

A close-up photograph of three women's faces, partially visible, looking upwards. They have light skin and are wearing bright red lipstick. Small pink flowers are placed near their mouths. The background is dark.

2020 SUSTAINABILITY REPORT



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 or 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 three 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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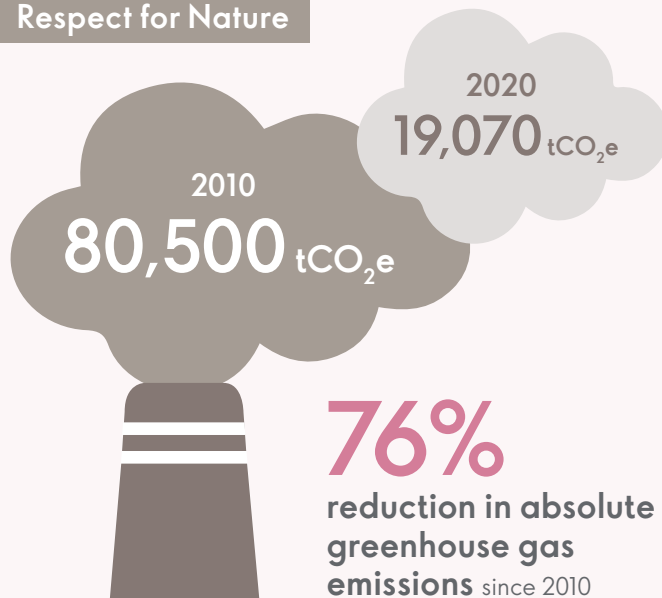
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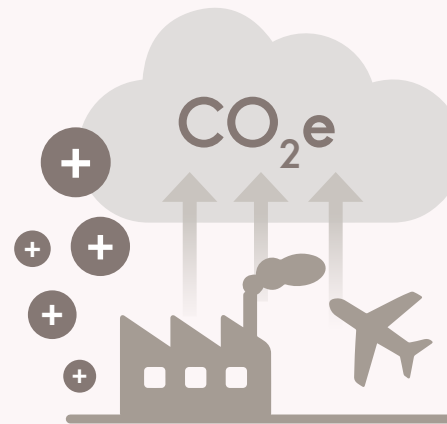


Sustainability highlights

Respect for Nature

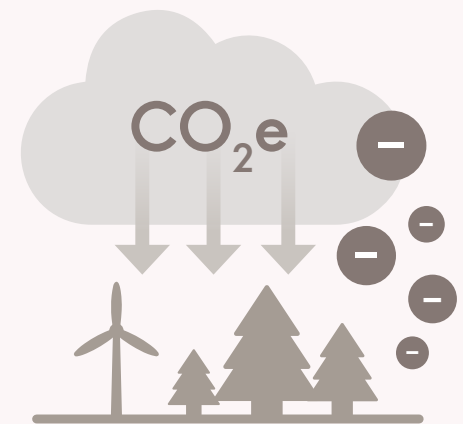


99%
of product packaging and
catalogue paper combined
from **credible certified**
sources or recycled materials



100%
climate neutral
operations*

**For those emissions we could
not reduce in 2020, we climate
compensated for all of our current
scope of GHG emissions (Scope 1,
Scope 2 and parts of Scope 3).*



100%
renewable
electricity

at all Oriflame operated
sites since 2018



Launched Baby O and
Beautanicals** with

95%
natural origin
ingredients

Increased score to A- and
attained **Leadership level** in 2020
CDP Climate and CDP Forest (Timber)



100% of new skin care and personal
care rinse-off products were
formulated to be



***Hand Salve, Conditioner, Soap Bar*



Opportunity for Brand Partners



registered Brand Partners
in over



distributed to Oriflame Brand Partners
in bonuses and other forms of recognition

76% of Brand Partners* consider Oriflame has helped to **improve their self-esteem and confidence**

81% of Brand Partners* consider Oriflame enables them to **meet new people**

84% of Brand Partners* consider Oriflame as a good opportunity to **earn an additional income**

74% of Brand Partners* consider Oriflame has helped to **improve their business and sales skills**



50 markets implemented the e-learning platform, and more than

161,000
courses

were completed by Brand Partners during the year

**Average global results from the Oriflame Global Brand Tracking 2020.*



Passion for People



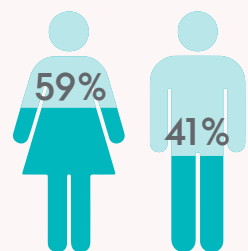
nationalities represented in
our global workforce

Our employees watched more than
68,000 hours
of video content and spent
3,320 hours
studying on LinkedIn Learning

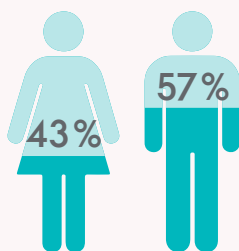


Implemented the eNPS (Employee Net
Promoter Score) on a global scale in

59 markets

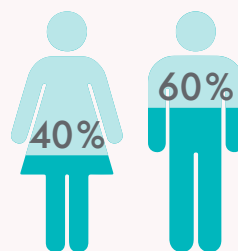


Oriflame

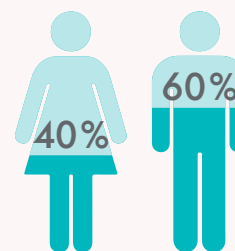


Global Management

Gender
balance



Group Management



Board of Directors*

Organised the global digital
CEO Connect: Secret Edition, with
**3,000 employees in
58 countries** attending live.
The event won "Event of the Year"
in Event Awards Russia in the category

**Best Online
Conference**



Won second place at the Berlin
Intra.NET Award 2020 for the

**Best Digital
Employee
Experience**

for the *Digital Heroes* campaign

*Oriflame Holding Ltd



PRODUCT HIGHLIGHTS

Two strong ranges launched in 2020

We are working to improve our products' sustainability performance across all product categories. During 2020, we launched two product ranges with a stronger sustainability profile:

Baby O

In the Personal and Hair Care category, we launched the new Oriflame Baby O brand, an exclusive baby range with 95% natural origin ingredients. The products are paediatrician endorsed and backed by extensive testing to ensure the products are safe for all.

Suitability for baby skin

Our in-depth knowledge of the physiology of the skin tells us that baby skin is thinner, more absorbent, more sensitive and prone to moisture loss. Baby skin is in the very earliest stages of its development, as it adapts over days, weeks and months to a completely new environment outside of the womb. Babies have a less devel-

oped skin barrier, and skin that can be considered generally less well protected when compared to adult skin. Safety as a result was at the core of the development for Baby O products and we have carefully assessed every formulation from ingredients, to ensure that they were of the highest quality and suitable for newborns, to finished product level by formulating specifically for baby skin (children <3 years of age) and performing extensive testing to confirm their safety. Baby O products are dermatologically and allergy-tested and paediatrician endorsed by the Skin Health Alliance for their safety and efficacy.

Baby care formulations

Baby O contains 95% natural origin ingredients, including Swedish oat oil sustainably extracted from local Swedish farms and grown using sustainable cropping programmes. Baby O hair and body wash have biodegradable formulations. This means they break down naturally and lower the impact on water bodies. The range does not contain concern preservatives or mineral oil. The products are either self-preserving or include nature-identical preservatives.

Beautanicals

An increasing number of health- and environment-conscious consumers are demanding responsible beauty products. Products that are safe for them and respectful of nature. Therefore, our new body and hair care range, Beautanicals, has been developed with additional sustainability attributes.

Beautanicals is formulated with eight essential minerals and Swedish natural honeysuckle extract. All products in the Beautanicals range are registered with The Vegan Society™ and contain plant-based ingredients. Furthermore, the hand salve, conditioner and soap bar are made from 95% natural origin ingredients. The rinse-off products have been tested for biodegradability and the products are formulated without parabens, silicones and mineral oils.

Packaging from recycled materials

The Beautanicals range contains the highest post-consumer recycled (PCR) content across all our ranges. The plastic bottles are made of 100% PCR materials. To aid the recycling process, paper labels on all bottles have easy wash-off adhesive. The tube sleeves contain 55% PCR plastic, while the plastic tube head is made of 50% PCR. Beautanicals product cartons and soap bar paper are from FSC™ certified material. This range demonstrates our ambitions towards more sustainable materials for packaging.





"I am so proud of how our employees in every corner of the world contributed with valuable support in the fight against Covid-19."



Statement from the CEO

At Oriflame, sustainability is an integral part of our very core – our heritage, our brand, our people and our products. It is also manifested in our promise to create opportunities for our Independent Brand Partners to make a significant difference in their lives. For a long time Oriflame has progressed in line with ambitious targets, and in 2020 we continued our journey towards a sustainable future. The impact of the Covid-19 pandemic on societies, companies and us as individuals clarified the importance of a long-term sustainable business and a well functional online business model.

Oriflame has always produced Swedish, high-quality products inspired by nature and powered by science. This is incorporated both in our brand positioning Beauty by Sweden and in our sustainability strategy. In addition, and since the very start, Oriflame has created business opportunities for Independent Brand Partners and made entrepreneurship accessible. With our attractive joining fee, people from all around the world can start using and selling our products, and thus make money, from day one. In the past year, this opportunity was more important than ever for those who were affected by the disruption in the world economy caused



“It is business-critical for us that we all believe in our potential to change the world to the better.”

by the Covid-19 pandemic. In this challenging situation, Oriflame has continued to enable people to make a living and to fulfill their dreams.

New ways of interacting

While our main focus has been on the health and safety of our employees, Brand Partners and customers, the pandemic has indeed affected how we work, communicate and live our daily lives. In a truly global operation as Oriflame's, in which meeting is an important way of developing our business, we had to find new ways of interacting. With smart digital tools and the engagement of passionate people, we moved our large Brand Partner conferences into online venues, where the largest one included over 40,000 participants. It was thrilling to see the digital interaction of thousands of people and to be able to create a sense of togetherness despite the geographical distance. The positive outcome of our broad digital engagement during the year gives us valuable input for the future. When we are able to travel again, I think we will do it more selectively, when it really adds value.

Oriflame has always supported charitable causes through different initiatives. One example this year is

how Oriflamians came together to show support in the fight against Covid-19 by donating personal care and hygiene products to nursing homes, frontline workers and low-income families. Furthermore, local initiatives, such as fundraising activities, financial support and manpower, were carried out. I am so proud of how our employees in every corner of the world contributed with valuable support.

Achievements in 2020

As we strive to be the #1 Social Selling Beauty Company our sustainability goals have always been set high. A change is needed if we, as a collective, are to reach the Sustainable Development Goals by 2030 and stay below the 1.5-degree limit to combat climate change. In 2020, we continued to reduce our greenhouse gas emissions and noted a 76% decrease in absolute emissions. We have joined the Science Based Targets Initiative and are currently finalising our target submissions to the initiative. I am proud to say that 99% of our paper and board packaging and catalogue paper combined comes from credible certified sources or recycled materials. Furthermore, we have focused on reducing the water impact from our products and in 2020 all new skin care and personal care rinse-off products were formulated to be biodegradable. We launched the Beautanicals range – our first Oriflame body range approved by The Vegan Society™. The products are formulated without parabens, silicones and mineral oils; and all bottles are made of 100% recycled plastic.

We can see that the environmental awareness continues to increase amongst consumers, and they expect companies to act accordingly. Having a trustworthy sustainability agenda is gradually becoming a requisite for companies to succeed rather than a competitive

advantage. In 2020, we have increased our score from B to A– and attained Leadership level in both CDP Climate and CDP Forest (Timber). Also, in 2020, we launched a sustainability brand activation toolbox, with the aim to make sustainability an integral part of our brand communication. In the long term, the goal is to educate and inspire Brand Partners and consumers about Oriflame's initiatives and encourage them to make more sustainable life choices.

Future commitments

Looking ahead, we continue on our path towards a more sustainable future. In the coming year, we still have many challenges to tackle, and we will continue to prioritise areas such as handling plastic waste, steering towards a circular economy and reducing climate impact. Another step is to update our forest-related targets along with developing a Global Forest Commitment. Furthermore, we will continue to work to reduce our climate impact in line with our ambitious targets.

