as the Board of Directors or specific departments.
- We have a global forum for Sustainability Ambassadors to engage and learn about the sustainability strategy and topics.
- We communicate sustainability topics to our employees via meetings, conferences, training sessions and the intranet.
- Our Board of Directors is quarterly updated on topics related to sustainable development through interim reports. In the annual strategic overview, the Board reviews and approves the sustainability strategy. The Vice President of Sustainability meets with Group Management and the Board to present relevant topics and to be reviewed regarding their responsibilities, strategy and performance.

The Vice President of Sustainability directs a global sustainability team that is responsible for identifying our material topics, developing global targets, supporting the organisation by identifying key responsibilities, helping to set goals and targets, and monitoring and reporting progress externally. The Vice President of Sustainability is part of our Group Management and sustainability topics are scheduled into several of the Group Management’s major meetings during the year to inform and discuss relevant material issues.

However, because of the collaborative nature of our business and the entrepreneurial people we employ, we have structured our sustainability strategy so that the responsibility for fulfilling its commitments is spread right across our business value chain. We have taken several steps to make sure this responsibility is felt and acted upon:



In 2022, the Audit Committee and the Board were presented the sustainability risks on climate, human rights, legislation and corruption to review. We are working on more ways to engage our employees and Brand Partners around sustainability issues, for example, via brand activation campaigns.



# Materiality

**As a global company, we impact the world around us. We want to take action to increase our positive impacts on people's lives, while reducing any negative impacts on the environment. Therefore, it is vital for us to understand and identify our actual and potential material impacts, both positive and negative.**

In 2022, we conducted a materiality assessment following the guidance of the updated GRI Standards 2021. In this assessment, we redefined our view on our material topics, defining it as the topics that represent our most significant impacts on the economy, environment and people, including impacts on their human rights. The impact can be actual or potential and indicate our organisation's negative or positive contributions to a sustainable development.

## Understanding our impact

This materiality assessment complements our initial assessment, which was conducted in 2014 and updated in 2018.

We used our existing knowledge and research to map out our stakeholders and experts, our activities and business relationships, as well as our sustainability context in order to form a deep understanding of the context our organisation exists in and where impacts can occur.

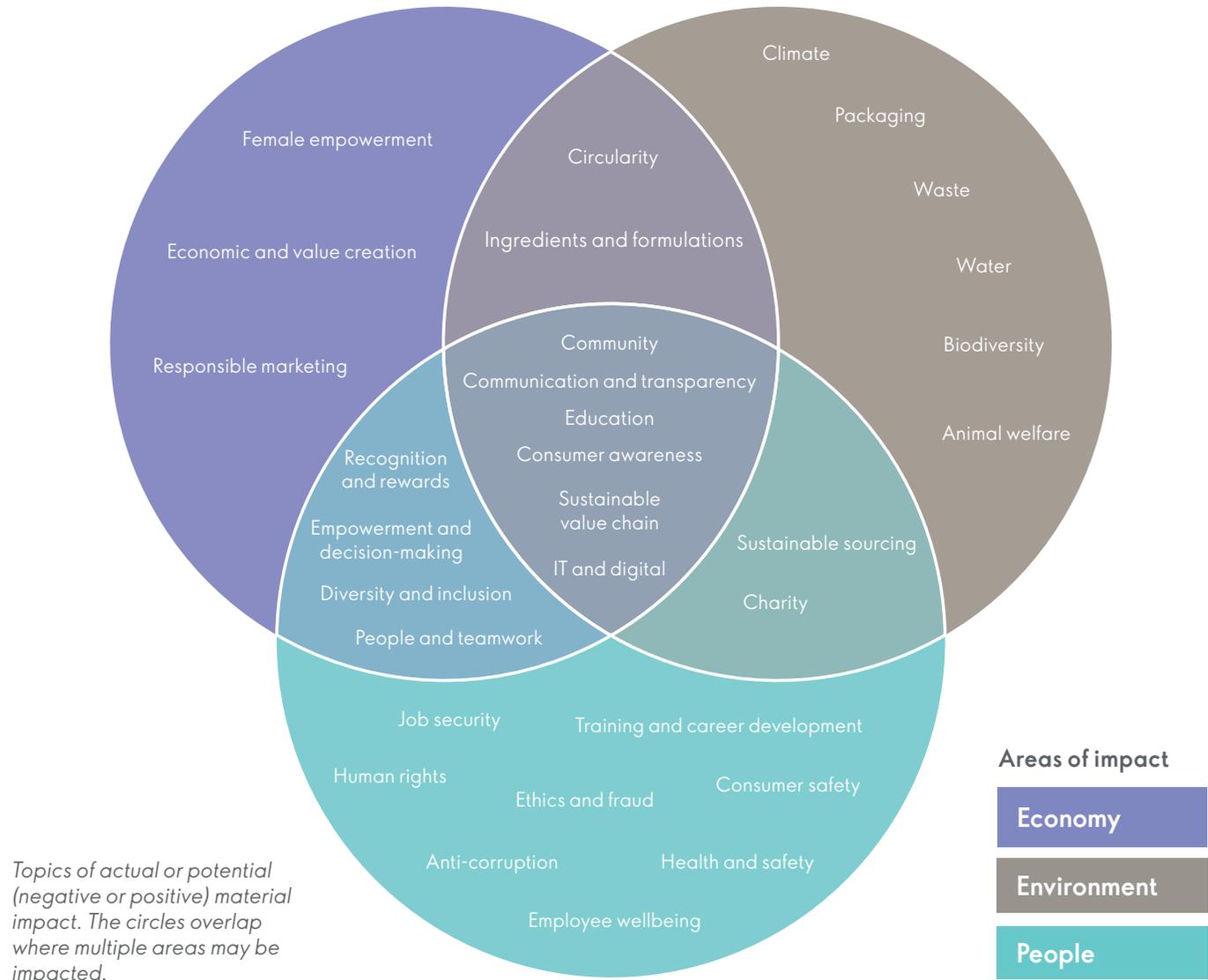
This allowed us to identify our actual or potential impacts by engaging with our stakeholders and relevant internal and external experts, as well as reviewing an extensive number of industry reports, geographical risk indexes, research by NGOs and other relevant institutions.

Once we established a list of impacts, we assessed their significance by estimating their scale and scope, how grave the impacts are relative to other impacts and how widespread they are, how many stakeholders are, or could be impacted, as well the possibilities to remediate the impacts. Thereafter, we estimated the likelihood of the impacts, and added weight to the impacts that potentially could have a negative impact on human rights, even if the likelihood of this impact is low.

The significance of our positive impacts is estimated based on how beneficial the impacts are, as well as how many individuals are likely to benefit from them. Finally, additional weight has been added to the impacts emphasised by our experts. Through a quantitative gradation of our impacts, we have been able to prioritise them based on their calculated score. After grouping our impacts into topics, we ensured the final ranking – corresponded to the qualitative data collected in the engagements with our stakeholders and experts.

After redefining our view on material topics, our new insights will serve as the basis for reassessment of our sustainability strategy and the reporting of our material topics. This process will also support us in outlining a roadmap to comply with the upcoming reporting regulations directed by the European Financial Reporting Advisory Group (EFRAG) among others. To conclude, despite a revised in-depth materiality assessment, our sustainability strategy and related reporting focus remained unchanged in 2022.

### Oriflame's actual and potential material impacts





# Sustainability risks

Oriflame has identified and analysed risks that have a potential to materially affect the operations of the Group, including risks induced by sustainability, environment and human rights. The list of identified risks and mitigation strategy are available in the Annual Report 2022. In parallel, Oriflame has assessed the risks it generates to the environment and the human community.

This assessment was initially performed by Oriflame Sustainability and Risk teams in 2014. The initial assessment, its update and the mitigation of risks have been overseen by the Vice President of Sustainability, who is part of Group Management. The risks identified by that assessment are presented on the following pages.



Organising for improvements

Materiality

Sustainability risks

| Risk area   | Description   | Mitigation  |
|---|---|---|
| <b>Water – impact of Oriflame sites on water resources</b>      | Oriflame may impact the quality of water discharge during the manufacturing process.  | <ul style="list-style-type: none"> <li>All of our own manufacturing sites have effluent treatment plants.</li> <li>All sites have implemented water reuse/saving measures and have 2030 water efficiency targets in place.</li> </ul>   |
| <b>Water – impact of Oriflame products on water resources</b>   | Some Oriflame products require water during consumer usage and contain ingredients or by-products that may be harmful to the environment.   | <ul style="list-style-type: none"> <li>All new Skin Care and Personal Care rinse-off products are formulated to be biodegradable.</li> <li>Oriflame only uses natural-origin exfoliants (no plastic microbeads or plastic glitter).</li> </ul>  |
| <b>Forest – impact of Oriflame products on forest resources</b> | Oriflame uses large quantities of forest-related raw materials, such as catalogue paper and paper and board packaging, derivatives of palm oil and palm kernel oil, that could contribute to deforestation. | <ul style="list-style-type: none"> <li>Paper-based products: we aim to have all our paper-based products (catalogues and paper and board packaging) from credible certified sources or recycled materials by 2025.</li> <li>Palm oil: we are a member of the RSPO and we aim to source 100% Mass Balance certified palm oil for the raw materials used in our own production, including derivatives, as well as in sub-contracted soap bars by 2025.</li> <li>In 2022, we extended our commitment beyond paper and palm oil to other raw materials such as coconut, rice and soy that may contribute to risk of deforestation and ecosystem conversion. We are committing to address deforestation, the conversion of other natural ecosystems, land clearance, and to respecting the rights and livelihoods of local communities and indigenous people.</li> </ul> |
| <b>Climate – direct and indirect climate impact</b>             | Our business emits greenhouse gas (GHG) emissions both directly in our operations (Scope 1 and 2) and indirectly in our value chain (Scope 3), which is contributing to climate change.                     | <ul style="list-style-type: none"> <li>To reduce our GHG emissions in line with the goals of the Paris Agreement, we have set targets for 2030 that have been approved by the Science Based Targets initiative.</li> <li>From 2010 to 2020, we reduced our absolute GHG emissions (Scope 1, Scope 2 and parts of Scope 3) by 76% through the implementation of company-wide emissions reduction programme.</li> <li>Since 2019, we have compensated annually for the GHG emissions we cannot reduce (Scope 1, Scope 2 and parts of Scope 3).</li> <li>Since 2018, we have purchased traceable renewable electricity for all Oriflame-operated sites (offices, manufacturing sites and warehouses).</li> </ul>   |