Oriflame's commitment to nature, people and climate is key to continued success and it is business-critical for us that we all believe in our potential to change the world to the better. As the world slowly will return to a new normal, we see a bright future where we create new business opportunities for Brand Partners, have a positive impact on communities around the globe and together build a better and more beautiful future for coming generations.

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 approximately 3 million Independent Brand Partners, generating annual sales of around €1.2 billion.

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 approximately 3 million Brand Partners 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.



Geographical footprint

Sales regions

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

Our sales markets

We are present in over 60 markets – including markets operated by franchisees – and have identified six of these as strategic markets (Mexico, Russia, Turkey, India, China and Indonesia). To grow our business further, we are focusing our resources and investments in these strategic markets.

Corporate offices

- Corporate office in Schaffhausen (Switzerland)
- 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

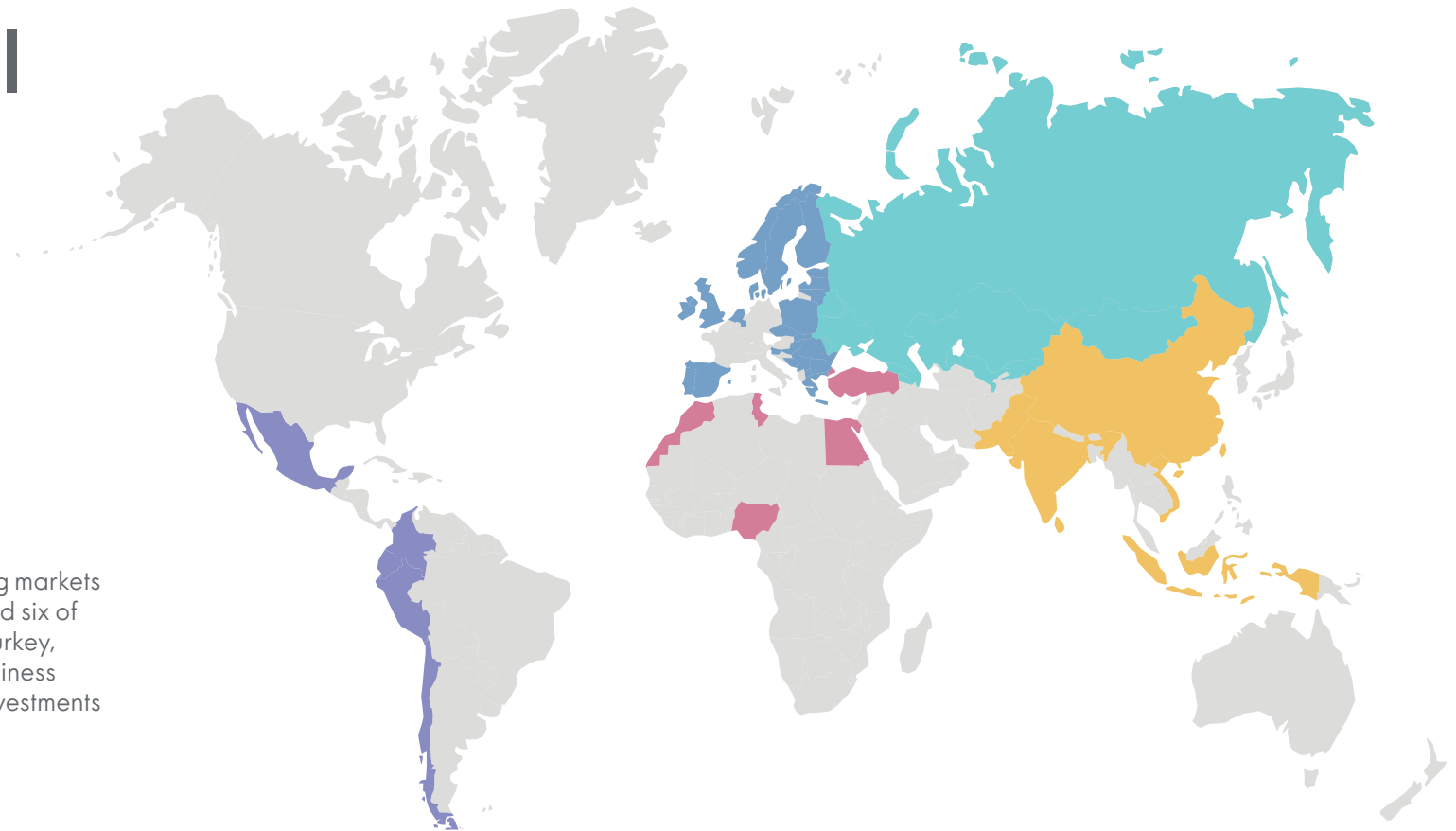
Approximately 60% of our product volumes are manufactured in our own production facilities. In 2020, we sourced close to 350 million units, including finished goods from more than 50 global and regional suppliers. These are shipped to Oriflame's markets worldwide. Our main sourcing markets in 2020 were Poland, Germany, China, Russia, UK, India, Italy, Sweden and France.

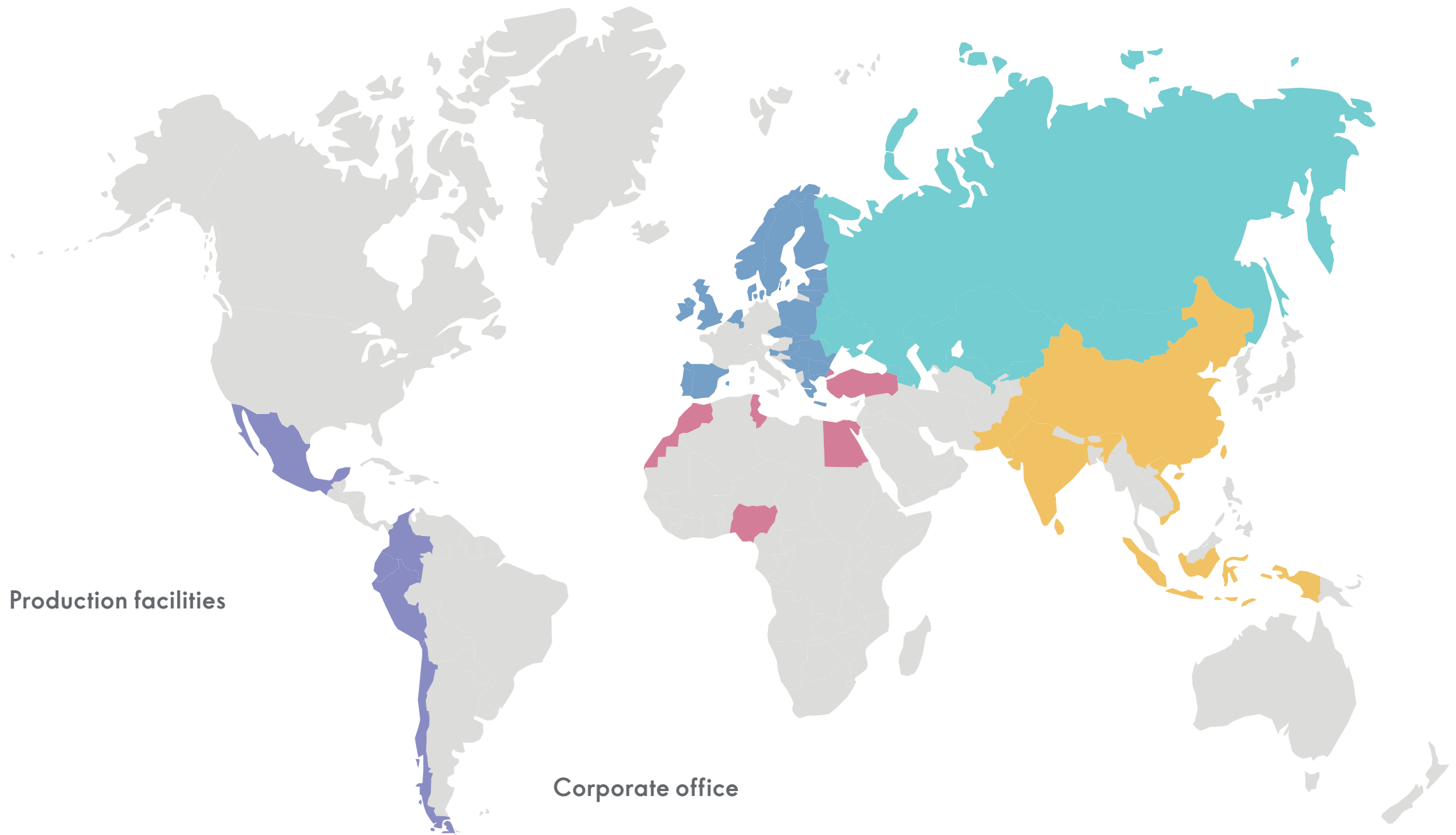
Production

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

Global Distribution Centres

We have three Global Distribution Centres. These are situated in three countries (Poland, Hungary and Russia).







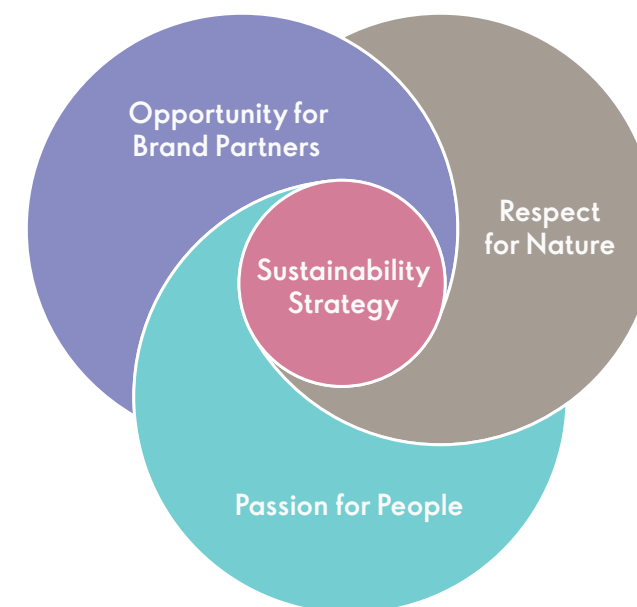
Sustainability strategy

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 Beauty by Sweden brand positioning – beauty is about more than how you look, it's about how you feel, live 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 disposable 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 of 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 likeminded people.

Read more about our Opportunity for Brand Partners on [pp. 16-24](#).

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. 25-57](#).

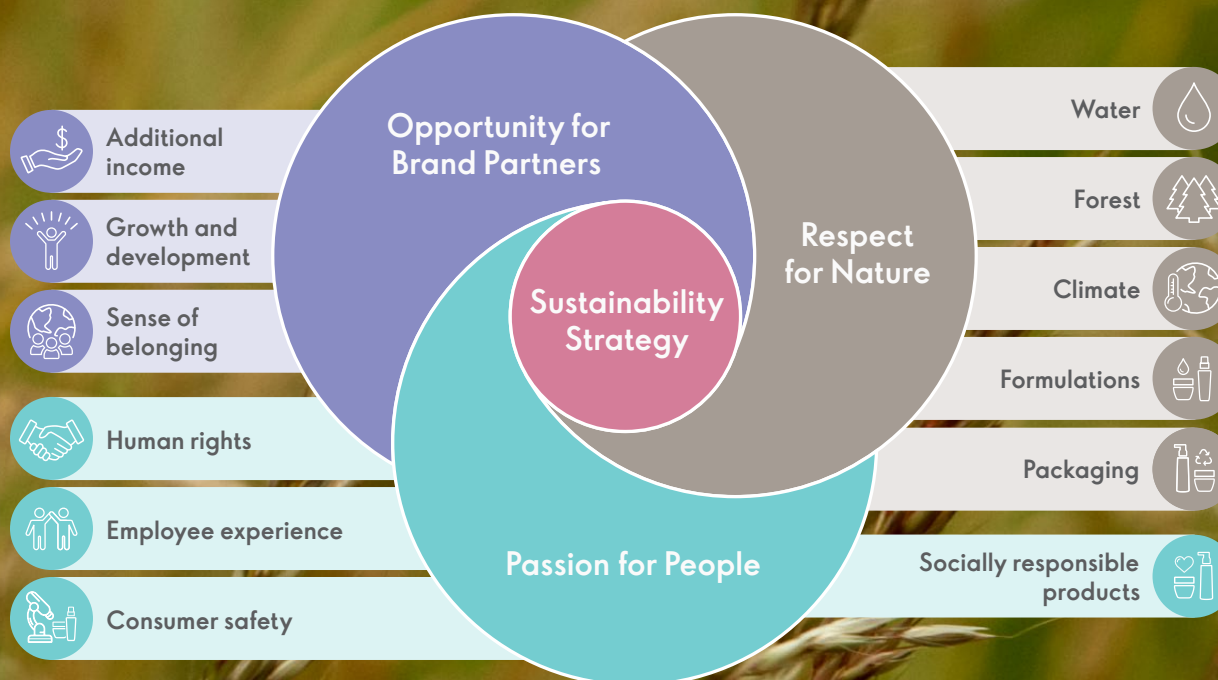
3. Passion for People

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 our Supplier Code of Conduct, our work with consumer safety and our efforts to create socially responsible products.

Read more about our Passion for People on [pp. 58-80](#).

Strategy structure

These three core areas are underpinned by 12 sub-areas which contain 45 targets with different time horizons, with most new targets set for 2025. As some of our targets ended in 2020, we are planning on updating the strategy with more targets for 2030 during 2021.



A photograph of three women standing in a field of tall, golden grass. The woman on the left is wearing a light pink long-sleeved top and skirt, looking back over her shoulder. The woman in the middle is wearing a tan long-sleeved top and skirt, looking towards the camera. The woman on the right is wearing a white long-sleeved top and skirt, looking back over her shoulder. They are all holding hands.

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 a primary job, childcare or studies. 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. This goal will make our business accessible to more people around the world and bring positive sustainable change to our Brand Partners by improving their lives and contributing to their economic development.



Additional income

Oriflame's business model creates value by offering people around the world the chance to improve their lives: enabling entrepreneurial opportunities for Oriflame Brand Partners as well as a unique shopping experience for customers. In 2020, Oriflame had approximately 3 million registered actives in over 60 countries, generating annual sales of around €1.2 billion.

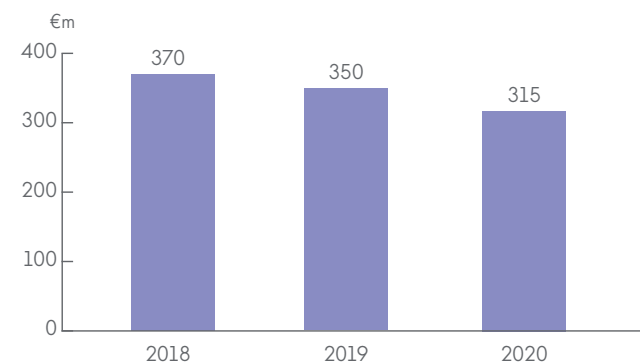
Anyone can become an Oriflame Brand Partner, if they live in one of our markets around the world. They can save money on the products they purchase for themselves and their families and either earn a little extra income through part-time work or go full-time and develop a career in social selling. Most Brand Partners choose the former option.

In addition to the immediate profit of around 20% that Brand Partners make when they sell a product, we also distribute bonuses and other forms of recognition. We are committed to continue to grow the business in order to increase the total amount

paid out to Brand Partners annually. In 2020, we distributed €315 million, a decrease from €350 million in 2019. The reduction was primarily due to the reduction in sales during 2020 impacted by the Covid-19 pandemic.

Because the majority of Oriflame Brand Partners are women living in developing countries, this type of additional income can make a big difference to their lives.

Brand Partner bonus and other forms of recognition



Brand Partner satisfaction

We have been using the Net Promotor Score (NPS) to measure Brand Partner satisfaction in all our markets since 2017. The NPS shows us how likely Brand Partners are to recommend Oriflame to a close friend or relative. In addition, we also measure other satisfaction metrics such as customer service, product availability and product quality. We gather feedback about Brand Partners' expectations, as well as indications on how and where we can improve. This process helps us to identify improvement areas in all our markets.

In 2020, our NPS score was comparable to the 2019 score. The score also helps us understand the areas where Brand Partners think we are good and the areas where there is potential to improve. The overall convenience of using the website and Oriflame App to place orders was rated 4 out of 5. Product ratings and reviews reflected high scores in product quality. The area that scored lowest was product availability, which due to the Covid-19 pandemic was impacted by a combination of changed demand and product mix and relatively long inventory replenishment lead times.

In 2020, our Bazaarvoice platform reached five new countries covering 48 markets in total. The platform measures Brand Partners' and consumers' satisfaction with our products. Our global average score was 4.5 out of 5, with Wellness rated as the best category. Three out of the top 10 highest-rated products were from this category. We were also able to rapidly increase the number of our reviews to 157,000 in 2020 compared to 21,000 in 2019.



Make money today and fulfil your dreams tomorrow

84% of Brand Partners* consider Oriflame as a good opportunity to earn an additional income. We believe that starting a business should be affordable and accessible to everyone. Anyone

can become an Oriflame Brand Partner, if they live in one of our markets around the world.

**Average global results from the Oriflame Global Brand Tracking 2020.*



Growth and development

Personal and professional development is an important part of our value proposition. We aim to provide our Brand Partners with a rewarding journey, and we deliver on this by offering many tools and training possibilities. In the Oriflame Global Brand Tracking 2020, it was concluded that growth and development are very important to our Brand Partners. 74% agreed that their business skills have improved and 76% noticed improvements in their self-esteem and confidence as a result of working in the industry.

Oriflame Academy is a training programme with various courses for each level of Brand Partners in Oriflame. It consists of training steps on products, social selling, leadership development and other e-learning modules. The First 90 Days Onboarding programme offers training and practical steps designed to help Brand Partners get started with Oriflame.

In 2020, we combined face-to-face and online tools and methods in Oriflame Academy. Even before the Covid-19 pandemic, many Brand Partners were using these tools and methods and this is how most successful Brand Partners work today. Training in social selling that teaches how to share personal stories, engage customers and build lasting relationships were also added to Oriflame Academy. All new training steps were devel-

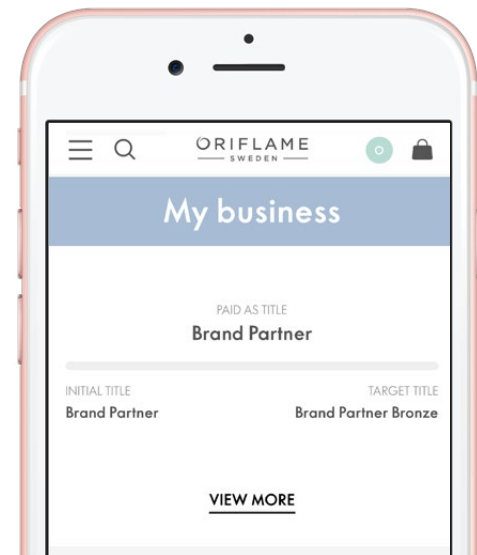
oped based on the latest trends, interviews and best practices of our Brand Partners, with input from a reference group of regional trainers and external experts. The training steps have been developed with online learning in mind, combining video content, shareable assets and community activities to support our Brand Partners in strengthening their digital presence.

The launch of steps 1 and 2 of the new Oriflame Academy – Beauty by Sweden: Discover the world of Oriflame and Get social with Oriflame – have been deliberately designed to be delivered as modular ‘micro-courses’ to maximise engagement, activity and retention when delivered online. We have seen great success with new training steps reaching huge audiences. One training session of Get Social with Oriflame in Indonesia had a live audience of over 15,000 Brand Partners participating. Newsletters and video content with helpful tips during the pandemic proved to be popular with our Leaders, giving timely and easily shared insights and information.

Our e-learning platform includes 27 videos and micro-courses on Oriflame products, business opportunity, sales and recruitment skills and sponsor’s skills. A total of 50 markets have implemented the e-learning platform. The Covid-19 pandemic accelerated the demand for digital training to help Brand Partners conduct their business online. There were several training sessions conducted outside the e-learning platform where live events and mass digital training sessions were organised to upskill Brand Partners quickly and confidently.



As a result, the number of course completions by Brand Partners recorded on our e-learning platform decreased slightly to approximately 161,000 courses in 2020 (compared to 167,000 courses completed in 2019).



With Mobile Office, Brand Partners are guided to start their business, track performance and access content, thus supporting them on all aspects of running their business. In 2020, Mobile Office was live in 16 markets, with a monthly average of 23.7 million unique page views. Digital Onboarding has proved a popular part of Mobile Office for newcomers with more than 150,000 people going through the steps each month. Proving more valuable to our Brand Partners every day, we will continue to evolve the platform for 2021 to make it even more user-friendly and intuitive.





Sense of belonging

Oriflame conferences are key to building the Oriflame community and creating a sense of social belonging.

Conferences provide the opportunity to share examples of the best practices of successful Leaders across various regions, and promote motivation and performance among Brand Partners. Conferences are also a platform to share our sustainability achievements and promote increased understanding of the Oriflame brand and culture. The Oriflame Global Brand Tracking 2020 showed that 81% of Brand Partners feel that Oriflame enables them to meet new people.

Digitally connected

The Covid-19 pandemic affected the way people connect, and also accelerated the need to find even better ways to connect and share. Many of our Brand Partners were already used to conducting parts of their business online, now there was a major shift in their adoption of digital networking platforms. The shift was not necessarily smooth but it was impending.

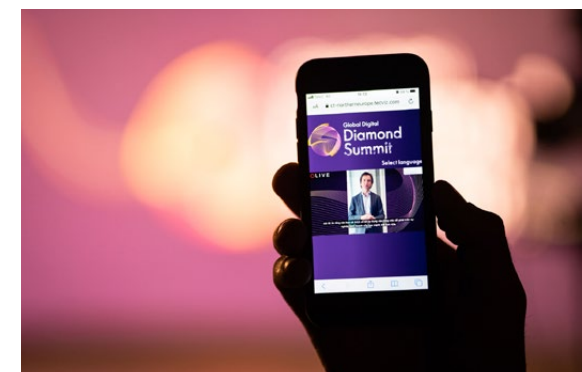
From a direct-selling beauty company, we evolved into a social-selling beauty company by banking on our network of personal connections and building a large community of social media followers, friends, family and



even strangers. Our Brand Partners continue to share their passion for beauty and add value to customers by providing beauty and wellness offerings through digital tools.

The digital wave changed the way we conduct our conferences and showcase Leaders' achievements. We conducted our first Digital Diamond Summit in May 2020, in place of the global Executive and Diamond Conferences to be held in the US. In January 2021, we celebrated Brand Partners' achievements at the "Accelerate Your Success" digital event, which was a live celebration of the Global Leadership Council 2021. The first day saw 41,000 visitors attending the event, hosted by our CEO. We also launched a digital platform with virtual expo booths of our beauty offerings, success stories and much more. The platform became popular enough to be used as a tool to showcase Oriflame products to customers. In addition to global conferences, virtual regional conferences were also held throughout the year across Oriflame locations to celebrate Brand Partners' achievements.

These virtual events helped us continue to emphasise our vision to become the #1 Social Selling Beauty Company and support Brand Partners with the latest digital solutions and Success Plan, despite challenging times. The events also ensured that we motivated and drove Brand Partners towards a new world with new opportunities for growth – and very importantly, they kept us all connected.





Goals and commitments



Additional income

Commitment	Deadline	Progress	Comment
1. Continue to grow the business in order to increase the total amount paid out to Brand Partners annually.	Year on year	<div><div></div><div></div><div></div></div> More to do	In 2020, we distributed €315 million directly to Oriflame Brand Partners through bonuses and other forms of recognition. It was a decrease from €350 million in 2019. The reduction was primarily due to the reduction in sales during 2020 impacted by the Covid-19 pandemic.
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	<div><div></div><div></div><div></div></div> On track	84% of Brand Partners agreed Oriflame is a good way to earn an additional income (as per results of the Oriflame Global Brand Tracking 2020). For more information on the study see page 83 .