Organising for improvements

Materiality

Sustainability risks

| Risk area                             | Description  | Mitigation   |
|---------------------------------------|--|--|
| <b>Corruption and bribery</b>         | Oriflame operates in countries where the risk of corruption is high.   | <ul style="list-style-type: none"> <li>• Oriflame has a zero-tolerance policy towards active or passive corruption. The Group has an Employee Code of Conduct, Policies and control systems, and Supplier Code of Conduct as well as a compliance breach reporting mechanism for employees. No confirmed incidents of corruption in 2022.</li> <li>• Our management take an annual compliance pledge, confirming their compliance with the Oriflame Code of Conduct for the past year and committing to compliance for the following year.</li> </ul>  |
| <b>Occupational health and safety</b> | Oriflame employees are exposed to occupational health and safety risks, in particular in manufacturing, warehouse and laboratory environments. | <ul style="list-style-type: none"> <li>• Health &amp; Safety Management System in place: <ul style="list-style-type: none"> <li>• Training for employees</li> <li>• Audits</li> <li>• Accident reporting and investigation</li> <li>• Ad-hoc risk-reduction initiatives</li> </ul> </li> </ul>   |
| <b>Human rights of employees</b>      | Oriflame has around 4,700 employees worldwide; it must guarantee that the human rights of its employees are respected under all circumstances. | <ul style="list-style-type: none"> <li>• Oriflame has a zero-tolerance policy towards any form of harassment and any form of discrimination. The Group has an Employee Code of Conduct, policies and control systems, as well as a compliance-breach reporting mechanism for employees.</li> <li>• We are committed to respect human rights throughout our own operations, and it is summarised in our internal Human Rights Commitment approved by the Board and incorporated into our Group-level policies.</li> <li>• When entering a new market, we conduct a human rights impact assessment.</li> </ul> |



Organising for improvements

Materiality

Sustainability risks

| Risk area                               | Description   | Mitigation   |
|---|---|--|
| <p><b>Human rights at suppliers</b></p> | <p>Breaches of legislation or of the Oriflame Supplier Code of Conduct related to human rights by Oriflame suppliers.</p>                             | <ul style="list-style-type: none"> <li>• We have a Supplier Code of Conduct which outlines our requirements regarding working conditions, health and safety, discrimination and human rights, among other things. The Code applies primarily to all our first-tier suppliers, though we expect our suppliers to implement the Oriflame Supplier Code of Conduct in their own value chain. The Supplier Code of Conduct was revised in 2022.</li> <li>• Direct suppliers are invited to EcoVadis to assess sustainability performance, including human rights.</li> <li>• Sustainability audits are carried out to confirm compliance against Oriflame Supplier Code of Conduct and sustainability minimum requirements.</li> <li>• We are terminating existing business relationships with suppliers in case of systematic human rights breaches or systematic cases of corruption.</li> </ul> |
| <p><b>Consumer safety</b></p>           | <p>Oriflame distributes Cosmetic and Wellness products, and as such its end-consumers may be exposed to health and safety risks from their usage.</p> | <ul style="list-style-type: none"> <li>• Oriflame conducts a thorough evaluation of all raw materials.</li> <li>• We carefully measure safe concentration levels. Our team of expert toxicologists ensure ingredients are safe for each intended use and intended consumer group.</li> <li>• We test our final cosmetic formulations for skin compatibility on healthy human volunteers in independent laboratories, and also use 'in vitro' (non-animal) tests to further confirm the safety of our products.</li> <li>• All our nutrition products are fully tested by independent laboratories and then fully reviewed by our in-house experts to ensure they are always safe for consumption.</li> <li>• Post-launch, we proactively collect feedback from consumers and data about any unwanted effects to further improve the safety of our products.</li> </ul>                         |



# Climate scenarios

**In 2022, Oriflame started adopting the Task Force on Climate-Related Financial Disclosures' (TCFD) recommendations to assess future climate-related risks and opportunities in order to provide stakeholders with relevant information, as well as to predict future climate-related impacts on our operations.**

To help us understand how future changes to the climate could impact our operations, in 2022 we conducted a qualitative analysis and outlined three possible climate scenarios. These scenarios aim to predict how different efforts to mitigate climate change, such as political, regulatory, market and technological efforts, as well as society's efforts to adapt to its consequences, could impact our future operations.

The three scenarios we have identified are based on the UN's Intergovernmental Panel on Climate Change's

(IPCC) publicly available scenarios and cover three different possible pathways of social and physical development. These pathways span to the year 2100 and are based on:

- The best-case scenario: SSP1\*-2.6\*\*, aligned with the Paris Agreement and the Science Based Targets initiative
- The intermediate scenario: SSP2\*-4.5\*\*
- The business-as-usual scenario, SSP3\*-7.0\*\*

The scenarios and transitional and physical risks identified are as follow:

## The best-case scenario

In this scenario, the world acts in time to mitigate the effects of climate change in line with the Paris Agreement, ie well below 2 degrees. This scenario is foremost characterised by the transition driven by stringent policy and regulation to significantly reduce

\* SSP = Shared Socioeconomic Pathway are scenarios developed by the UN's Intergovernmental Panel of Climate Change's (IPCC).

\*\* Describes the Representative Concentration Pathway (RCP) for radiative forcing expressed in W/sq. m. High levels of greenhouse gasses (eg 7.0) lead to high levels of radiative forcing.

emissions to mitigate climate change. This is likely to adversely impact the price and availability of Oriflame raw materials. It could also lead to restrictions that could impact logistics in our global supply chains and our direct operations. By mitigating our negative impacts on climate change, we are strengthening our resilience to the risks associated with this scenario, as described in our section on [Sustainability risks](#).

### The intermediate scenario

In the intermediate scenario, the world is not acting fast enough to sufficiently mitigate the effects of climate change, and as a consequence, policy and regulation on emissions would be implemented later than in the best-case scenario. In this scenario, climate change progresses and leads to both acute and chronic physical impacts such as heavy rainfall, longer periods of drought or coastal flooding. This is likely to have a material negative impact on Oriflame's ingredient sourcing, and particularly for forest-related ingredients. By sourcing certified ingredients, replacing paper catalogues with digital tools as well as adopting a forest commitment, we are strengthening our resilience while reducing our impacts as described in the [Forest section](#) of the chapter, Respect for Nature.

### The business-as-usual scenario

The business-as-usual scenario is a "no policy" baseline emission pathway where minimal levels of mitigation are implemented and greenhouse gas levels nearly double by the end of the century. This scenario represents a future with high challenges to both mitigation and adaptation to the effects of climate change. In this scenario, the effects of climate change drives massive

migrations, resurgent nationalism, concerns about competitiveness and security, and regional conflicts. Consequently, countries focus increasingly on domestic or, at most, regional issues.

In this scenario, both acute and chronic physical risks related to the supply of energy and ingredients are escalated by climate change's effects on water supply, increasing temperatures and extreme weather events. Transitional market- and supply-chain risks are likely to intensify and drive higher costs due to increasing civil unrest, resource scarcity and surging nationalism and protectionism. With a wide-reaching global presence both in operations as well as markets, civil unrest could disrupt our operations or supply chains.

### Transition risks

By acknowledging that legislative frameworks in operating markets are changing rapidly, we have adapted our sustainability strategy to further mitigate our impacts in these areas and thereby the risks. We have already reduced our impacts and greenhouse gas emissions significantly to increase our resilience in the case of potential legal or regulatory restrictions. We will continue to monitor global environmental developments and integrate sustainability strategy into product and packaging strategies and continue to develop sustainability reporting to reflect changes in legislation and stakeholder requirements.

Despite our efforts to reduce transition risks, there is always a certain risk that our operations might be affected. This applies primarily to regulatory and market transition risks. Increased taxes and other energy and emissions regulations would imply higher costs and affect the company's profitability.



## Physical risks

The most likely physical risks identified are groundwater decline, longer periods of drought, heavy precipitation and coastal floods. These are likely to negatively impact the price and availability of our raw materials.

We recognise that our contributions to climate change are a risk to our business, and we are continuously mitigating our contributions by reducing the emissions deriving from our operations. In 2021, Oriflame committed to science-based climate targets for 2030 for our operations and value chain to further reduce our emissions. Through our efforts, we are gradually mitigating the risk of being affected by potential legal and regulatory restrictions while simultaneously reducing our impacts. In order to manage long-term availability and prices of raw materials, Oriflame is monitoring the ingredients whose supply is likely to be affected by climate change, while continuously searching for alternate ingredients. In 2022, we took the next steps towards further strengthening our resilience by adopting a forest commitment, as described in the [Forest section](#) of the chapter, Respect for Nature.

As our next step, we will expand our analysis with a quantitative assessment of the financial risks related to the effects of climate change in each scenario. Through such an assessment, we will better understand climate change's future implications for our company and be able to align our sustainability strategy and targets accordingly.





# Appendix

In this Appendix, we summarise our sustainability work related to the Sustainable Development Goals (SDGs) and our sustainability performance including our SASB index, TCFD index and GRI content index.

# SDG Index

The 2030 Agenda for Sustainable Development and the 17 Sustainable Development Goals (SDGs) were adopted by all United Nations member states in 2015. The SDGs are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. These goals intend to create long-term action in order to address the world's most pressing issues until 2030. Oriflame has been a member of the United Nations Global Compact since 2009 and has recognised the importance of the SDGs since they were conceived in 2015. Although we have an opportunity to support all the goals set, we have identified some to be more relevant to our business, particularly as we deliver on our sustainability strategy.



## Ensure healthy lives and promote well-being for all at all ages

Reducing environmental impact in the areas of water, air and waste [pp. 24-62](#)

Protecting employee health and safety [pp. 64-69](#)

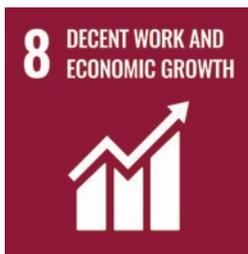
Making sure every ingredient we use and every product we sell meets our high quality and safety standards [pp. 74-75](#)



## Achieve gender equality and empower all women and girls

Providing Brand Partners, mainly women, an opportunity to grow, develop and network [pp. 15-23](#)

Creating a diverse global workforce at all management levels [pp. 64-69](#)



### Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Maintaining a global workforce of approximately 4,700 employees in more than 60 countries with 70 nationalities

[pp. 64-69](#)

Providing Brand Partners an opportunity to have an additional income

[pp. 15-23](#)

Creating a diverse global workforce at all management levels

[pp. 64-69](#)



### Ensure sustainable consumption and production patterns

Increasing the use of recycled materials and renewable materials in product packaging

[pp. 43-48](#)

Reviewing all new raw materials based on naturalness, environmental impact, ethicalness and traceability

[pp. 49-55](#)

Innovating in formulation developments

[pp. 49-55](#)



### Take urgent action to combat climate change and its impacts

Reducing greenhouse gas emissions in our own operations and value chain

[pp. 34-42](#)

Improving energy efficiency at our manufacturing sites

[pp. 34-42](#)

Sourcing renewable electricity at all Oriflame-operated sites

[pp. 34-42](#)

Installing solar panels at our manufacturing sites in India and Poland

[pp. 34-42](#)



### Conserve and sustainably use the oceans, seas and marine resources for sustainable development

Developing Skin Care and Personal Care rinse-off products formulated to be biodegradable [pp. 25-28](#)

Prohibiting the use of plastic microbeads and plastic glitter in our products [pp. 25-28](#)

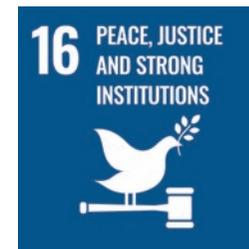
Improving water efficiency at our manufacturing sites [pp. 25-28](#)



### Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss

Sourcing paper and board, catalogues, wood and palm oil from sustainable sources [pp. 29-33](#)

Avoiding the use of materials derived from protected or endangered flora and fauna [pp. 49-55](#)



### Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

Respecting human rights for employees and suppliers via Employee Code of Conduct and Supplier Code of Conduct [pp. 70-73](#)

Conducting human rights risk assessment when entering a new market [pp. 70-73](#)

Having a compliance-breach reporting mechanism available for all stakeholders [pp. 70-73](#)

Terminating existing business relationships with suppliers in case of systematic human rights breaches or systematic cases of corruption [pp. 70-73](#)



# Performance summary

## Environmental performance

| Water   |                        | 2020 | 2021 | 2022 | Unit       |
|---|------------------------|------|------|------|------------|
| Products developed with natural-origin exfoliants (zero plastic microbeads)           |                        | 100  | 100  | 100  | %          |
| New Skin Care and Personal Care rinse-off developments formulated to be biodegradable |                        | 100  | 100  | 100  | %          |
| Total water withdrawn   | All facilities         | 322  | 336  | 327  | Megalitres |
|   | Manufacturing sites    | 255  | 258  | 190  |            |
|   | Offices and warehouses | 67   | 78   | 137  |            |
| Total water consumed  | All facilities         | 169  | 194  | 200  | Megalitres |
|   | Manufacturing sites    | 155  | 151  | 110  |            |
|   | Offices and warehouses | 14   | 43   | 90   |            |
| Total water discharged  | All facilities         | 153  | 142  | 127  | Megalitres |
|   | Manufacturing sites    | 99   | 106  | 79   |            |
|   | Offices and warehouses | 54   | 36   | 48   |            |



| Forest   |                                   | 2020  | 2021   | 2022    | Unit  |
|--|-----------------------------------|-------|--------|---------|-------|
| Amount of product packaging  |                                   | 1,360 | 5,884* | 1,006** | Tonne |
| Amount of catalogue paper  |                                   | 9,960 | 12,813 | 6,107*  | Tonne |
| Catalogues from credible certified sources or recycled materials   |                                   | 99    | 99     | 98*     | %     |
| Product packaging  | From FSC™ certified sources       | 96    | 99     | 88      | %     |
|  | From recycled materials           | 0     | <1     | 2       | %     |
|  | From virgin non-certified sources | 4     | <1     | 10      | %     |
| Amount of certified sustainable derivatives of palm oil and palm kernel oil in our raw materials           | Mass Balance                      | 806   | 1,245  | 1,417   | Tonne |
|  | RSPO Book & Claim Credits         | 636   | 233    | 74      | Tonne |
| Amount of certified sustainable derivatives of palm oil and palm kernel oil in our subcontracted soap bars | Mass Balance                      | 1,894 | 1,691  | 1,163   | Tonne |
|  | RSPO Book & Claim Credits         | 312   | 229    | 230     | Tonne |
| Share of certified sustainable derivatives of palm oil and palm kernel oil in our raw materials            | Mass Balance                      | 56    | 84     | 95      | %     |
|  | RSPO Book & Claim Credits         | 44    | 16     | 5       | %     |
| Share of certified sustainable derivatives of palm oil and palm kernel oil in our subcontracted soap bars  | Mass Balance                      | 86    | 88     | 83      | %     |
|  | RSPO Book & Claim Credits         | 14    | 12     | 17      | %     |
| Share of derivatives of palm oil and palm kernel oil in our raw materials                                  | Palm oil                          | N/A   | 18     | 12      | %     |
|  | Palm kernel oil                   | N/A   | 82     | 88      | %     |

\*Incorrect volumes reported for 2021. The correct information will be updated in the next reporting period.

\*\*Data from forest assessment supplier survey. Response rate of 89%.



| Forest  |                   | 2020 | 2021 | 2022 | Unit        |
|---|-------------------|------|------|------|-------------|
| Share of derivatives of palm oil and palm kernel oil in our subcontracted soap bars | Palm oil          | N/A  | 80   | 80   | %           |
|   | Palm kernel oil   | N/A  | 20   | 20   | %           |
| CDP Score   | Forest - Timber   | C    | A-   | B    | Score (A-D) |
|   | Forest - Palm Oil | C    | B    | A-   | Score (A-D) |



# GHG emissions in scope of our approved Science-Based Targets

| GHG emission source   | Scope   | Included in Science-Based Targets (SBTs)                                     |
|---|---------|--|
| Stationary fuel combustion                                    | Scope 1 | ●  |
| Vehicle fleet   | Scope 1 | ●  |
| Refill of refrigerants  | Scope 1 | ●  |
| Purchased electricity, heat, steam and cooling (market-based) | Scope 2 | ●  |
| Purchased goods and services                                  | Scope 3 | ◐  |
| Capital goods   | Scope 3 | Negligible as GHG emissions were ≤ 0.01% of total                            |
| Fuel- and energy-related activities                           | Scope 3 | Excluded from SBT due to limited impact to influence GHG emission reductions |
| Upstream transportation and distribution                      | Scope 3 | ●  |
| Waste generated in operations                                 | Scope 3 | ◐  |
| Business travel   | Scope 3 | ◐  |
| Employee commuting  | Scope 3 | Excluded from SBT due to limitations in activity data collection             |
| Upstream leased assets  | Scope 3 | Excluded from SBT due to limited impact to influence GHG emission reductions |
| Downstream transportation and distribution                    | Scope 3 | ●  |
| Processing of sold products                                   | Scope 3 | Not applicable to Oriflame   |
| Use of sold products  | Scope 3 | ◐  |
| End-of-life treatment of sold products                        | Scope 3 | Excluded from SBT due to limitations in activity data collection             |
| Downstream leased assets                                      | Scope 3 | ●  |
| Franchises  | Scope 3 | Negligible as GHG emissions were ≤ 0.01% of total                            |
| Investments   | Scope 3 | Not applicable to Oriflame   |

● = Fully included    ◐ = Partially included



| Climate                              |  | 2019                | 2021                    | 2022                       | Unit  |
|--------------------------------------|--|---------------------|-------------------------|----------------------------|---|
| Absolute Scope 1 and 2 GHG emissions |  | 6,931<br>(Baseline) | 5,402 (-22%<br>vs 2019) | 4,532<br>(-35% vs<br>2019) | Tonne CO <sub>2</sub> e                           |
| Scope 3 GHG emissions per unit sold  |  | 788<br>(Baseline)   | 604 (-23% vs<br>2019)   | 638 (-19%<br>vs 2019)      | Tonne CO <sub>2</sub> e per millions unit<br>sold |
| Scope 1 GHG<br>emissions             | <b>Total Scope 1</b>                       | <b>5,242</b>        | <b>3,796</b>            | <b>3,281</b>               | Tonne CO <sub>2</sub> e                           |
|                                      | Fuel combustion                            | 2,598               | 2,442                   | 1,992                      | Tonne CO <sub>2</sub> e                           |
|                                      | Oriflame-owned vehicles                    | 988                 | 621                     | 660                        | Tonne CO <sub>2</sub> e                           |
|                                      | Refill of refrigerants                     | 1,656               | 733                     | 628                        | Tonne CO <sub>2</sub> e                           |
| Scope 2 GHG<br>emissions             | <b>Total Scope 2 (Market-based)</b>        | <b>1,689</b>        | <b>1,606</b>            | <b>1,251</b>               | Tonne CO <sub>2</sub> e                           |
|                                      | Total Scope 2 (Location-based)             | 18,647              | 15,064                  | 12,482                     | Tonne CO <sub>2</sub> e                           |
| Scope 3 GHG<br>emissions**           | <b>Total Scope 3</b>                       | <b>316,334</b>      | <b>207,583*</b>         | <b>157,585</b>             | Tonne CO <sub>2</sub> e                           |
|                                      | Purchased goods and services               | 185,245             | 92,493                  | 75,230                     | Tonne CO <sub>2</sub> e                           |
|                                      | Upstream transportation and distribution   | 15,095              | 10,769                  | 7,072                      | Tonne CO <sub>2</sub> e                           |
|                                      | Waste generated in operations              | 3,047               | 724                     | 748                        | Tonne CO <sub>2</sub> e                           |
|                                      | Business travel                            | 8,401               | 4,335                   | 3,715                      | Tonne CO <sub>2</sub> e                           |
|                                      | Downstream transportation and distribution | 53,330              | 51,800*                 | 40,230                     | Tonne CO <sub>2</sub> e                           |
|                                      | Use of sold products***                    | 4,321               | 3,943                   | 2,165                      | Tonne CO <sub>2</sub> e                           |
|                                      | Downstream leased assets                   | 46,895              | 43,519                  | 28,425                     | Tonne CO <sub>2</sub> e                           |
| CDP Score – Climate                  |  | B                   | B                       | B                          | Score (A-D)                                       |

\* Downstream transportation and distribution emissions in 2021 (50,891 tCo2e as communicated in Sustainability Report 2021) were re-calculated in 2022. This resulted in total Scope 3 emissions 207,583 tCo2e in 2021 (206,674 tCo2e as communicated in Sustainability Report 2021). Scope 3 emissions per million units sold were 604 tCO<sub>2</sub>e/million units in 2021 (600.9 tCO<sub>2</sub>e/million units as communicated in Sustainability Report 2021) and reduction in Scope 3 GHG emissions per unit sold in 2021 vs 2019 was 23% (24% as communicated in Sustainability Report 2021).

\*\*Scope 3 GHG emissions in scope for our approved Science-Based Targets. CDP Climate figures submitted annually may differ as they also include emission sources that were excluded from our Science-Based Targets.