Growth and development

Commitment	Deadline	Progress	Comment
3. Provide our Brand Partners with classroom trainings and e-learnings to build sales, marketing and beauty skills.	Year on year	<div><div></div><div></div><div></div></div> On track	A total of 50 markets have implemented the e-learning platform (no increase from 2019) and more than 161,000 courses were completed by Brand partners on the platform during the year.




Additional income

Growth and development


Sense of belonging

Goals and commitments

Commitment	Deadline	Progress	Comment
<p>4. 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:</p> <ul style="list-style-type: none"> • Become more confident • Improved their self-esteem • Improved their skills 	Year on year	 On track	<p>74% of Brand partners agreed that Oriflame has helped in improving their business and sales skills and 76% of Brand partners agreed that their self-esteem and confidence improved (as per results of the Oriflame Global Brand Tracking 2020). For more information on the study see page 83.</p>



Sense of belonging

Commitment	Deadline	Progress	Comment
<p>5. 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.</p>	Year on year	 On track	<p>81% of Brand partners confirmed that Oriflame enabled them to meet new people (as per results of the Oriflame Global Brand Tracking 2020). For more information on the study see page 83.</p>



Respect for Nature

For more than a decade we have been systematically trying 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 its contributions. This includes valuing the services nature provides, such as clean air and water, a stable climate, fertile soil and vibrant wildlife. 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, safe-guarding animal welfare and driving demand for environmentally responsible products both in terms of the formulations and materials we use and the packaging we choose.



10 years of reducing environmental impact

OUR JOURNEY

Replaced synthetic alcohol with natural origin.
Started implementing post-consumer recycled (PCR) plastic in our packaging.
Started our internal energy audit program at offices and factories.

Launched our first range containing plant stem cells.
Conducted a global water impact study to identify our water footprint.

Started purchasing Mass Balance certified palm oil.
Launched our first Sustainability Report.
Installed solar panels at our wellness factory in India.

2010**2011****2012****2013****2014****2015**

Started calculating our greenhouse gas emissions.
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.
Started CDP climate change reporting.

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. The product is no longer in our product portfolio.
Started CDP forest reporting.

All new rinse-off products were produced with natural origin exfoliants only.
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.
Launched biodegradable cosmetic wipes, cloth sheet masks and nail polish remover pads.

Continuing on next page





Water

WE ARE LIMITING OUR IMPACT ON WATER – GLOBALLY AND LOCALLY

There is increasing pressure on global water resources – from population and economic growth factors, climate change and water pollution, to competition for water resources. Natural resource crisis, including water crisis, due to human overexploitation has been identified as one of the top five impact risks in the World Economic Forum’s Global Risks report 2021. Water issues are a global challenge, but because we operate in water-scarce countries it is important for us to consider the implications at a local level too.

In our business, we depend on water throughout the product lifecycle, in particular during our manufacturing process, consumer usage and raw material sourcing. 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 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 are looking at ways to engage our consumers around more sustainable water use, while also looking into opportunities for developing water-less products.

No microbeads

Microplastic contamination is identified as a cause of water pollution. A variety of pollution sources have been identified, including the use of plastic microbeads in cosmetic formulations. Therefore, we decided to stop using plastic microbeads and plastic glitter in our cosmetic rinse-off products and started testing alternatives in early 2013. We identified a number of alternatives of natural origin, including plant waxes, nutshells and seeds that all met our high performance and safety expectations. By the end of 2016, we had stopped manufacturing older rinse-off products with plastic microbeads and glitter. In 2020, we continued to use only natural origin scrubs in all of our exfoliating cosmetic products.

Biodegradable formulations

We also know that rinse-off products have a high end-of-life impact – they end up in the water system and may have an impact on ecosystems. It is therefore important to us that we improve our raw materials’ biodegradability.



bility, particularly those used in our rinse-off products. By 2025, 100% of new skin care and personal care-rinse-off products will be formulated to be biodegradable. We continued to progress towards this goal in 2020.

We have independently tested a number of our rinse-off products to validate their biodegradability, and 95% of those tested have passed without the need to reformulate. As part of our commitment to reducing our impact on water, we are developing a broader approach going forward, focussing both on biodegradability and persistency of our rinse-off formulations.

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.

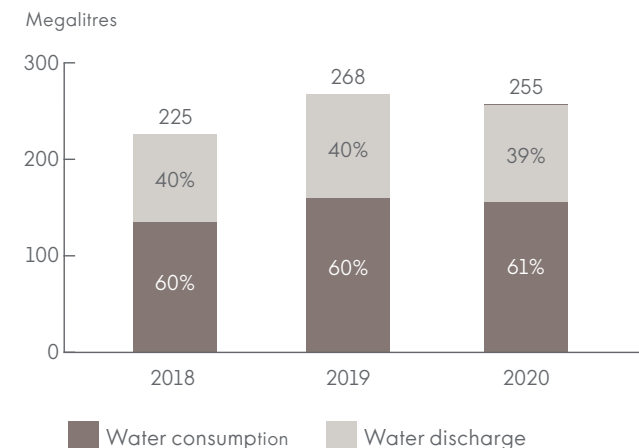
Improved water management at manufacturing sites

Our manufacturing sites* withdraw groundwater from wells and/or water from a municipal supply source. To make sure we have a secured water supply, we either have two wells on site or complement one well with a municipal supply. All our manufacturing sites* have effluent treatment plants, where the wastewater is discharged into the municipal sewage network after treatment. Our wellness factory in India is designed to reuse 100% of its water, for example by using the water from the effluent treatment plant for irrigation purposes. Rainwater is collected in rainwater harvesting pits at two sites, to replenish groundwater (wellness factory, India) and to reuse for lawn watering (Russia). All our manufacturing sites* have water meters installed that are measured daily and/or weekly. So far, none of these manufacturing sites have experienced major water delivery interruptions.

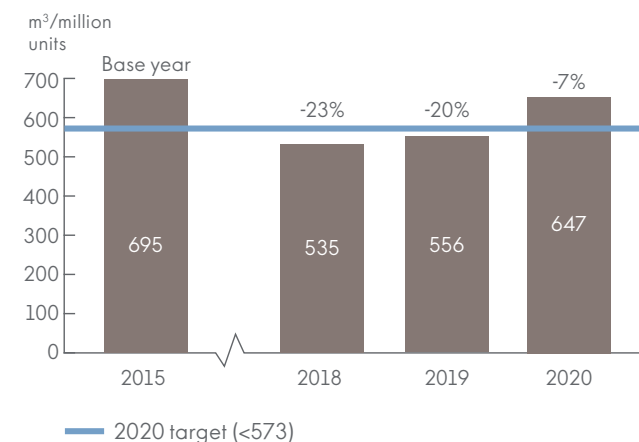
We are committed to reducing water consumption at our manufacturing sites* by 15% per produced unit (compared to a 2015 baseline) by 2020. For 2020, we reached a reduction by 7% since 2015. The main reasons for not reaching the target were the increased number of units produced since 2015 and in particular water-intense external products.

**Data was collected from questionnaires. Our wellness factory in China was excluded from the water reporting, since they manufacture products that do not require water.*

Total water withdrawal at manufacturing sites*



Water consumption per unit produced at manufacturing sites*





Achievements in 2020

WATER



100% of new skin care and personal care rinse-off products were formulated to be biodegradable



100% natural origin scrubs in all our exfoliating cosmetic products



7% reduction in water usage per produced unit at manufacturing sites since 2015



Forest

WORKING TOWARDS MORE SUSTAINABLE FORESTRY PRACTICES

Forests are a vital part of global and local ecosystems: they provide habitats, preserve biodiversity, clean our air and water, absorb carbon and provide people with materials, food and livelihoods. The largest threat to our forests today is deforestation. Deforestation and forest degradation diminish forests capacity to protect against zoonotic diseases like Covid-19, leading to spill-over of diseases. It raises the chances of pandemics by bringing humans and animals in contact and conflict with each other. According to the World Wildlife Fund (WWF), the average annual deforestation rate was 10 million hectare per year in 2015–2020.

Our main raw material by weight is paper. We work with our suppliers so that they can report their paper volumes and sustainability credentials annually. In 2020, we used 9,960 tonnes* of paper for catalogues, accounting for 88% of our total paper use. The remainder (12%) was used for paper and board packaging.

**Data from supplier questionnaires*

***Source is defined as the paper mill*

Palm oil is another important raw material for us. We use derivatives of palm oil (56%) and palm kernel oil (44%) in our products. 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 2020, we improved our CDP Forest score to A- for timber (Leadership level) and to B for palm oil.

Paper in catalogues and packaging from credible certified sources

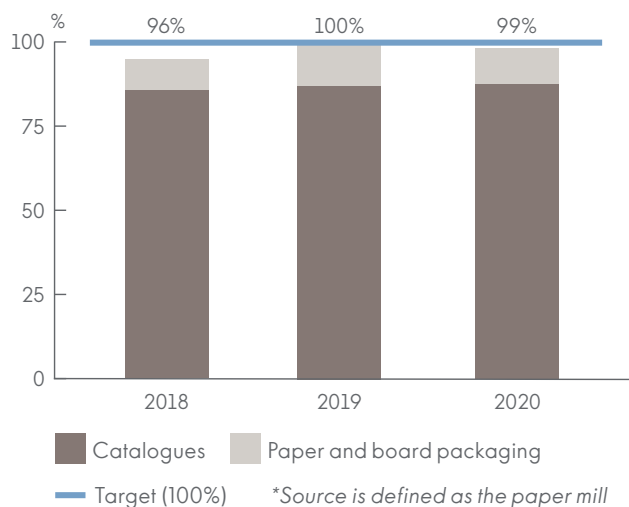
We started working towards more sustainable forestry practices in 2010. In collaboration with the Rainforest Alliance, we developed a global Responsible Paper Sourcing Commitment, which we updated again in 2014. Our main goal is to source 100% of our paper and board packaging and catalogues from either credible certified sources** and/or recycled materials by 2020. 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). For



2020, we were planning on updating our forest-related targets and develop a Global Forest Commitment to replace our current Responsible Paper Sourcing Commitment. Due to the Covid-19 pandemic the work was postponed to 2021.

Our 2020 target was to source 100% paper and board packaging and catalogues from credible certified sources* or recycled materials. By the end of the year we reached 99% paper and board packaging and catalogues from credible certified sources* or recycled materials. We will continue to aim to source 100% paper and board packaging and catalogues from credible certified sources or recycled materials. Our paper supplier questionnaires for product packaging,

Paper and board packaging and catalogues from credible certified sources* or recycled materials



accessories and catalogues have been developed and updated by Rainforest Alliance to verify the origin of paper, as well as supplier claims of FSC™ certification or other credible certified sources.

FSC™ certified wood

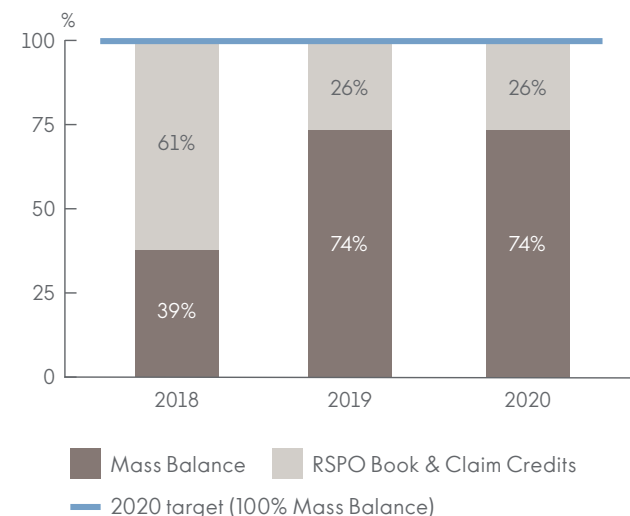
We are committed to source FSC™ certified wood in our wooden pencils in the colour cosmetics category. In 2020, we started the transition towards FSC™ certified wood for our cosmetic pencils. We aim to have all new developed wood pencils in the colour cosmetics category from FSC™ certified wood by 2021.