\*\*\*Emission factors for n-butane and propane used to calculate GHG emission data in 2021, 2022 are not based on the IPCC AR6 report, to remain consistent with the calculation of 2019 base-year data.



| Electricity consumption   | 2020 | 2021 | 2022 | Unit |
|---|------|------|------|------|
| Renewable electricity at Oriflame-operated sites (offices, warehouses, manufacturing sites) | 100  | 100  | 100  | %    |

| Energy consumption at all sites (offices, warehouses, manufacturing sites)* | 2020                     | 2021   | 2022   | Unit             |     |
|---|--------------------------|--------|--------|------------------|-----|
| Energy consumption from renewable sources                                   | 26,200                   | 25,320 | 22,850 | MWh              |     |
| Energy consumption from non-renewable sources                               | 22,090                   | 22,330 | 17,440 | MWh              |     |
| Energy consumption by source (within the organisation)                      | Total energy consumption | 48,290 | 47,650 | 40,290           | MWh |
|   | Renewable electricity    | 26,150 | 25,250 | 22,760           | MWh |
|   | Natural gas              | 11,560 | 11,870 | 8,040            | MWh |
|   | District heating         | 9,750  | 9,400  | 7,330            | MWh |
|   | District cooling         | 50     | 60     | 90               | MWh |
|   | Diesel                   | 690    | 810    | 2,070            | MWh |
|   | Burning oil              | 90     | 260    | N/A              | MWh |
| Energy consumption ratio (within the organisation)                          | 42                       | 47     | 44     | MWh per €m sales |     |

\* Numbers rounded to the nearest 10.



| Waste at own manufacturing sites*                   | 2019<br>(baseline) | 2021 | 2022 | Unit |
|---|--------------------|------|------|------|
| Share of recycled waste (excluding hazardous waste) | N/A                | 68   | 72   | %    |
| Share of waste sent to landfill                     | 1                  | <1   | 0    | %    |

| Manufacturing* waste diverted from disposal |   | 2020             | 2021       | 2022       | 2020            | 2021         | 2022         | Unit         |
|---|---|------------------|------------|------------|-----------------|--------------|--------------|--------------|
|   | <b>Waste composition</b>                  | <b>Composted</b> |            |            | <b>Recycled</b> |              |              |              |
| <b>Non-hazardous waste</b>                  | Metal and glass                           | N/A              | 0          | 0          | N/A             | 92           | 56           | Tonne        |
|   | Wood, paper and board                     | N/A              | 0          | 0          | N/A             | 1,216        | 895          | Tonne        |
|   | Plastic                                   | N/A              | 0          | 0          | N/A             | 148          | 115          | Tonne        |
|   | Other non-hazardous waste                 | N/A              | 127        | 166        | N/A             | 0            | 2            | Tonne        |
| <b>Hazardous waste</b>                      | Electronic                                | N/A              | 0          | 0          | N/A             | <1           | 2            | Tonne        |
|   | Raw materials (consumables and packaging) | N/A              | 0          | 0          | N/A             | 85           | 62           | Tonne        |
| <b>Total</b>                                |   | <b>147</b>       | <b>127</b> | <b>166</b> | <b>1,718</b>    | <b>1,541</b> | <b>1,132</b> | <b>Tonne</b> |

\*Our Wellness manufacturing site in China was excluded from the target due to property limitations restricting our abilities to operational improvements.



| Manufacturing* waste directed to disposal |   | 2020        | 2021       | 2022       | 2020       | 2021     | 2022     | Unit         |
|---|---|-------------|------------|------------|------------|----------|----------|--------------|
| Waste composition                         |   | Incinerated |            |            | Landfilled |          |          |              |
| Non-hazardous waste                       | Metal and glass                           | N/A         | 0          | 0          | N/A        | 0        | 0        | Tonne        |
|   | Wood, paper and board                     | N/A         | 23         | 11         | N/A        | 0        | 0        | Tonne        |
|   | Plastic                                   | N/A         | 25         | 18         | N/A        | 0        | 0        | Tonne        |
|   | Other non-hazardous waste                 | N/A         | 496        | 399        | N/A        | 6        | 0        | Tonne        |
| Hazardous waste                           | Electronic                                | N/A         | <1         | 0          | N/A        | 0        | 0        | Tonne        |
|   | Raw materials (consumables and packaging) | N/A         | 143        | 58         | N/A        | <1       | 0        | Tonne        |
| <b>Total</b>                              |   | <b>265</b>  | <b>687</b> | <b>486</b> | <b>3</b>   | <b>7</b> | <b>0</b> | <b>Tonne</b> |

\*Our Wellness manufacturing site in China was excluded from the target due to property limitations restricting our abilities to operational improvements.



| Waste from offices and warehouses diverted from disposal |   | 2020      | 2021      | 2022      | 2020         | 2021         | 2022         | Unit         |
|--|---|-----------|-----------|-----------|--------------|--------------|--------------|--------------|
|  | Waste composition                         | Composted |           |           | Recycled     |              |              |              |
| Non-hazardous waste                                      | Metal and glass                           | N/A       | 0         | 0         | N/A          | 7            | 13           | Tonne        |
|  | Wood, paper and board                     | N/A       | 9         | 0         | N/A          | 1,687        | 1,371        | Tonne        |
|  | Plastic                                   | N/A       | 0         | 0         | N/A          | 43           | 32           | Tonne        |
|  | Other non-hazardous waste                 | N/A       | 39        | 28        | N/A          | 5            | 123          | Tonne        |
| Hazardous waste  | Electronic                                | N/A       | 0         | 0         | N/A          | <1           | 1            | Tonne        |
|  | Raw materials (consumables and packaging) | N/A       | 0         | 0         | N/A          | 52           | 1            | Tonne        |
| <b>Total</b>   |   | <b>69</b> | <b>48</b> | <b>28</b> | <b>1,380</b> | <b>1,794</b> | <b>1,541</b> | <b>Tonne</b> |



| Waste from offices and warehouses diverted from disposal |   | 2020               | 2021       | 2022         | 2020              | 2021       | 2022       | Unit         |
|--|---|--------------------|------------|--------------|-------------------|------------|------------|--------------|
|  | <b>Waste composition</b>                  | <b>Incinerated</b> |            |              | <b>Landfilled</b> |            |            |              |
| <b>Non-hazardous waste</b>                               | Metal and glass                           | N/A                | 0          | 28           | N/A               | 28         | 50         | Tonne        |
|  | Wood, paper and board                     | N/A                | 0          | 51           | N/A               | 5          | 214        | Tonne        |
|  | Plastic                                   | N/A                | 70         | 15           | N/A               | <1         | 102        | Tonne        |
|  | Other non-hazardous waste                 | N/A                | 3          | 3,763        | N/A               | 42         | 477        | Tonne        |
| <b>Hazardous waste</b>                                   | Electronic                                | N/A                | <1         | 0            | N/A               | 0          | 0          | Tonne        |
|  | Raw materials (consumables and packaging) | N/A                | 3          | 3            | N/A               | 1          | 1          | Tonne        |
| <b>Total</b>   |   | <b>37</b>          | <b>118</b> | <b>3,860</b> | <b>1,444</b>      | <b>942</b> | <b>844</b> | <b>Tonne</b> |

| Formulations   | 2020 | 2021 | 2022 | Unit |
|--|------|------|------|------|
| New Cosmetic and Wellness raw materials screened in our Ingredient Material Rationale process      | 100  | 100  | 100  | %    |
| Natural-origin alcohols in Oriflame products   | 100  | 100  | 100  | %    |
| Revenue originating from products containing ingredients on the REACH SVHC candidate list          | N/A  | 222  | 139* | €m   |
| Share of revenue originating from products containing ingredients on the REACH SVHC candidate list | 16   | 22   | 15*  | %    |

\*Candidate list December 2022.



## Social performance

| Creating opportunities for Brand Partners     | 2020 | 2021 | 2022 | Unit           |
|---|------|------|------|----------------|
| Brand Partner bonus and performance discounts | 315  | 249  | 244  | €m             |
| Markets with our e-learning platform          | 50   | 51   | 50   | No. of markets |

| Employment                       |             | 2020* | 2021* | 2022* | Unit           |
|----------------------------------|-------------|-------|-------|-------|----------------|
| Total employees                  |             | 5,660 | 5,205 | 4,715 | No. of persons |
| Employees by employment contract | Permanent   | 5,229 | 4,671 | 4,299 | No. of persons |
|                                  | Temporary   | 431   | 534   | 416   | No. of persons |
| Employees by employment type     | Full-time   | 5,570 | 5,157 | 4,668 | No. of persons |
|                                  | Part-time   | 90    | 48    | 47    | No. of persons |
| Employees by age group           | <30 years   | 1,054 | 1,009 | 746   | No. of persons |
|                                  | 30-39 years | 2,559 | 2,205 | 1,898 | No. of persons |
|                                  | 40-49 years | 1,539 | 1,448 | 1,450 | No. of persons |
|                                  | 50-59 years | 454   | 480   | 544   | No. of persons |
|                                  | >59 years   | 54    | 63    | 44    | No. of persons |



| Employment                                    |                          | 2020* | 2021* | 2022*    | Unit               |
|---|--------------------------|-------|-------|----------|--------------------|
| Employees by region                           | Latin America            | 572   | 400   | 407      | No. of persons     |
|   | Europe                   | 1,008 | 1,239 | 1,262    | No. of persons     |
|   | CIS                      | 1,373 | 1,126 | 1,071    | No. of persons     |
|   | Asia                     | 1,379 | 1,041 | 1,005    | No. of persons     |
|   | Turkey & Africa          | 572   | 414   | 398      | No. of persons     |
|   | Corporate offices & GSOs | 756   | 985   | 572      | No. of persons     |
| Employees by job position                     | Global Management Team   | 198   | 223   | 179      | No. of persons     |
|   | Managing Directors       | 33    | 27    | 33       | No. of persons     |
|   | Regional Directors       | 10    | 14    | 8        | No. of persons     |
|   | Group Management         | 10    | 11    | 10       | No. of persons     |
|   | Board of Directors       | 5**   | 5**   | 7**      | No. of persons     |
| Total number of workers who are not employees |                          | N/A   | N/A   | 1,100*** | No. of persons**** |
| Employees with permanent contract by region   | Latin America            | 572   | 369   | 383      | No. of persons     |
|   | Europe                   | 923   | 1,095 | 1,122    | No. of persons     |
|   | CIS                      | 1,352 | 1,077 | 1,045    | No. of persons     |
|   | Asia                     | 1,113 | 831   | 816      | No. of persons     |
|   | Turkey & Africa          | 567   | 399   | 390      | No. of persons     |
|   | Corporate offices & GSOs | 702   | 885   | 543      | No. of persons     |

\* Average FTE

\*\* Oriflame Holding Ltd

\*\*\* Seasonal workers on the production floor and in our warehouses hired through local agencies.

\*\*\*\* Rounded to the nearest 100.



| Employment                                  |                          | 2020* | 2021* | 2022* | Unit           |
|---|--------------------------|-------|-------|-------|----------------|
| Employees with temporary contract by region | Latin America            | 0     | 26    | 24    | No. of persons |
|   | Europe                   | 85    | 125   | 140   | No. of persons |
|   | CIS                      | 21    | 33    | 26    | No. of persons |
|   | Asia                     | 266   | 195   | 189   | No. of persons |
|   | Turkey & Africa          | 5     | 9     | 8     | No. of persons |
|   | Corporate offices & GSOs | 54    | 85    | 29    | No. of persons |
| Employees working full-time by region       | Latin America            | N/A   | N/A   | 398   | No. of persons |
|   | Europe                   | N/A   | N/A   | 1,246 | No. of persons |
|   | CIS                      | N/A   | N/A   | 1,069 | No. of persons |
|   | Asia                     | N/A   | N/A   | 1,006 | No. of persons |
|   | Turkey & Africa          | N/A   | N/A   | 398   | No. of persons |
|   | Corporate offices & GSOs | N/A   | N/A   | 551   | No. of persons |
| Employees working part-time by region       | Latin America            | N/A   | N/A   | 9     | No. of persons |
|   | Europe                   | N/At  | N/A   | 16    | No. of persons |
|   | CIS                      | N/A   | N/A   | 2     | No. of persons |
|   | Asia                     | N/A   | N/A   | 0     | No. of persons |
|   | Turkey & Africa          | N/A   | N/A   | 0     | No. of persons |
|   | Corporate offices & GSOs | N/A   | N/A   | 20    | No. of persons |
| Global new employee hires rate**            |                          | 9     | 11    | 10    | %              |

\*Average FTE

\*\*New employee hires rate is defined as the ratio of employee hires per total number of employees.



| Employment                            |                          | 2020* | 2021* | 2022* | Unit |
|---------------------------------------|--------------------------|-------|-------|-------|------|
| New employees hire rate* by age group | <30 years                | 20    | 29    | 29    | %    |
|                                       | 30–39 years              | 8     | 10    | 9     | %    |
|                                       | 40–49 years              | 4     | 6     | 4     | %    |
|                                       | 50–59 years              | 3     | 4     | 4     | %    |
|                                       | >59 years                | 4     | 4     | 4     | %    |
| New employees hire rate* by region    | Latin America            | 7     | 12    | 13    | %    |
|                                       | Europe                   | 13    | 12    | 9     | %    |
|                                       | CIS                      | 11    | 16    | 13    | %    |
|                                       | Asia                     | 6     | 7     | 14    | %    |
|                                       | Turkey & Africa          | 9     | 12    | 7     | %    |
|                                       | Corporate offices & GSOs | N/A   | 8     | 8     | %    |
| Global turnover rate**                |                          | 26    | 20    | 31    | %    |
| Turnover rate** by age group          | <30 years                | 31    | 35    | 51    | %    |
|                                       | 30–39 years              | 24    | 21    | 31    | %    |
|                                       | 40–49 years              | 24    | 14    | 24    | %    |
|                                       | 50–59 years              | 26    | 9     | 22    | %    |
|                                       | >59 years                | 96    | 27    | 46    | %    |

\*New employee hire rate is defined as the ratio of employee hires per total number of employees.

\*\*Turnover rate is defined as the ratio of employee leaves per total number of employees.



| Employment  |                          | 2020 | 2021 | 2022 | Unit  |
|---|--------------------------|------|------|------|-------|
| Turnover rate* by region                                | Latin America            | 26   | 24   | 27   | %     |
|   | Europe                   | 18   | 17   | 24   | %     |
|   | CIS                      | 17   | 23   | 42   | %     |
|   | Asia                     | 16   | 22   | 32   | %     |
|   | Turkey & Africa          | 17   | 28   | 35   | %     |
|   | Corporate offices & GSOs | N/A  | 15   | 38   | %     |
| Global average tenure                                   |                          | 6.7  | 7.9  | 8.2  | Years |
| Global average age                                      |                          | 37   | 39   | 39   | Years |
| Employees covered by collective bargaining agreements** |                          | N/A  | N/A  | 8    | %     |

\*Turnover rate is defined as the ratio of employee leaves per total number of employees.

\*\* All Oriflame employees always have the right to join or not join unions as well as the right to collective bargaining.



| Training and education                                     | 2020 | 2021 | 2022  | Unit              |
|--|------|------|-------|-------------------|
| Active LinkedIn learning licenses (out of 1,000 purchased) | 993  | 970  | 602** | No. of licenses   |
| Average LinkedIn learning training per employee            | 3.3  | 3.1  | 3.5   | Hours per learner |

| Diversity and equal opportunity  |             | 2020 | 2021 | 2022 | Unit |
|----------------------------------|-------------|------|------|------|------|
| Total employees by gender        | Female      | 59   | 58   | 58   | %    |
|                                  | Male        | 41   | 42   | 42   | %    |
| Global Management Team by gender | Female      | 42   | 45   | 44   | %    |
|                                  | Male        | 57   | 55   | 56   | %    |
| Managing Directors by gender     | Female      | 42   | 41   | 38   | %    |
|                                  | Male        | 58   | 59   | 62   | %    |
| Regional Directors by gender     | Female      | 40   | 21   | 25   | %    |
|                                  | Male        | 60   | 79   | 75   | %    |
| Group Management by gender       | Female      | 40   | 45   | 40   | %    |
|                                  | Male        | 60   | 55   | 60   | %    |
| Board of Directors* by gender    | Female      | 40   | 40   | 29   | %    |
|                                  | Male        | 60   | 60   | 71   | %    |
| Total employees by age group     | <30 years   | 19   | 17   | 16   | %    |
|                                  | 30-39 years | 45   | 41   | 40   | %    |
|                                  | 40-49 years | 27   | 30   | 31   | %    |
|                                  | 50-59 years | 8    | 10   | 12   | %    |
|                                  | >59 years   | 1    | 2    | 1    | %    |

\*Oriflame Holding Ltd

\*\* Out of 800 = 84% activation rate



| Diversity and equal opportunity     |             | 2020 | 2021 | 2022 | Unit |
|-------------------------------------|-------------|------|------|------|------|
| Global Management Team by age group | <30 years   | 0    | 0    | 0    | %    |
|                                     | 30-39 years | 18   | 11   | 8    | %    |
|                                     | 40-49 years | 61   | 59   | 59   | %    |
|                                     | 50-59 years | 21   | 29   | 31   | %    |
|                                     | >59 years   | 0    | 1    | 2    | %    |
| Managing Directors by age group     | <30 years   | 3    | 0    | 0    | %    |
|                                     | 30-39 years | 24   | 11   | 10   | %    |
|                                     | 40-49 years | 61   | 63   | 55   | %    |
|                                     | 50-59 years | 12   | 22   | 31   | %    |
|                                     | >59 years   | 0    | 4    | 4    | %    |
| Regional Directors by age group     | <30 years   | 0    | 0    | 0    | %    |
|                                     | 30-39 years | 0    | 0    | 0    | %    |
|                                     | 40-49 years | 70   | 42   | 38   | %    |
|                                     | 50-59 years | 30   | 57   | 62   | %    |
|                                     | >59 years   | 0    | 0    | 0    | %    |
| Group Management by age group       | <30 years   | 0    | 0    | 0    | %    |
|                                     | 30-39 years | 0    | 0    | 0    | %    |
|                                     | 40-49 years | 40   | 38   | 50   | %    |
|                                     | 50-59 years | 60   | 62   | 50   | %    |
|                                     | >59 years   | 0    | 0    | 0    | %    |



| Diversity and equal opportunity                        |                            | 2020  | 2021  | 2022  | Unit                 |
|--|----------------------------|-------|-------|-------|----------------------|
| Board of Directors by age group*                       | <30 years                  | 0     | 0     | 0     | %                    |
|  | 30–39 years                | 0     | 0     | 0     | %                    |
|  | 40–49 years                | 60    | 20    | 14    | %                    |
|  | 50–59 years                | 20    | 60    | 72    | %                    |
|  | >59 years                  | 20    | 20    | 14    | %                    |
| Employees with permanent contract by gender            | Female                     | 3,033 | 2,673 | 2,454 | No. of persons       |
|  | Male                       | 2,196 | 2,013 | 1,831 | No. of persons       |
|  | Not specified or not known | N/A   | N/A   | 14    | No. of persons       |
| Employees with temporary contract by gender            | Female                     | 290   | 303   | 270   | No. of persons       |
|  | Male                       | 141   | 176   | 145   | No. of persons       |
|  | Not specified or not known | N/A   | N/A   | 1     | No. of persons       |
| Employees working full-time by gender                  | Female                     | 3,252 | 2,909 | 2,689 | No. of persons       |
|  | Male                       | 2,318 | 2,169 | 1,965 | No. of persons       |
|  | Not specified or not known | N/A   | N/A   | 14    | No. of persons       |
| Employees working part-time by gender                  | Female                     | 70    | 67    | 36    | No. of persons       |
|  | Male                       | 20    | 20    | 11    | No. of persons       |
| Total number of nationalities                          |                            | 71    | 72    | 70    | No. of nationalities |
| Nationalities in the six Global Support Offices (GSOs) |                            | 43    | 45    | 41    | No. of nationalities |

\*Oriflame Holding Ltd



| Market presence  | 2020 | 2021 | 2022 | Unit |
|--|------|------|------|------|
| Senior management at significant locations hired from the local community* | 52   | 74   | 74   | %    |

\*Senior management is defined as the Global Management Team. Significant location is defined as Oriflame entities with more than 100 employees. Local is defined as being from the same country as the assessed Oriflame entity.

| Occupational health and safety                                       | 2020  | 2021 | 2022 | Unit |                                     |
|--|---|------|------|------|-------------------------------------|
| Occupational injuries (rate of all recordable work-related injuries) | Oriflame all  | 2.3  | 1.1  | 1.4  | Injuries per million hours worked** |
|  | Manufacturing   | 3.1  | 0.6  | 0.8  | Injuries per million hours worked** |
|  | Non-manufacturing   | 2.2  | 1.2  | 1.3  | Injuries per million hours worked** |
| Lost-time injury frequency rate                                      | Oriflame all  | 1.4  | 0.7  | 1.1  | Injuries per million hours worked** |
|  | Manufacturing   | 3.1  | 0.7  | 0.8  | Injuries per million hours worked** |
|  | Non-manufacturing   | 1.3  | 0.7  | 1    | Injuries per million hours worked** |
| Fatalities as a result of work-related injury                        | Oriflame all  | 0    | 0    | 0    | No. of fatalities                   |
|  | Contractors/suppliers working on Oriflame premises or on behalf of Oriflame | 0    | 0    | 0    | No. of fatalities                   |
| High-consequence work-related injuries (excluding fatalities)        | Oriflame all  | 0    | 0    | 0    | No. of fatalities                   |
|  | Contractors/suppliers working on Oriflame premises or on behalf of Oriflame | 0    | 0    | 0    | No. of injuries                     |
| Lost-time work-related injuries                                      | Oriflame all  | 14   | 7    | 9    | No. of injuries                     |
|  | Manufacturing   | 3    | 1    | 1    | No. of injuries                     |
|  | Non-manufacturing   | 11   | 6    | 8    | No. of injuries                     |
|  | Contractors/suppliers working on Oriflame premises or on behalf of Oriflame | 1    | 0    | 0    | No. of injuries                     |

\*\*Frequency rates are calculated per 1,000,000 working hours, on the basis of 8-hour working days.



| Occupational health and safety   |   | 2020      | 2021       | 2022      | Unit                    |
|----------------------------------|---|-----------|------------|-----------|-------------------------|
| Recordable work-related injuries | Oriflame all  | 22        | 11         | 12        | No. of injuries         |
|                                  | Manufacturing   | 3         | 1          | 1         | No. of injuries         |
|                                  | Non-manufacturing   | 19        | 10         | 11        | No. of injuries         |
|                                  | Contractors/suppliers working on Oriflame premises or on behalf of Oriflame | 4         | 0          | 2         | No. of injuries         |
| Hours worked                     | Oriflame all  | 9,705,000 | 10,138,500 | 8,434,253 | No. of hours            |
|                                  | Manufacturing   | 984,336   | 1,619,289  | 1,328,864 | No. of hours            |
|                                  | Non-manufacturing   | 8,720,689 | 8,519,210  | 7,105,390 | No. of hours            |
|                                  | Contractors/suppliers working on Oriflame premises or on behalf of Oriflame | N/A       | N/A        | N/A       | No. of hours            |
| Work-related ill-health          | Oriflame all  | 0         | 6          | 6         | No. of recordable cases |
|                                  | Contractors/suppliers working on Oriflame premises or on behalf of Oriflame | 0         | 0          | 0         | No. of recordable cases |
| Absenteeism rate*                | Oriflame all  | 3.7       | 2.6        | 2.7       | %                       |