Certified palm oil

Palm oil is one of the world's most widely used raw materials and the demand for it continues to rise. This is a problem because its cultivation may have serious environmental impacts – such as large-scale deforestation and habitat loss, soil erosion, pollution and climate change. However, compared to other vegetable oils, palm oil gives the highest yield per hectare. According to WWF, palm oil supplies 35% of the world's vegetable oil demand on just 10% of the land. To get the same amount of other vegetable oils you would need between 4 to 10 times more land and in return shift the problem to other parts of the world. Furthermore, millions of smallholder farmers depend on producing palm oil for their livelihood. Therefore, we want to take action to source palm oil more sustainably.

The Roundtable on Sustainable Palm Oil (RSPO) is a not-for-profit with more than 4,000 members that unites stakeholders from the palm oil industry. The RSPO has developed a set of environmental and social criteria

Sustainably certified palm oil



which companies must comply with to produce certified sustainable palm oil. We have been an active member of the RSPO since 2010 and have participated in conferences, committees and working groups since 2011.

We use derivatives of palm oil (56%) and palm kernel oil (44%) in our products. Since 2010, we have been sourcing sustainable certified palm oil from the RSPO, either as Mass Balance certified palm oil or as RSPO Book & Claim Credits. We were among the first companies in the cosmetics industry to do so. This means we actively and effectively engage supply chain actors for palm oil to be part of sustainable palm oil trade and take steps to support the production and use of sustainable oil palm products.



Our goal for 2020, was to source 100% Mass Balance certified palm oil. During the year, we focused on updating our mapping of palm oil derivatives in raw materials. Due to the updated mapping, the percentage Mass Balance palm oil in 2019 changed from 76% (as communicated in 2019 Sustainability Report) to 74%.

In 2020, we purchased 3,648 tonnes of derivatives of palm oil and palm kernel oil. Out of this, 1,773 tonnes of palm oil and 927 tonnes of palm kernel oil was Mass Balanced certified. We were able to maintain 74% Mass Balance certified palm oil in our portfolio, same as in 2019. The remainder of our palm oil consumption (26%) was covered by RSPO Book & Claim Credits. We did not yet reach our target of sourcing 100% Mass Balance certified palm oil by 2020, but will continue to pursue this target.

During the year, Oriflame joined the Swedish network for high-risk crops "Samverkansplattform för riskgrödor". The network is a national partnership platform between industries focusing on palm oil and soy management. Palm oil and soy were chosen as the high-risk crops to focus on, as there is a potential of synergies in how companies manage the two crops. Oriflame's participation, however, is solely based on palm oil management, and will be used to monitor and discuss best practice in the industry. In the longer term, the network considers including other types of risk crops too.



Achievements in 2020

FOREST



99% of paper and board packaging and catalogue paper combined comes from credible certified sources* or recycled materials.



Improved our CDP Forest score to **A-** and attained Leadership level for timber. Our score also improved to B in palm oil category.



74% of Mass Balance certified palm oil. Remainder consumption (26%) covered by RSPO Book & Claim Credits.

*Source is defined as the paper mill



Climate

TAKING ACTION TO REDUCE EMISSIONS ACROSS OUR BUSINESS

Greenhouse gas emissions are a serious global challenge and a major factor in global warming and climate change. Each year, the United Nations report 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 2021 ranks extreme weather and climate action failure as the top risks in terms of likelihood.

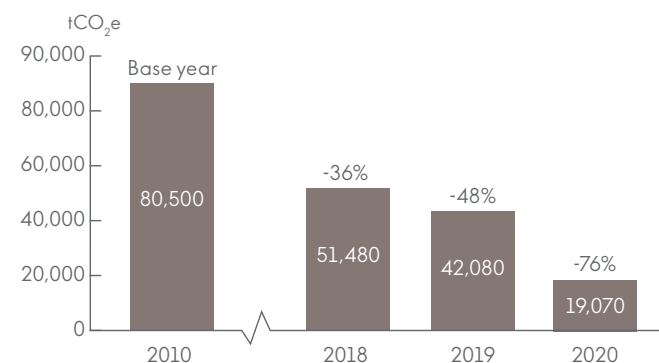
Our business impacts the climate, both directly via our operations and indirectly via our supply chain. Oriflame is present in countries that are already experiencing the severe effects of climate change, which motivates us to take action to reduce our impact. We have also identified changing weather patterns as a potential climate change risk for decreased or irregular raw materials supply to Oriflame. It is important for us to act now in order to help speed up the transition towards a net-zero economy. We report our climate-related risks annually to the CDP and in 2020 we improved our score to A- and attained Leadership level for climate.

Reduced climate impact since 2010

We implemented a company-wide emissions reduction programme in 2010 and have reduced our absolute GHG emissions by 76% since then. The large reduction is mainly due to our investment in renewable electricity, energy efficiency measures and decreased travelling due to the Covid-19 pandemic.

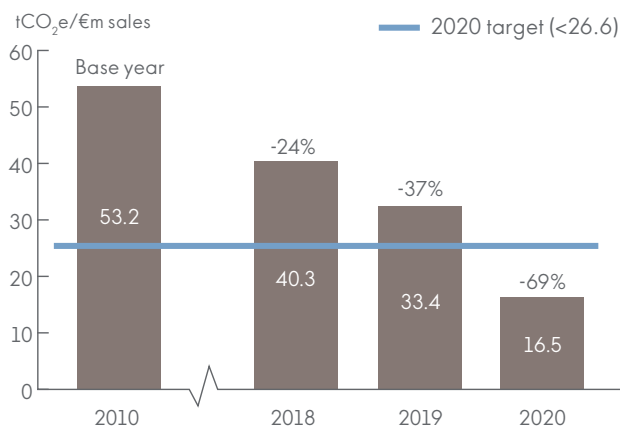
We set our current scope of emissions in 2010 and it includes our own operations (Scope 1 and 2), as well as water, waste, employee business travel, Brand Partner air travel to international conferences, electricity transmission and distribution losses and logistics transports (Scope 3). Our goal for 2020 was to reduce emissions relative to sales by 50% (from a 2010 baseline).

Absolute GHG emissions over time





Relative GHG emissions over time



We reduced the emissions per sales by 69% from 2010 to 2020 and consequently reached the 2020 target.

Since 2010, we have undertaken a wide range of initiatives to reduce our current scope of emissions:

- We implemented an energy audit programme at our factories and offices in 2011 and have since then conducted energy audits with a focus on environmental sustainability, including energy efficiency, water consumption and waste. The results have helped us identify areas of improvements and to establish energy saving programmes. The energy audit programme was concluded in 2020, due to the Covid-19 pandemic.
- We have 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. Since

2010, we have reduced our emissions from global logistics transportation by 27% per pallet shipped. We are continuously reviewing packaging and loading routines to fit more into each truck and container. When selecting road carriers, minimum 85% of the substituted equipment should meet the environmental standard Euro 4, Euro 5 or Euro 6.

- Our aim is to certify all our 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 factories in Russia and Poland are assessed by Eco-Vadis – a scorecard to assess environmental, social and ethical risks – and have received gold certification for both sites, the highest score. In addition, both factories have environmental management systems certifications (ISO 14001:2015), and the site in Poland also has an Ecocert® certification.

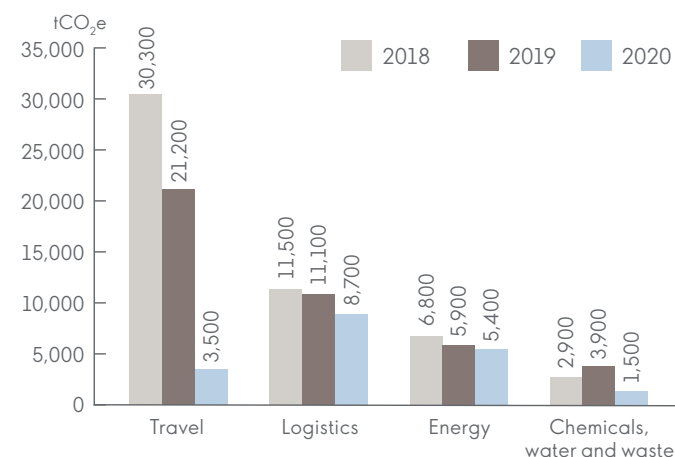
100% renewable electricity

Since 2018, we have purchased traceable renewable electricity for all Oriflame operated sites (offices, manufacturing sites and warehouses). For 2020, we have matched our electricity consumption with Guarantees of Origin 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. We have had solar panels installed at our wellness factory in India since 2014, covering around 9% of the factory's consumption in 2020.

Greenhouse gas emission breakdown in 2020

Our major emission sources have previously been employee business travel and Brand Partner travels to international conferences. But compared to last year, the emissions from all travelling combined decreased by 83%. Due to the Covid-19 pandemic, most of the the global conferences were cancelled or postponed and a ban on international business travel was temporarily implemented for employees, and therefore emissions from travel were reduced. The decrease in emissions from logistics transports since 2019, is mainly due to a decrease in air transports and an improved loading efficiency. As offices were used less and some closed down due to the pandemic the emissions from energy, chemicals, water and waste also reduced compared to last year.

Greenhouse gas emission sources



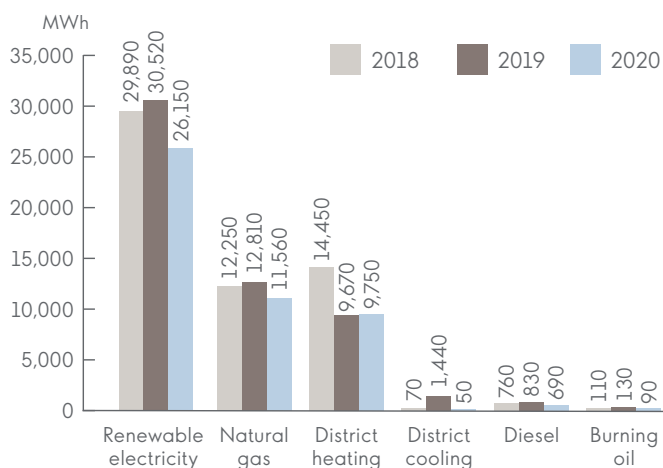


Energy breakdown in 2020

Overall, 54% of Oriflame's energy consumption within the organisation originated from renewable sources. In total, the energy consumption within the organisation in 2020 was 48,290 MWh. For the sites that could not report any energy data, estimations were made based on available statistics and the size of the site. For 2020, 6% of the energy consumption within the organisation was estimated. A majority of the energy used was from renewable electricity, but natural gas and district heating were also large energy sources.

Energy consumption outside of the organisation (warehouses not operated by Oriflame) was 4,030 MWh in 2020.

Energy sources within the organisation



*Scope 1, 2 and 3 targets to be submitted to SBTi and amendments may occur prior to final approval.

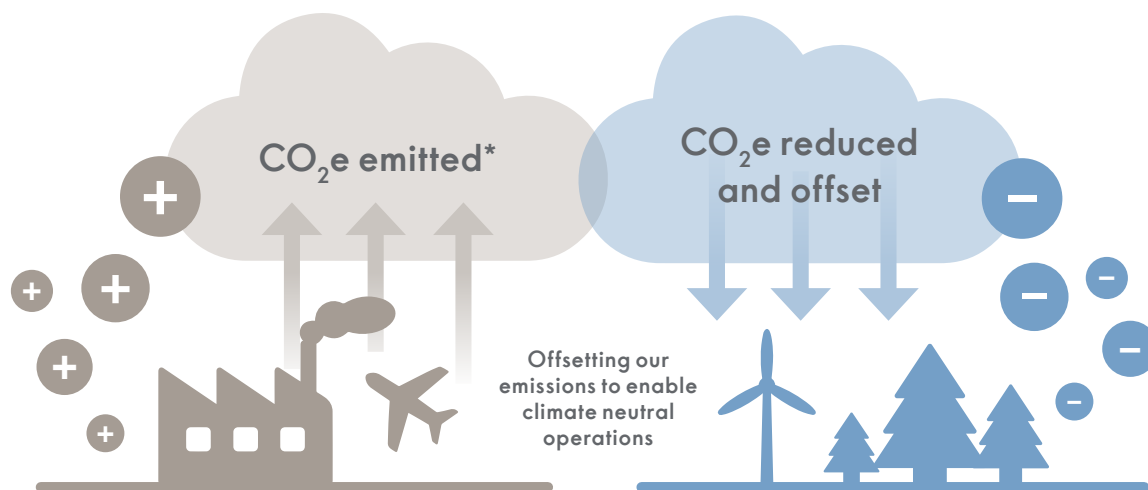
Science-based Targets

Our next step is to set company-wide GHG emission reduction targets aligned with the latest climate science for 2030. We have joined the Science Based Targets Initiative (SBTi) and we are submitting a target for approval of 50% absolute emission reduction in our own operations by 2030 based on a 2019 baseline (Scope 1 and Scope 2) and a 2% emission reduction per unit per year in our value chain by 2030 based on a 2019 baseline (Scope 3)*. In 2020, we conducted a Scope 3 assessment to better understand the climate impact from our value chain. Based on the assessment, we will develop a new Scope 3 baseline for 2019, which will be used for our 2030 targets. More information about the baseline will be included in our 2021 CDP Climate Report. Once the targets are set, we will reach along our value chain to find and create opportunities for emission reduction among our suppliers and consumers.