\*Number of days of absence per number of working days.

| Sustainable suppliers     |                 | 2020 | 2021 | 2022 | Unit |
|---------------------------|-----------------|------|------|------|------|
| Remote and on-site audits | On-site audits  | 77   | 93   | 73   | %    |
|                           | Remote audits** | 23   | 7    | 27   | %    |

\*\*Implemented due to the Covid-19 pandemic.



| Sustainable suppliers              |                  | 2020 | 2021 | 2022 | Unit |
|------------------------------------|------------------|------|------|------|------|
| Sustainability audit score results | A - Excellent    | 0    | 0    | 4    | %    |
|                                    | B - Good         | 42   | 55   | 50   | %    |
|                                    | C - Acceptable   | 50   | 24   | 27   | %    |
|                                    | D - Weak/Poor    | 4    | 21   | 11   | %    |
|                                    | E - Unacceptable | 4    | 0    | 8    | %    |

| Human Rights   |  | 2020 | 2021 | 2022 | Unit                            |
|--|--|------|------|------|---------------------------------|
| Human rights assessments conducted for new markets   |  | N/A  | N/A  | 0    | No. of human rights assessments |
| Business relationships with suppliers terminated due to human rights breaches or systematic cases of corruption and/or bribery |  | 0    | 0    | 0    | No. of suppliers terminated     |

| Ethics and compliance                           |  | 2020 | 2021  | 2022 | Unit           |
|---|--|------|-------|------|----------------|
| Employees conducted Code of Conduct e-learning  |  | 409  | 1,262 | 317* | No. of persons |
| Managers submitted the Annual Compliance Pledge |  | 253  | 262   | 761  | No. of persons |

| Oriflame Foundation             |  | 2020 | 2021 | 2022 | Unit |
|---------------------------------|--|------|------|------|------|
| Total amount raised for charity |  | 1.18 | 0.92 | 0.73 | €m   |



# SASB Index

For 2022 we are partially aligned with the Sustainability Accounting Standards Board (SASB) standard on Household & Personal Products within the Consumer Goods sector (version 2018-10).

## Sustainability Disclosure Topics & Accounting Metrics

| Code         | Topic   | Accounting metric   | Location  |
|--------------|---|---|---|
| CG-HP-140a.1 | Water management  | (1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress  | <a href="#">Water pp. 25-28</a><br><a href="#">Performance summary pp. 107-127</a>  |
| CG-HP-140a.2 | Water management  | Description of water management risks and discussion of strategies and practices to mitigate those risks  | <a href="#">Water pp. 25-28</a>   |
| CG-HP-250a.1 | Product environmental, health, and safety performance     | Revenue from products that contain REACH substances of very high concern (SVHC)   | <a href="#">Respect for Nature - Goals and commitments p. 62</a>                    |
| CG-HP-250a.3 | Product environmental, health, and safety performance     | Discussion of process to identify and manage emerging materials and chemicals of concern  | <a href="#">Formulations pp. 49-55</a>  |
| CG-HP-410a.2 | Packaging lifecycle management                            | Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle   | <a href="#">Packaging pp. 43-48</a>   |
| CG-HP-430a.1 | Environmental and social impacts of palm oil supply chain | Amount of palm oil sourced, percentage certified through the Roundtable on Sustainable Palm Oil (RSPO) supply chains as (a) Identity Preserved, (b) Segregated, (c) Mass Balance, or (d) Book & Claim | <a href="#">Forest pp. 29-33</a><br><a href="#">Performance summary pp. 107-127</a> |

## Activity metrics

| Code        | Accounting metric                  | Location   |
|-------------|------------------------------------|--|
| CG-HP-000.B | Number of manufacturing facilities | <a href="#">Geographical footprint pp. 11-12</a> |



# TCFD Index

| Governance  |   | Strategy   |  | Risk Management  |  | Metrics and Targets  |  |
|---|---|--|--|--|--|--|--|
| A) The board's oversight of climate-related risks and opportunities.    | <a href="#">Organising for improvements p. 93</a><br>CDP; C1.1b*      | A) The climate-related risks and opportunities the organisation has identified over the short, medium, and long term.                              | <a href="#">Climate scenarios pp. 100-102</a><br>CDP; C2.1a, C.2.3, C2.3a, C2.4, C2.4a | A) The organisation's processes for identifying and assessing climate-related risks.   | <a href="#">Sustainability risks pp. 96-102</a><br><a href="#">Climate scenarios pp. 100-102</a><br>CDP; C2.1, C2.2, C2.2a | A) The metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process. | <a href="#">Respect for Nature – Goals and commitments pp. 56-62</a><br>CDP; C4.2, C4.2a C4.2b, C9.1   |
| B) Management's role in assessing and managing risks and opportunities. | <a href="#">Organising for improvements p. 93</a><br>CDP; C1.2, C1.2a | B) The impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.                       | <a href="#">Climate scenarios p. 100-102</a><br>CDP; C2.3a, C2.4a, C3.1, C3.3, C3.4,   | B) The organisation's processes for managing climate-related risks.  | <a href="#">Sustainability risks pp. 96-102</a><br><a href="#">Climate scenarios pp. 100-102</a><br>CDP; C2.1, C2.2        | B) Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.   | <a href="#">Respect for Nature – Goals and commitments pp. 56-62</a><br><a href="#">Performance summary pp. 107-127</a><br>CDP; C6.1, C6.3, C6.5 |
|   |   | C) The resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2c or lower scenario. | <a href="#">Climate scenarios pp. 100-102</a>  | C) How processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management. | <a href="#">Sustainability risks pp. 96-102</a><br><a href="#">Climate scenarios pp. 100-102</a><br>CDP; C2.1, C2.2        | C) The targets used by the organisation to manage climate-related risks and opportunities and performance against targets.                       | <a href="#">Respect for Nature – Goals and commitments pp. 56-62</a><br>CDP; C4.1, C4.1a, C4.1b, C4.2, C4.2a, C4.2b                              |

\*CDP questionnaire Climate – Oriflame Holding Ltd.



# GRI Index

|                         |   |
|-------------------------|---|
| <b>Statement of use</b> | Oriflame Ltd. has reported the information cited in this GRI content index for the period 1 January 2022 to 31 December 2022 with reference to the GRI Standards. |
| <b>GRI 1 used</b>       | GRI 1 Foundation 2021.  |

## General disclosures

| GRI Standard                      | Disclosure   | Location  | Omission               |        |          |
|-----------------------------------|--|---|------------------------|--------|----------|
|                                   |  |   | Requirement(s) omitted | Reason | Comments |
| GRI 2: General Disclosures (2021) | 2-1 Organisational details   | <a href="#">About this report p.147</a><br><a href="#">This is Oriflame p.10</a><br><a href="#">Geographical footprint pp.11-12</a><br><a href="#">2022 Annual Report Performance summary pp. 107-127</a> |                        |        |          |
|                                   | 2-2 Entities included in the organisation's sustainability reporting | <a href="#">About this report p. 147</a>  |                        |        |          |
|                                   | 2-3 Reporting period, frequency and contact point                    | <a href="#">About this report p. 147</a>  |                        |        |          |
|                                   | 2-4 Restatements of information                                      | <a href="#">About this report p. 147</a>  |                        |        |          |
|                                   | 2-5 External assurance   | <a href="#">About this report p. 147</a>  |                        |        |          |
|                                   | 2-6 Activities, value chain and other business relationships         | <a href="#">This is Oriflame p. 10</a><br><a href="#">Geographical footprint pp.11-12</a><br><a href="#">2022 Annual Report Human rights pp. 70-73</a>  |                        |        |          |



## General disclosures

|  |   |   | Omission               |                            |  |
|--|---|---|------------------------|----------------------------|--|
| GRI Standard                               | Disclosure  | Location  | Requirement(s) omitted | Reason                     | Comments   |
| GRI 2:<br>General<br>Disclosures<br>(2021) | 2-7 Employees   | <a href="#">2022 Annual Report<br/>Performance summary pp.<br/>107-127</a>                        | b.iii                  | Information<br>unavailable | Data unavailable   |
|  | 2-8 Workers who are not employees   | <a href="#">2022 Annual Report<br/>Performance summary pp.<br/>107-127</a>                        | c.                     | Information<br>unavailable | Data from previous<br>reporting periods<br>unavailable                                     |
|  | 2-9 Governance structure and composition  | <a href="#">2022 Annual Report<br/>Organising for improvements<br/>p. 93</a>                      | c. vi., vii., viii.    | Not applicable             | As a consequence of<br>the delisting in 2019, the<br>data is not applicable<br>to Oriflame |
|  | 2-10 Nomination and selection of the highest<br>governance body                     | <a href="#">2022 Annual Report</a>  | b.                     | Not applicable             | As a consequence of<br>the delisting in 2019, the<br>data is not applicable<br>to Oriflame |
|  | 2-11 Chair of the highest governance body   | <a href="#">2022 Annual Report</a>  |                        |                            |  |
|  | 2-12 Role of the highest governance body in<br>overseeing the management of impacts | <a href="#">2022 Annual Report<br/>Organising for improvements<br/>p. 93</a>                      |                        |                            |  |
|  | 2-13 Delegation of responsibility for<br>managing impacts                           | <a href="#">Organising for improvements<br/>p. 93</a>   |                        |                            |  |
|  | 2-14 Role of the highest governance body in<br>sustainability reporting             | <a href="#">Organising for improvements<br/>p. 93</a><br><a href="#">About this report p. 147</a> |                        |                            |  |
|  | 2-15 Conflicts of interest  | <a href="#">2022 Annual Report</a>  |                        |                            |  |



## General disclosures

|  |   |   | Omission                   |                             |   |
|--|---|---|----------------------------|-----------------------------|---|
| GRI Standard                               | Disclosure  | Location  | Requirement(s) omitted     | Reason                      | Comments  |
| GRI 2:<br>General<br>Disclosures<br>(2021) | 2-16 Communication of critical concerns                           | <a href="#">2022 Annual Report<br/>Human rights pp. 70-73</a> |                            |                             |   |
|  | 2-17 Collective knowledge of the highest governance body          | <a href="#">Organising for improvements<br/>p. 93</a>         |                            |                             |   |
|  | 2-18 Evaluation of the performance of the highest governance body | <a href="#">Organising for improvements<br/>p. 93</a>         | 2-18                       | Not applicable              | As a consequence of the delisting in 2019, the data is not applicable to Oriflame |
|  | 2-19 Remuneration policies  | <a href="#">2022 Annual Report</a>                            | a.ii., iii., iv., v.<br>b. | Not applicable              | As a consequence of the delisting in 2019, the data is not applicable to Oriflame |
|  | 2-20 Process to determine remuneration                            |   | a., b.                     | Not applicable              | As a consequence of the delisting in 2019, the data is not applicable to Oriflame |
|  | 2-21 Annual total compensation ratio                              |   | a., b., c.                 | Confidentiality constraints | Confidential information  |
|  | 2-22 Statement on sustainable development strategy                | <a href="#">CEO Statement pp. 8-9</a>                         |                            |                             |   |
|  | 2-23 Policy commitments   | <a href="#">Human rights pp. 70-73<br/>Corporate website</a>  |                            |                             |   |