Climate neutral operations and events

We continued to compensate for the emissions within our current scope (Scope 1, Scope 2 and parts of Scope 3) that we could not reduce in 2020. The same approach was taken in 2019. The climate compensation was done by purchasing carbon credits in reforestation and forest conservation projects in India, China, Mexico 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 (Scope 1, Scope 2 and parts of Scope 3). However, our climate ambitions do not end here. We want to reach company-wide net-zero emissions and in order to do so we need to reduce the greenhouse gas emissions generated by our full value chain, aligned with science. We are monitoring the updates from the





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

Science Based Targets Initiative on the global standard for corporate net-zero targets.

In beginning of 2020, before the Covid-19 pandemic started, we organised two climate neutral conferences. In order to get the conferences certified as climate neutral, Oriflame had all greenhouse gas emissions quantified and accounted for according to the Greenhouse Gas Protocol, including all attendees' travel, meals, hotel stays, energy use etc. The calculations were validated by a third party, South Pole, to assure accordance with their Climate Neutral Event certification, defined by the strictest PAS 2060 standard. Then, we implemented emission-reduction initiatives to reduce ensuing climate impact. For the emissions we could not reduce, we climate compensated with reforestation and forest conservation projects in India, China, Mexico and Indonesia.

From 2020 onwards all our global and regional conferences will be certified as climate neutral by quantifying and reducing emissions and climate compensating for any remaining climate impact. In 2019 and 2020 we have been working on updating our Sustainable Conference Guidelines. Due to the Covid-19 pandemic and the global and regional conferences being cancelled or postponed in 2020, we decided to pause the implementation of the guidelines. For 2021, we will assess if the guidelines are the most efficient tool for Oriflame conferences to improve their sustainability performance going forward.

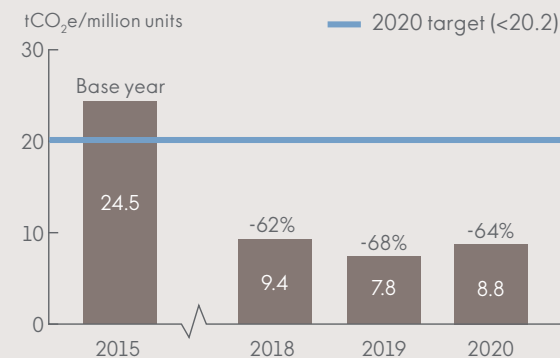
Our climate-compensating projects are described in detail on pp. 38–39. In total for 2020, Oriflame purchased 20,434 tCO₂e of carbon credits. This is a decrease from 48,017 tCO₂e in 2019, which is due to the reduced amount of greenhouse gas emissions in 2020.



Did you know?

Our own manufacturing sites** have climate-related operational targets that are followed up annually. Since 2015 our manufacturing sites have reduced their energy Scope 1 and Scope 2 emissions (stationary fuel, electricity and heat) per produced unit by 64% and reached the 2020 target of 15% relative reduction since 2015. This is mainly due to our investment in 2018 in renewable electricity for all our own manufacturing sites, but also energy efficiency improvements. Since 2015 the electricity use per produced unit has decreased by 14%.

Energy Scope 1 and Scope 2 emissions in manufacturing



**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.

CASE STUDY

Climate compensation projects



Reforestation with teak trees in Mexico

The project converts land cleared for agriculture and livestock back into forest land, which improves biodiversity and increases carbon sequestration to mitigate global warming. The project activity covers the states of Tabasco, Chiapas and Campeche, in the south of Mexico. It consists primarily of planting teak trees to convert the cleared land into forest land. Beyond the climate benefits, the project supports regional economic development by providing the local population with jobs, for example through training in forest management, and by creating a sustainable supply chain of teak wood.

Rimba Raya Biodiversity Reserve in Indonesia

The Rimba Raya Biodiversity Reserve project reduces GHG emissions by protecting tropical peat swamp forests from deforestation for palm oil production. Located on the southern coast of Indonesian Borneo, the project also protects ecosystem biodiversity and conserves habitats for endangered species such as the orangutan. The project not only sequesters carbon and protects habitat for local wildlife, it also promotes sustainable development, particularly regarding environmental education and economic capacity building.



Keyihe Forest Conservation in China

The project involves converting a forest from logged to protected forest. The state-owned forest is located in the Inner Mongolia Autonomous Region of China and Improved Forest Management (IFM) is also involved in the project. The carbon sequestration from the trees carries significant benefits – the trees act as a sink for GHG emissions in the atmosphere and some of the harmful effects of air pollution are lessened. The project will also contribute to sustainable development by enhancing biodiversity and protecting the area against soil erosion.



TIST programme in India

The International Small Group and Tree Planting Programme (TIST) is located in Tamil Nadu in the south of India. The main project activity is encouraging farmers to plant trees on their land. TIST provides an administrative backbone that supports this through training in nursery building, tree planting, conservation farming, building fuel-efficient stoves and malaria and HIV/AIDS prevention. Combining sustainable development with carbon sequestration, this project greatly enhances the reforestation and biodiversity efforts of subsistence farmers, while also providing them with a sustainable income source.



Achievements in 2020

CLIMATE



76% absolute reduction in GHG emissions since 2010



69% reduction in GHG emissions per sales since 2010



100% renewable electricity at all Oriflame operated sites since 2018



Packaging

WE ARE STRIVING FOR MORE SUSTAINABLE PACKAGING SOLUTIONS

Product packaging is an important part of the consumer experience and ensures that safe and high-qualitative 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. Therefore, we are taking action to develop packaging that our consumers will love and cherish – but with a reduced environmental impact. 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 believe in circularity and are committed to increase our use of recycled materials in all our product packaging. Our main packaging materials by weight are glass and plastic. Therefore, we focus on moving towards more post-consumer recycled (PCR) plastic and glass across all our brands.

In 2020, we increased the amount of recycled materials in several product launches. For example, the Beautanicals range had plastic bottles made from 100% PCR

plastic and tube sleeves made from 55% PCR plastic with a tube head of 50% PCR plastic. The colour cosmetics category launched its first packaging with recycled materials – THE ONE Tremendous Mascara Waterproof and THE ONE Lash Extension Mascara Waterproof were developed with 50% recycled plastic. In addition, the Love Nature Ice Pops Shower Gel bottles had 50% PCR plastic, the Essense&Co. Green Mandarin & Orange Blossom Hand & Body Wash and Lotion bottles had 30% PCR plastic, the Love Potion Blossom Kiss Fragrance mist bottles had 35% PCR plastic and plastic trays in fragrance giftsets had 90% PCR plastic.

By 2025, a significant share of Oriflame's plastic packaging will be from PCR or other sustainable materials. Due to the Covid-19 pandemic we had to shift all our focus towards new product development. Therefore, packaging performance indicators, e.g. the amount and percentage of recycled materials in our product portfolio, will not be available for 2020.

By using PCR materials, we reduce the amounts of virgin materials used and contribute to a circular economy. PCR materials are not yet available for all types of plastic materials and may be difficult to source 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 qualitative materials.

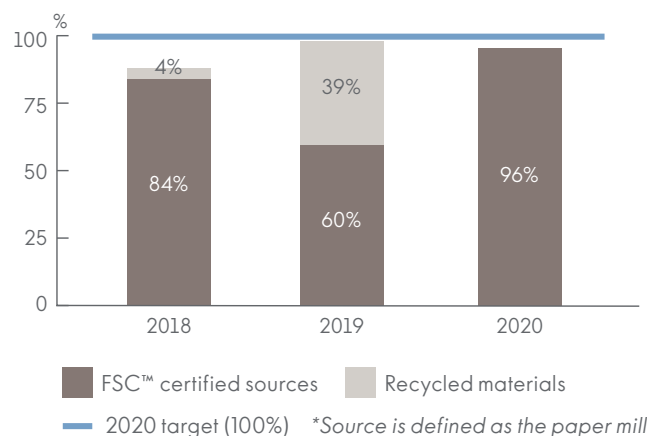


2. Renewable materials

Renewable materials sourced in a sustainable way is part of our strategy. Replacing finite and fossil-based materials with responsibly managed renewable materials can decrease GHG emissions while reducing dependency on finite resources. In 2020, 96% of our paper and board packaging were 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.

In addition, we also focus on replacing fossil-based materials with renewable materials if possible. For example, in the accessory category, our sunglasses and jewellery are now delivered in paper boxes instead of plastic bags. We are also exploring the field of bioplastics, with successful trials in biopolymers and bio-based materials.

Paper and board packaging from FSC™ certified sources* or recycled materials



3. Lightweight packaging

We aim to reduce the overall weight of packaging material used in our products annually. 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 a comparable or previous packaging and requires less natural resources to be made.

We have been working to find a good balance between more lightweight packaging and durability for quite a long time. 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

At Oriflame we are committed to increasing our use of refillable and reusable packaging. 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 refillables does not mean that we compromise on the quality or safety of our products.

5. Recyclability

We strive to make our packaging recyclable, with the aim that it can be disposed of responsibly where recycling facilities are available. By 2025, we aim to have 75% of our cosmetics and wellness products' packaging designed to be fully recyclable, reusable or compostable.



One example of a recyclability project we are currently working on is using more wash-off adhesives on labels to ease the recycling process. We also encourage and facilitate for our Brand Partners to recycle their packaging after usage.



Greener Packs

To facilitate for consumers to make the right choices, we have developed the Greener Packs logo to guide to our packaging solutions with a reduced environmental impact. Products with an improved packaging will receive a Greener Packs logo if at least one of the below requirements are met.

- Packaging made from at least 25% recycled materials, often much more
- Primary packaging made from FSC™ certified paper and board
- Packaging made from a minimum of 20% sustainably sourced bio-based materials
- Packaging made with at least 20% less material by weight than a comparable or previous packaging
- All refillables



This bottle is made with recycled glass.
To learn more go to [Oriflame.com](https://www.oriflame.com)



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, weight optimisation and selecting more sustainable materials such as renewable and recycled materials. We are also planning on finding new ways to help our Brand Partners and consumers to recycle their packaging waste.

Packaging optimisation

During 2020, we continued our programme of packaging optimisation in our supply chain. The programme this year focused on optimisation possibilities in Poland, where we have our largest distribution centre, and reduction of unnecessary plastic packaging in Indonesia, where plastic pollution is an enormous concern. Due to the Covid-19 pandemic, the project experienced some delays during 2020, but it has reached its final phase and will be fully implemented during 2021. Since its start in 2019, highlights include a transit carton reduction from 32 to 16 formats which have resulted in savings of 133 tonnes of cellulose and 1,241 tonnes of CO₂ from our supply chain processes. By removing additional transit



materials we saved 97 tonnes of plastic and 11 tonnes of paper. During 2021, we will expand the initiative to India.

Waste management

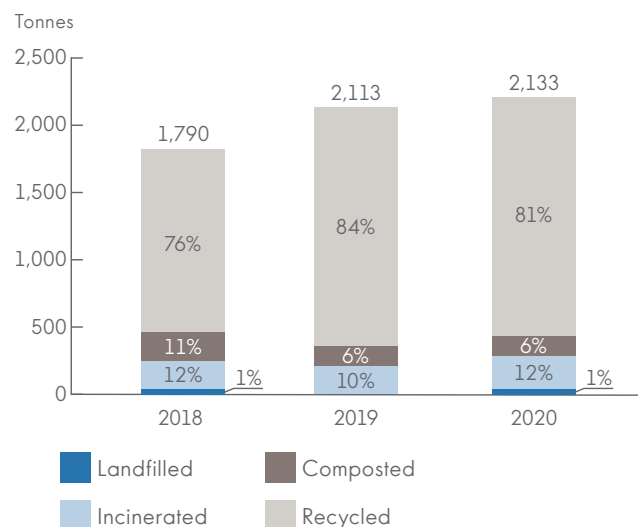
It is also important for us to address the waste that is created across the rest of our business. Annually we collect waste data from manufacturing sites as well as offices and warehouses. The reporting rates of waste data are lower compared to energy data. In 2020, 100% of manufacturing sites and 68% of offices and warehouses reported their waste volumes.

At our manufacturing sites*, 99% of the waste avoided landfill with 81% of the total waste sent to recycling. In 2021, we will set new targets for our manufacturing sites. Part of the process will be to investigate how our manufacturing sites could be more circular. Since 2015, the amount of waste being recycled at manufacturing sites has increased by 60%. For example, in 2020, our factory in Poland sent approximately 36 tonnes of glassine paper from label release liner to recycling.

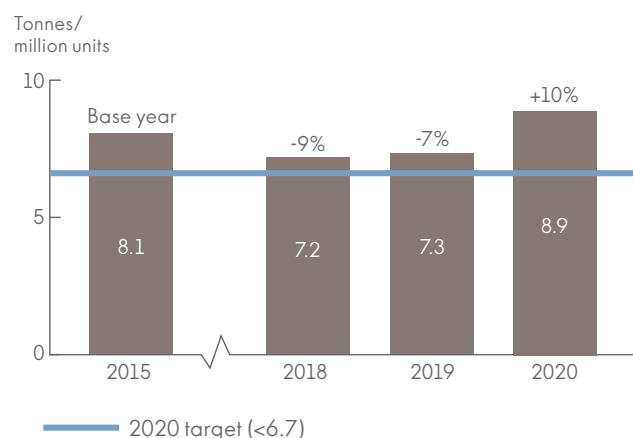
Our goal for 2020 was to reduce the waste per unit produced from manufacturing site* by 15%. The results showed an increase in waste per produced unit by 10% from 2015. The increase in waste per unit is due to an increased production of fragrance products which have heavier components and require additional protection packaging and an increased production for external clients that require more packaging for starting materials due the large product size.

**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.*

Waste management at Oriflame manufacturing sites*



Waste generated per unit at manufacturing sites*



Did you know?

During 2020, we have been working on improving the packaging for our global sales support bags. From 2021 onwards, we have replaced plastic polybags with non-woven dust bags made of 100% recycled polyester. All dust bags have a removable paper stick with regulatory information, that can easily be removed by the consumer in order to reuse the dust bag, for example for storage purposes. By encouraging reuse, we can increase the lifecycle of the packaging.





Achievements in 2020

PACKAGING



Increased the amount of recycled materials in product launches. For example, we launched Beutanicals range with bottles made of **100%** PCR plastic, tube sleeves made of **55%** PCR plastic and plastic tube head made of **50%** PCR.



96% of our paper product packaging came from FSC™ certified sources* or recycled materials



99% of manufacturing waste avoided landfill



81% of waste generated at manufacturing sites was sent to recycling

**Source is defined as the paper mill*



Formulations

GOOD FOR YOU, RESPECTING THE PLANET

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 raw materials we select, as well as how and from where we source them.

Partnering with nature

Nature, and raw materials from nature, play an important part in our product development philosophy. Our respect for nature means we do not use materials derived from protected or endangered flora and fauna. We were one of the first cosmetics companies in the world to use raw materials sourced directly from nature. For example, instead of using petroleum-based synthetic alcohols in our Eau de Toilettes, Eau de Parfumes and aerosols, 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 materials 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 raw materials. For example, our search for sustainable anti-ageing actives led us to developing our own plant stem cell technology, which provides performance while considering environmental impact.



CASE STUDY

Focus on plant stem cells

Plant stem cells technology as the origin of active compounds for skin care products is a highly sustainable biotechnological approach.

This technology requires less plant material than traditional plant cultivation or sourcing and uses less energy and water. It has no seasonal or geographical variability, avoids the use of pesticides and allows us access to plant material from all over the world including those that may be at risk of endangerment. It has a minimal impact on ecosystems as it is independent from natural resources.

Plant stem cells – what are they?

Plant stem cells are the very essence of plant vitality. They are unspecific cells extracted from the meristem tissue of a plant – the part ensuring growth such as the roots and the shoots. Plant stem cells are an excellent and innovative source of active compounds for

skin and hair care as they contain and produce powerful and protective phytochemicals such as antioxidants and other active ingredients in large quantities.

Plant stem cell technology – how do we use it?

We select various plant species based on the potential anti-ageing or skin health properties of their phytochemicals. The selected plants and plant stem cells are cultivated in laboratory environment under optimal conditions for them to flourish as they would in nature. We then extract the phytochemicals from these plant stem cell cultures or in vitro plantlets. These extracts form a source of our active ingredient development.



Raw Material Integrity

Raw materials are a strategic focus for Oriflame and we actively working with our partners to seek exciting new brand-aligned ingredients and responsible alternatives to concern ingredients. We strive to use only those with the best safety and sustainability profile for our cosmetic and wellness products. This proactive approach is evidenced by our monitoring of raw materials that may be of concern for consumers, both from a human safety and environmental/ethical perspective. We address materials with potential negative environmental impact and phase out their use, such as phthalates, and plastic microbeads/glitter from rinse-off products. More recently, we are actively phasing out oxybenzone-3 due to the recognised environmental impact; we have also removed triclosan globally due to safety concerns and continuously assess our preservation system options.

From an ethical sourcing perspective, we took the decision to stop using natural diamond powder due to conflict concerns. We always ensure our raw materials do not come from endangered sources or materials, and we never use direct animal materials in either our cosmetic products or our accessories. In addition, our raw materials are not derived from GMO feedstocks.

For certain raw materials 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). For more information about RMI, see pp. 75–76 and about RSPO see pp. 32–33.

CASE STUDY

Beauty by Sweden – Swedish oat oil

Oat oil is incredibly compatible with skin, especially baby skin, due to it being a very rich complex of lipids. It helps to strengthen the skin's barrier – on its surface and within – to keep it soft and protected.

Selected specially for our dedicated Baby O range, the Swedish oat oil we formulate with is produced by growers committed to using sustainable arable cropping programmes. Sweden is considered to have one of the world's most sustainable agricultures already and is one of the foremost oat producing countries in the world, with its spring grown oats renowned for their high grain quality.

The farmers who harvest these oats are part of a generations-long agricultural cooperative which revitalises local communities and is dedicated to reducing their carbon footprint. There is a constant renewal of farming practices and responsible refinement of the land's arable resources to reduce environmental impact, while developing organic and traditional cultivation methods with sustainable technology to meet future demand.





Understanding our raw materials

We have a Raw Material Rationale process in place to ensure that we drive the influx of new raw materials that are in line with our brand. Our experts continue to review cosmetic and wellness raw materials from a safety perspective and according to our sustainability criteria including the following:

- **Naturalness:** this addresses origin and determines whether the material 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 a material has come from an endangered plant/ecosystem and evaluating its biodegradability and potential aquatic toxicity, such as plastic microbeads and oxybenzone.
- **Ethical impact:** we ensure that any raw material of animal origin is on our list of allowed animal by-products, e.g. beeswax, milk, honey, lanolin, silk. For each of these animal ingredients we require an ethical statement ensuring that no animal has been harmed. We ensure that no raw material contains genetically modified organisms (GMO). We also assess our raw materials 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 raw materials have been grown.

We are also constantly monitoring scientific reports on environmental issues to stay up-to-date and informed. By building this holistic understanding of our ingredi-

ents we can make accurate reports to our internal and external audiences and know where and how to take the most impactful action.

Animal welfare

We are committed to developing products that meet our own social and ethical standards, and those of our customers. Oriflame cares about animal welfare and endangered species and we have high standards for all the materials we source:



- We do not use materials derived from animals (fur/leather) in our accessory products. Furthermore, we focus on using synthetic hair in our brushes.
- We only use responsibly sourced animal by-products – such as beeswax and honey, lanolin (a secretion from wool-bearing animals) and dairy products.
- 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 use fish oil from sustainably managed stocks in our Wellness food supplements range.

We have never tested our products or raw materials on animals at any stage during product development. 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 irritancy.

However, in certain countries we have to submit our finished products for additional testing due to regulatory reasons. When this is the case, we offer other safety guarantees and try to persuade the relevant authorities to accept this data. We also work with the European Cosmetic Trade Association, Cosmetics Europe, to bring these local laws into closer alignment with European regulations. When unsuccessful, we must occasionally – and reluctantly – submit finished products for further testing, which may include animal testing. For more details, see our [Animal Welfare Policy](#) on our corporate website.



Achievements in 2020

FORMULATIONS



Continued to register products with
The Vegan Society™,
– Beautanicals in 2020



Launched Baby O and
Beautanicals* with **95%** natural
origin ingredients

** Hand Salve, Conditioner, Soap Bar*

And in 2020 we continued to ensure the
following:



100% natural origin exfoliants



100% natural origin alcohols in
Eau de Toilettes, Eau de Parfum and
aerosols



100% of new raw materials and
products in development were
screened through our sustainability
review process



Goals and commitments



Water

	Commitment	Deadline	Progress/Result	Comment
1.	Reduce water use in factories* by 15% by 2020.	2020	-7%	Since 2015, water consumption in manufacturing sites relative to units produced has decreased by 7%. The main reasons for not reaching the target were the increased number of units produced since 2015 and in particular water-intense external products.
2.	By 2025, 100% of new skin care and personal care rinse-off products will be formulated to be biodegradable.	2025	On track	All new skin care and personal care rinse-off products were formulated to be biodegradable.
3.	To further reduce our dependency on water, we will launch new waterless products as part of a key range by 2025.	2025	More to do	We are looking into opportunities for developing waterless products, e.g. shampoo bars.

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



Forest

	Commitment	Deadline	Progress/Result	Comment
4.	Source 100% of wood fibre from credible certified sources* and/or recycled material by 2020.	2020	99%	In 2020, 99% paper and board packaging and catalogues came from credible certified sources* or recycled materials.
5.	Source 100% of catalogue paper from credible certified sources* and/or recycled material by 2020.	2020	99%	In 2020, 99% of our catalogue paper came from credible certified sources* or recycled materials.
6.	Source 100% of display packaging cartons and leaflets from FSC™ certified sources* by 2020.	2020	96%	In 2020, 96% of paper and board packaging came from FSC™ certified sources or recycled materials.
7.	100% of wooden pencils developed after 2020 will be sourced from FSC™ certified wood.	2020	100%	In 2020, we have started the transition towards FSC™ certified wood for our cosmetic pencils. We aim to have all new developed wood pencils in the colour cosmetics category from FSC™ certified wood by 2021.
8.	Source 100% certified sustainable palm oil by physical supply chain by 2020.	2020	74%	We were able to maintain 74% Mass Balance certified palm oil in our portfolio in 2020. The remainder of our palm oil consumption (26%) was covered by RSPO Book & Claim Credits. We did not yet reach our target of sourcing 100% Mass Balance certified palm oil by 2020, but will continue to pursue this target.

*Source is defined as the paper mill.