## General disclosures

|                                      |  |   | Omission               |                         |   |
|--------------------------------------|--|---|------------------------|-------------------------|---|
| GRI Standard                         | Disclosure                                   | Location  | Requirement(s) omitted | Reason                  | Comments  |
| GRI 2:<br>General Disclosures (2021) | 2-24 Embedding policy commitments            | <a href="#">Human rights pp. 70-73</a><br><a href="#">Performance summary pp. 107-127</a><br><a href="#">2022 Annual Report</a> |                        |                         |   |
|                                      | 2-25 Processes to remediate negative impacts | <a href="#">Sustainability Strategy pp. 13-14</a><br><a href="#">Human rights pp. 70-73</a>                                     | e.                     | Information incomplete  | Information incomplete  |
|                                      | 2-26 Mechanisms for seeking advice           | <a href="#">Report a legal breach or misconduct</a><br><a href="#">Human rights pp. 70-73</a>                                   |                        |                         |   |
|                                      | 2-27 Compliance with laws and regulations    |   | a., b., c., d          | Not applicable          | No significant instances of non-compliance in relation to our material topics in 2022 |
|                                      | 2-28 Membership associations                 | <a href="#">Stakeholder engagement pp. 89-91</a>  |                        |                         |   |
|                                      | 2-29 Approach to stakeholder engagement      | <a href="#">Stakeholder engagement pp. 89-91</a>  |                        |                         |   |
|                                      | 2-30 Collective bargaining agreements        | <a href="#">Performance summary pp. 107-127</a>   | b.                     | Information unavailable | Terms of employment is based on local regulations in respective market                |



## Material topics

|                                     |  |   | Omission               |        |          |
|-------------------------------------|--|---|------------------------|--------|----------|
| GRI Standard                        | Disclosure                               | Location  | Requirement(s) omitted | Reason | Comments |
| GRI 3:<br>Material<br>Topics (2021) | 3-1 Process to determine material topics | <a href="#">Stakeholder engagement pp. 89-91</a><br><a href="#">Materiality pp. 94-95</a> |                        |        |          |
|                                     | 3-2 List of material topics              | <a href="#">Materiality pp. 94-95</a>   |                        |        |          |

## Economic Standards

|   |  |   | Omission               |        |          |
|---|--|---|------------------------|--------|----------|
| GRI Standard                                  | Disclosure   | Location  | Requirement(s) omitted | Reason | Comments |
| <b>Economic performance</b>                   |  |   |                        |        |          |
| GRI 3:<br>Material<br>topics (2021)           | 3-3 Management of material topics  | <a href="#">2022 Annual Report</a>                |                        |        |          |
| GRI 201:<br>Economic<br>performance<br>(2016) | 201-1 Direct economic value generated and distributed                                | <a href="#">2022 Annual Report</a>                |                        |        |          |
|   | 201-2 Financial implications and other risks and opportunities due to climate change | CDP questionnaire Climate – Oriflame Holding Ltd. |                        |        |          |



## Economic Standards

|                                      |  |   | Omission               |                         |   |
|--------------------------------------|--|---|------------------------|-------------------------|---|
| GRI Standard                         | Disclosure   | Location  | Requirement(s) omitted | Reason                  | Comments  |
| GRI 201: Economic performance (2016) | 201-3 Defined benefit plan obligations and other retirement plans                  |   | 201-3                  | Not applicable          | Not material  |
|                                      | 201-4 Financial assistance received from government                                |   | 201-4                  | Not applicable          | Not material  |
| <b>Market presence</b>               |  |   |                        |                         |   |
| GRI 3: Material topics (2021)        | 3-3 Management of material topics  | <a href="#">Employee experience, pp. 64-69</a>  |                        |                         |   |
|                                      | 202-1 Ratios of standard entry level wage by gender compared to local minimum wage |   | 202-1                  | Information unavailable | Data is not available                               |
|                                      | 202-2 Proportion of senior management hired from the local community               | <a href="#">Performance summary pp. 107-127</a> |                        |                         |   |
| <b>Anti-corruption</b>               |  |   |                        |                         |   |
| GRI 3: Material topics (2021)        | 3-3 Management of material topics  | <a href="#">Human rights, pp. 70-73</a>         |                        |                         |   |
| GRI 205: Anti-corruption (2016)      | 205-1 Operations assessed for risks related to corruption                          |   | 205-1                  | Information incomplete  | Anti-corruption is included in our risk assessments |
|                                      | 205-2 Communication and training about anti-corruption policies and procedures     | <a href="#">Human rights, pp. 70-73</a>         |                        |                         |   |
|                                      | 205 -3 Confirmed incidents of corruptions and actions taken                        | <a href="#">Sustainability risks pp. 96-102</a> |                        |                         |   |



Environmental Standards

|                               |  |   | Omission               |                         |                     |
|-------------------------------|--|---|------------------------|-------------------------|---------------------|
| GRI Standard                  | Disclosure   | Location  | Requirement(s) omitted | Reason                  | Comments            |
| <b>Materials</b>              |  |   |                        |                         |                     |
| GRI 3: Material topics (2021) | 3-3 Management of material topics                      | <a href="#">Forest pp. 29-33</a><br><a href="#">Packaging, pp. 43-48</a><br><a href="#">Respect for Nature – Goals and commitments, pp. 56-62</a> |                        |                         |                     |
| GRI 301: Materials (2016)     | 301-1 Materials used by weight or volume               | <a href="#">Forest, pp. 29-33</a>   |                        |                         |                     |
|                               | 301-2 Recycled input materials used                    | <a href="#">Forest, pp. 29-33</a><br><a href="#">Packaging, pp.43-48</a><br><a href="#">Performance summary pp. 107-127</a>                       |                        |                         |                     |
|                               | 301-3 Reclaimed products and their packaging materials |   | 301-3                  | Information unavailable | Data is not tracked |



## Environmental Standards

|                               |  |   | Omission               |                |              |
|-------------------------------|--|---|------------------------|----------------|--------------|
| GRI Standard                  | Disclosure   | Location  | Requirement(s) omitted | Reason         | Comments     |
| <b>Energy</b>                 |  |   |                        |                |              |
| GRI 3: Material topics (2021) | 3-3 Management of material topics                                | <a href="#">Climate, pp. 34-42</a><br><a href="#">Respect for Nature – Goals and commitments, pp. 56-62</a> |                        |                |              |
| GRI 302: Energy (2016)        | 302-1 Energy consumption within the organisation                 | <a href="#">Climate, pp. 34-42</a><br><a href="#">Performance summary pp. 107-127</a>                       |                        |                |              |
|                               | 302-2 Energy consumption outside of the organisation             | <a href="#">Climate, pp. 34-42</a><br><a href="#">Performance summary pp. 107-127</a>                       |                        |                |              |
|                               | 302-3 Energy intensity   | <a href="#">Climate, pp. 34-42</a><br><a href="#">Performance summary pp. 107-127</a>                       |                        |                |              |
|                               | 303-4 Reduction of energy consumption                            | <a href="#">Climate, pp. 34-42</a><br><a href="#">Performance summary pp. 107-127</a>                       |                        |                |              |
|                               | 302-5 Reductions in energy requirements of products and services |   | 302-5                  | Not applicable | Not material |
| <b>Water and effluents</b>    |  |   |                        |                |              |
| GRI 3: Material topics (2021) | 3-3 Management of material topics                                | <a href="#">Water pp. 25-28</a><br><a href="#">Respect for Nature – Goals and commitments, pp. 56-62</a>    |                        |                |              |



Environmental Standards

|                                     |   |  | Omission               |        |          |
|-------------------------------------|---|--|------------------------|--------|----------|
| GRI Standard                        | Disclosure  | Location   | Requirement(s) omitted | Reason | Comments |
| GRI 303: Water and effluents (2018) | 303-1 Interactions with water as a shared resource  | <a href="#">Water pp. 25-28</a>  |                        |        |          |
|                                     | 303-2 Management of water discharge-related impacts | <a href="#">Water pp. 25-28</a>  |                        |        |          |
|                                     | 303-3 Water withdrawal                              | <a href="#">Water pp. 25-28</a><br><a href="#">Performance summary pp. 107-127</a> |                        |        |          |
|                                     | 303-4 Water discharge                               | <a href="#">Water pp. 25-28</a><br><a href="#">Performance summary pp. 107-127</a> |                        |        |          |
|                                     | 303-5 Water consumption                             | <a href="#">Water pp. 25-28</a><br><a href="#">Performance summary pp. 107-127</a> |                        |        |          |

Emissions

|                               |   |   |  |  |  |
|-------------------------------|---|---|--|--|--|
| GRI 3: Material topics (2021) | 3-3 Management of material topics             | <a href="#">Climate, pp. 34-42</a><br><a href="#">Respect for Nature – Goals and commitments, pp. 56-62</a> |  |  |  |
| GRI 305: Emissions (2016)     | 305-1 Direct (Scope 1) GHG emissions          | <a href="#">Performance summary pp. 107-127</a><br><a href="#">Climate, pp. 34-42</a>                       |  |  |  |
|                               | 305-2 Energy indirect (Scope 2) GHG emissions | <a href="#">Performance summary pp. 107-127</a><br><a href="#">Climate, pp. 34-42</a>                       |  |  |  |



## Environmental Standards

|                               |   |  | Omission               |                |              |
|-------------------------------|---|--|------------------------|----------------|--------------|
| GRI Standard                  | Disclosure  | Location   | Requirement(s) omitted | Reason         | Comments     |
| GRI 305: Emissions (2016)     | 305-3 Other indirect (Scope 3) GHG emissions  | <a href="#">Performance summary pp. 107-127</a><br><a href="#">Climate, pp. 34-42</a>                        |                        |                |              |
|                               | 305-4 GHG emissions intensity   | <a href="#">Performance summary pp. 107-127</a>  |                        |                |              |
|                               | 305-5 Reduction of GHG emissions  | <a href="#">Climate, pp. 34-42</a><br><a href="#">Performance summary pp. 107-127</a>                        |                        |                |              |
|                               | 305-6 Emissions of ozone-depleting substances (ODS)   |  | 305-6                  | Not applicable | Not material |
|                               | 305-7 Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions |  | 305-7                  | Not applicable | Not material |
| <b>Waste</b>                  |   |  |                        |                |              |
| GRI 3: Material topics (2021) | 3-3 Management of material topics   | <a href="#">Packaging pp. 43-48</a><br><a href="#">Respect for Nature – Goals and commitments, pp. 56-62</a> |                        |                |              |
| GRI 306: Waste (2020)         | 306-1 Waste generation and significant waste-related impacts  | <a href="#">Packaging pp. 43-48</a><br><a href="#">Performance summary pp. 107-127</a>                       |                        |                |              |
|                               | 306-2 Management of significant waste-related impacts   | <a href="#">Packaging pp. 43-48</a><br><a href="#">Performance summary pp. 107-127</a>                       |                        |                |              |



**Environmental Standards**

|                       |                                    |  | Omission               |        |          |
|-----------------------|------------------------------------|--|------------------------|--------|----------|
| GRI Standard          | Disclosure                         | Location   | Requirement(s) omitted | Reason | Comments |
| GRI 306: Waste (2020) | 306-3 Waste generated              | <a href="#">Packaging pp. 43-48</a><br><a href="#">Performance summary pp. 107-127</a> |                        |        |          |
|                       | 306-4 Waste diverted from disposal | <a href="#">Packaging pp. 43-48</a><br><a href="#">Performance summary pp. 107-127</a> |                        |        |          |
|                       | 306-5 Waste directed to disposal   | <a href="#">Packaging pp. 43-48</a><br><a href="#">Performance summary pp. 107-127</a> |                        |        |          |

**Supplier Environmental Assessment**

|   |  |  |       |                        |   |
|---|--|--|-------|------------------------|---|
| GRI 3: Material topics (2021)                     | 3-3 Management of material topics  | <a href="#">Human rights pp. 70-73</a> |       |                        |   |
| GRI 308: Supplier Environmental Assessment (2016) | 308-1 New suppliers that were screened using environmental criteria        | <a href="#">Human rights pp. 70-73</a> |       |                        |   |
|   | 308-2 Negative environmental impacts in the supply chain and actions taken |  | 308-2 | Information incomplete | We have a Responsible Sourcing Programme in place for our direct suppliers. Detailed data is not yet available. |



## Social Standards

|  |  |   | Omission               |                |              |
|--|--|---|------------------------|----------------|--------------|
| GRI Standard                                 | Disclosure   | Location  | Requirement(s) omitted | Reason         | Comments     |
| <b>Employment</b>                            |  |   |                        |                |              |
| GRI 3: Material topics (2021)                | 3-3 Management of material topics  | <a href="#">Employee experience pp. 64-69</a>   |                        |                |              |
| GRI 401: Employment (2016)                   | 401-1 New employee hires and employee turnover   | <a href="#">Performance summary pp. 107-127</a> |                        |                |              |
|  | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees |   | 401-2                  | Not applicable | Not material |
|  | 401-3 Parental leave   |   | 401-3                  | Not applicable | Not material |
| <b>Labour/ management relations</b>          |  |   |                        |                |              |
| GRI 3: Material topics (2021)                | 3-3 Management of material topics  | <a href="#">Employee experience pp. 64-69</a>   |                        |                |              |
| GRI 402: Labour/ management relations (2016) | 402-1 Minimum notice periods regarding operational changes   | <a href="#">Performance summary pp. 107-127</a> |                        |                |              |



Social Standards

|  |   |   | Omission               |        |          |
|--|---|---|------------------------|--------|----------|
| GRI Standard                                   | Disclosure  | Location                                      | Requirement(s) omitted | Reason | Comments |
| <b>Occupational health and safety</b>          |   |   |                        |        |          |
| GRI 3: Material topics (2021)                  | 3-3 Management of material topics   | <a href="#">Employee experience pp. 64-69</a> |                        |        |          |
| GRI 403: Occupational health and safety (2018) | 403-1 Occupational health and safety management system  | <a href="#">Employee experience pp. 64-69</a> |                        |        |          |
|  | 403-2 Hazard identification, risk assessment, and incident investigation                      | <a href="#">Employee experience pp. 64-69</a> |                        |        |          |
|  | 403-3 Occupational health services  | <a href="#">Employee experience pp. 64-69</a> |                        |        |          |
|  | 403-4 Worker participation, consultation, and communication on occupational health and safety | <a href="#">Employee experience pp. 64-69</a> |                        |        |          |
|  | 403-5 Worker training on occupational health and safety                                       | <a href="#">Employee experience pp. 64-69</a> |                        |        |          |
|  | 403-6 Promotion of worker health  | <a href="#">Employee experience pp. 64-69</a> |                        |        |          |



## Social Standards

|  |   |  | Omission               |                        |                                       |
|--|---|--|------------------------|------------------------|---------------------------------------|
| GRI Standard                                   | Disclosure  | Location   | Requirement(s) omitted | Reason                 | Comments                              |
| GRI 403: Occupational health and safety (2018) | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | <a href="#">Employee experience pp. 64-69</a>  |                        |                        |                                       |
|  | 403-8 Workers covered by an occupational health and safety management system  |  | 403-8                  | Information incomplete | Data for all markets is not available |
|  | 403-9 Work-related injuries   | <a href="#">Employee experience pp. 64-69</a><br><a href="#">Performance summary pp. 107-127</a> |                        |                        |                                       |
|  | 403-10 Work-related ill health  | <a href="#">Employee experience pp. 64-69</a><br><a href="#">Performance summary pp. 107-127</a> |                        |                        |                                       |

## Training and education

|  |   |   |       |                        |                                       |
|--|---|---|-------|------------------------|---------------------------------------|
| GRI 3: Material topics (2021)          | 3-3 Management of material topics   | <a href="#">Employee experience pp. 64-69</a><br><a href="#">Growth and development pp. 18-19</a> |       |                        |                                       |
| GRI 404: Training and education (2016) | 404-1 Average hours of training per year per employee                             | <a href="#">Performance summary pp. 107-127</a>   |       |                        |                                       |
|  | 404-2 Programmes for upgrading employee skills and transition assistance programs |   | 404-2 | Information incomplete | Data for all markets is not available |

**Social Standards**

|   |  |  | Omission               |                        |                                       |
|---|--|--|------------------------|------------------------|---------------------------------------|
| GRI Standard                                    | Disclosure   | Location   | Requirement(s) omitted | Reason                 | Comments                              |
| GRI 404: Training and education (2016)          | 404-3 Percentage of employees receiving regular performance and career development reviews |  | 404-3                  | Information incomplete | Data for all markets is not available |
| <b>Diversity and equal opportunity</b>          |  |  |                        |                        |                                       |
| GRI 3: Material topics (2021)                   | 3-3 Management of material topics  | <a href="#">Employee experience pp. 64-69</a>  |                        |                        |                                       |
| GRI 405: Diversity and equal opportunity (2016) | 405-1 Diversity of governance bodies and employees   | <a href="#">Employee experience pp. 64-69</a><br><a href="#">Performance summary pp. 107-127</a>   |                        |                        |                                       |
|   | 405-2 Ratio of basic salary and remuneration of women to men                               |  | 405-2                  | Information incomplete | Data for all markets is not available |
| <b>Child labour</b>                             |  |  |                        |                        |                                       |
| GRI 3: Material topics (2021)                   | 3-3 Management of material topics  | <a href="#">Human rights pp. 70-73</a>   |                        |                        |                                       |
| GRI 408: Child labor (2016)                     | 408-1 Operations and suppliers at significant risk for incidents of child labor            | <a href="#">Human rights pp. 70-73</a><br><a href="#">Socially responsible products, pp. 76-78</a> |                        |                        |                                       |
| <b>Forced or compulsory labor</b>               |  |  |                        |                        |                                       |
| GRI 3: Material topics (2021)                   | 3-3 Management of material topics  | <a href="#">Human rights pp. 70-73</a>   |                        |                        |                                       |



## Social Standards

|  |  |   | Omission               |                        |  |
|--|--|---|------------------------|------------------------|--|
| GRI Standard                               | Disclosure   | Location  | Requirement(s) omitted | Reason                 | Comments   |
| GRI 409: Forced or compulsory labor (2016) | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor | <a href="#">Human rights pp. 70-73</a>  |                        |                        |  |
| <b>Supplier social assessment</b>          |  |   |                        |                        |  |
| GRI 3: Material topics (2021)              | 3-3 Management of material topics  | <a href="#">Human rights pp. 70-73</a>  |                        |                        |  |
| GRI 409: Forced or compulsory labor (2016) | 414-1 New suppliers that were screened using social criteria                                   | <a href="#">Human rights pp. 70-73</a><br><a href="#">Performance summary pp.107-127</a>                          |                        |                        |  |
|  | 414-2 Negative social impacts in the supply chain and actions taken                            |   | 414-2                  | Information incomplete | We have a Responsible Sourcing Programme in place for our direct suppliers. Detailed data is not yet available |
| <b>Customer health and safety</b>          |  |   |                        |                        |  |
| GRI 3: Material topics (2021)              | 3-3 Management of material topics  | <a href="#">Consumer safety pp. 74-75</a><br><a href="#">Passion for People - Goals and commitments pp. 79-81</a> |                        |                        |  |
| GRI 416: Customer health and safety (2016) | 416-1 Assessment of the health and safety impacts of product and service categories            | <a href="#">Consumer safety pp. 74-75</a>   |                        |                        |  |



Social Standards

|  |   |          | Omission               |                             |                          |
|--|---|----------|------------------------|-----------------------------|--------------------------|
| GRI Standard                               | Disclosure  | Location | Requirement(s) omitted | Reason                      | Comments                 |
| GRI 416: Customer health and safety (2016) | 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services |          | 416-2                  | Confidentiality constraints | Confidential information |



# About this report

**Oriflame has a strategy for becoming a more sustainable company which includes communicating openly on our commitments and progress. During recent years, we have gradually increased all our reporting as an organisation and published our first separate Sustainability Report in 2014.**

This Sustainability Report covers material sustainability strategies, activities and performances for the company Oriflame Holding Ltd. and its sub-entities (called Oriflame in this report) during the period January 1 to December 31, 2022 unless stated otherwise. Franchise operations are not covered in this report.

The Sustainability Report is published annually together with our financial reporting in the Annual Report. This report was published on Oriflame’s website, oriflame.com, on April 21, 2023, where you will also find additional information about our sustainability efforts. This report has been prepared with reference to the GRI Standards 2021. A GRI Content Index is included in the Appendix of this report.

Information and facts are selected on the basis of sustainability aspects assessed and material to Oriflame’s operations and are based on the best possible sources known by the company. Regarding some information about the development of the

company and its operations, references are made to the Oriflame Annual Report for the fiscal year 2022. Unless otherwise specified, all data concerning suppliers and suppliers’ factories includes all suppliers and factories that were active and approved for production during the reporting period. Our greenhouse gas emission calculations and reporting are aligned with the Greenhouse Gas Protocol Standard.

This report has not been externally assured. Our paper supplier questionnaires for paper and board packaging and catalogue paper have been developed by Rainforest Alliance to verify supplier claims of FSC™ certification or other credibly certified sources. This report has been developed and reviewed by Oriflame’s sustainability team, as well as relevant experts in the company, and is approved by the CEO.

## Contact information

Antonia Simon-Stenberg  
Vice President, Head of Sustainability, Research & Development and Product Delivery  
[sustainability@oriflame.com](mailto:sustainability@oriflame.com)

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