Climate

	Commitment	Deadline	Progress/Result	Comment
9.	Reduce GHG emissions from global Oriflame operations by 50% by 2020.*	2020	-69%	Since 2010, the GHG emissions relative to sales have decreased by 69%. The large reduction is mainly due to our investment in renewable electricity, energy efficiency measures and decreased travelling due to the Covid-19 pandemic.
10.	Reduce GHG emissions from stationary fuel and energy in factories** by 15% by 2020.	2020	-64%	Since 2015, the GHG emissions from stationary fuel and energy at manufacturing sites relative to units produced has decreased by 64%. This is mainly due to our investment in renewable electricity.
11.	Reduce electricity use in factories** by 15% by 2020.	2020	-14%	Since 2015, the electricity usage at manufacturing sites relative to units produced has decreased by 14%.
12.	Achieve 100% renewable electricity in Oriflame operated buildings.	2020	100%	Since 2018, 100% of electricity consumption at all Oriflame operated offices, warehouses and factories have been matched with Guarantees of Origin in Europe and the International REC Standard (I-RECs) on other continents. The origin of the electricity is a mix of wind power, solar power, and hydro power. We have had solar panels installed at our wellness factory in India since 2014.
13.	By 2020, carbon offset Oriflame's current scope of emissions (Scope 1, Scope 2 and parts of Scope 3).	2020	100%	In 2020, we climate compensated for all of our current scope of GHG emissions (Scope 1, Scope 2 and parts of Scope 3). In total for 2020, Oriflame purchased 20,434 tCO ₂ e of carbon credits.

*The goal is based on emissions relative to sales from 2010 as our base year. **Our wellness factory in China was not included in the target setting due to low production volumes at the time.





Commitment	Deadline	Progress/Result	Comment
14. By 2020, set Science Based Targets (SBT) 2020 for Scope 1, Scope 2 and Scope 3.	2020		We have joined the Science Based Targets Initiative (SBTI) and we are submitting a target for approval of 50% absolute emission reduction in our own operations by 2030 based on a 2019 baseline (Scope 1 and Scope 2) and a 2% emission reduction per unit per year in our value chain by 2030 based on a 2019 baseline (Scope 3)*.

*Scope 1, 2 and 3 targets to be submitted to SBTI and amendments may occur prior to final approval.








Packaging


Commitment	Deadline	Progress/Result	Comment
15. Reduce waste created in factories** by 15% by 2020.	2020		Since 2015, waste production relative to units produced has increased by 10%. The increase in waste per unit is due to an increased production of fragrance products which have heavier components and require additional protection packaging and an increased production for external clients that require more packaging for starting materials due the large product size.
16. Send no waste to landfill from factories** by 2020.	2020		In 2020, 99% of all waste produced at manufacturing sites avoided ending up in landfill.

**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.



Commitment	Deadline	Progress/Result	Comment
17. Use at least 20 % post-consumer recycled (PCR) materials in our PE and PET cosmetics packaging by 2021 (postponed from 2020 due to Covid-19).	2021	 More to do	Due to the Covid-19 pandemic we had to shift all our focus towards new product development and therefore packaging performance indicators will not be available for 2020. We have decided to prolong the deadline for the commitment in order to measure our progress in 2021. In 2019, we had around 11% PCR material in our PE and PET cosmetics packaging.
18. Year on year, Oriflame is committed to reduce the overall weight of packaging material used in our cosmetics and wellness products.	Year on year	 More to do	Due to the Covid-19 pandemic we had to shift all our focus towards new product development and therefore packaging performance indicators will not be available for 2020. We are working on setting a baseline for this target.
19. By 2025, a significant share of Oriflame's plastic packaging will be from either post-consumer recycled (PCR), bio-based or other sustainable materials.	2025	 More to do	Due to the Covid-19 pandemic we had to shift all our focus towards new product development and therefore packaging performance indicators will not be available for 2020. We are working on setting a baseline for this target.
20. By 2025, 75% of the packaging used in our 2025 cosmetics and wellness products will be designed to be fully recyclable, reusable or compostable.	2025	 More to do	Due to the Covid-19 pandemic we had to shift all our focus towards new product development and therefore packaging performance indicators will not be available for 2020. We are working on setting a baseline for this target.
21. Oriflame is committed to a year on year increase in our usage of refillable and reusable packaging.	Year on year	 More to do	Due to the Covid-19 pandemic we had to shift all our focus towards new product development and therefore packaging performance indicators will not be available for 2020. We are working on setting a baseline for this target.






Commitment	Deadline	Progress/Result	Comment
22. Facilitate our Brand Partners' and consumers' need to recycle their product packaging by continuously increasing the proportion of recyclable products on the market (see target 20) 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 latest by the end of 2022.	2022	 More to do	We are planning on finding new ways to help our Brand Partners and consumers to recycle their packaging waste.


*In some cases, this may mean that we provide a recycling solution ourselves.



Formulations


Commitment	Deadline	Progress/Result	Comment
23. Oriflame is committed to a sustainability review process of 100% of our cosmetic and wellness raw materials.	Year on year	 On track	All of cosmetic and wellness raw materials were reviewed under our sustainability criteria in 2020.
24. We are committed to having a road map in place for all identified raw materials of concern in order to find alternatives and phase them out in potential future developments.	Year on year	 On track	We always pay attention to raw materials that may be of concern for consumers. We now have a more robust process in place for monitoring and addressing these. Even more materials with a negative environmental impact are being phased out, including oxybenzone and mineral oils (direct).
25. 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	 On track	In 2020 we launched the Beutanicals range with high natural percentage, Swedish honeysuckle, and registered with The Vegan Society™. Additionally we launched the Baby O range with a high level of naturalness, Swedish oat oil and addressing ingredients of concern.



Commitment	Deadline	Progress/Result	Comment
26. By 2030 we are committed to have 0% revenue originating from products containing ingredients on the REACH SVHC candidate list*.	2030	 More to do	<i>In 2020, 16% of product revenue originated from products containing ingredients on the REACH SVHC candidate list*.</i>

*Candidate list February 2021.

Conferences & Facilities

Commitment	Deadline	Progress/Result	Comment
27. Pursue LEED® Green Building scheme certification for all new construction and major renovations and pursue environmental effectiveness on all our premises.	Year on year	 On track	<i>No new construction and major renovations were concluded in 2020.</i>
28. By end of 2020, minimise the conference 2020 environmental footprint per participant on all Oriflame's Global & Regional conferences by: <ul style="list-style-type: none"> • Organising climate neutral events verified by third party. • Adding GHG emissions to the set of criteria for decision-making on where to locate the event, as well as wherever feasible to use environmentally certified hotels and venues. • Start implementing the newly updated Sustainable Conference Guidelines. 	2020	 Achieved	<i>In beginning of 2020, before the Covid-19 pandemic started, we organised two climate neutral conferences. After that, all conferences were cancelled or postponed. From 2020 onwards all our global and regional conferences will be certified as climate neutral by quantifying and reducing emissions and climate compensating for any remaining climate impact.</i> <i>For future conference destinations, we are including climate impact data in the decision making.</i>



Passion for People

Social responsibility is important to Oriflame because of the impact and potential influence we have on people around the world. Through our 5,600 employees, the Oriflame Brand Partners, our suppliers, the communities where we operate and our customers, our business touches millions of lives every day. Our commitment to social sustainability is an ongoing one.

This section of our strategy covers the targets that relate to people and social sustainability. That includes our employees, our Brand Partners, our customers and those employed by our suppliers. That's why this section 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

The physical health and emotional well-being of our employees are always in the forefront at Oriflame. We want everyone working in the company to feel the connection, the excitement, to be challenged and to be needed – especially during these trying times.

In 2020, during the wake of the Covid-19 pandemic, we focused on keeping our employee-centric approach through our global initiatives within these areas; personal well-being, digital mindset and re-igniting our culture.

Personal well-being

The situation surrounding Covid-19 proved to be stressful for our people. To help them cope with the necessity of working from home and enduring the lockdowns, we focused on improving employees' well-being – both mental and physical. To this end we created and hosted many digital sessions built around the concept of Wellness by Oriflame. From April to June employees could take part in a weekly schedule consisting of online workouts, yoga, meditation, mindfulness and emotional well-being sessions. Some of these sessions were so appreciated by colleagues, they were continued until November. In June we also

hosted a "New Normal" online session with a professional psychotherapist who answered the most pressing questions from our staff in live format.

In addition, in October we launched a Personal Well-Being Coaching Programme. Taking place over 7 weeks, it helped employees accumulate knowledge on how to improve the quality of their lives with the focus on mindfulness and resilience training. Our efforts to improve the well-being of our colleagues were supported by many similar local initiatives from Oriflame regions.

Digital mindset

In 2020, the majority of our work moved online, necessitating the increased use of digital tools. We are happy to report that Oriflame was already taking steps to increase our digital proficiency and awareness even before the Covid-19 crisis; our efforts from the previous years helped us transition into the new reality much more smoothly. To ensure all employees are comfortable with the tools and applications we use at work we launched a series of online training sessions – available both on our SharePoint platform and on-demand. We also engaged our employees in digital discussions by providing them with the opportunity to participate in TEDxStockholm's Virtual Salon event – "Citizen-driven innovation". Finally, we provided them access to the Digital Fitness App – a special tool designed to increase one's digital awareness by learning small, bite-sized pieces of information.

Employee experience

Human rights

Consumer safety

Socially responsible products

Goals and commitments

In 2020, we continued our partnership with LinkedIn Learning. By the end of the year we had 993 activated licenses out of 1,000 purchased (99% activation rate). Overall, our employees watched more than 68,000 hours of video content using the platform and spent 3,320 hours studying – an average of 1 hour a month per user.

Last, but not the least, we launched a new administrative platform for employees called Cornerstone. It unites all our digital tools under one roof and provides an external-facing site to attract the best talent with user-friendly design and content. One of our goals in 2020 was to eliminate bias in recruitment to avoid any form of discrimination from our hiring process. Cornerstone fulfils this purpose by giving our recruiters access only to information related to the position, excluding anything that can cause bias. The site is a self-serving platform, where employees can manage their personal information directly, gain access to e-learning and training materials – including the ones increasing their digital awareness – and complete their Individual Performance Reviews. To help our staff become familiar with Cornerstone, we launched a special campaign – “Digital Heroes 2.0.” It’s a continuation of the 2019 campaign which gained a lot of internal recognition and also was awarded second place at the Berlin Intra-NET Award 2020 for the “Best Digital Employee Experience”.

Re-igniting our culture

To keep the morale of our people up in the wake of the Covid-19 crisis we took many steps to ensure our culture of Togetherness, Spirit and Passion remained strong, despite the lack of physical interactions between colleagues. We also did everything to maintain the trans-



parent and timely communications about the Covid-19 situation with our employees. From the beginning of the pandemic, we sent out the relevant information by email and through a special crisis app. Thus we made sure that all Oriflame employees around the world are updated with the latest recommendations related to the pandemic.

We also created special weekly send-outs to all employees – #StayConnected Newsletters. They included the recent news from our regions and departments, interviews with the best professionals in their respective fields and vital updates on the Covid-19 situation. Our CEO also hosted monthly “CEO Connect” events, answering the most pressing questions from the community

online in real time. The events had an average of 1,400 viewers watching live. We followed up by creating two podcasts meant to uplift the spirits of our employees, while also making them more aware of the company’s history. The first one was the audio book focused on the story of our founders – “Jonas & Robert of Oriflame.” The second one was an already existing “Behind the O” podcast, which we re-launched with a new purpose of sharing personal stories of our most unique employees.

Another highlight of the year was our first fully digital conference for employees – “Back to the Future Digital Re-Conference.” Held in November, its goal was to reunite and reconnect our colleagues from all over the world, remind them about our strategy and bring them



up to speed on the latest news from Oriflame world. For this conference we created a fully digital expo space and adopted new formats, such as live talk show hosted by the CEO. The live talk show had over 1,500 employees from 64 countries connected at the same time.

We ended the year with a global employee event titled “CEO Connect: Secret Edition”, which was hosted via Zoom in a pioneering format with 3,000 employees in 58 countries attending live. The event was dedicated to recognition of the best employees and celebration of our culture and community. Once again, the aforementioned efforts were supported by local Employee Experience representatives in the regions through various online events and get-togethers, celebrations, classes and training sessions.

In 2020 we had a goal to put 100% of our employees through the Oriflame Way training. This essential course covers Oriflame’s culture, history, and business. Unfortunately, due to the Covid-19 pandemic, we were unable to reach this goal. We firmly believe that this essential course should only be experienced in person and not through the digital tools. We plan to resume the training and aim to achieve the target of 100% by 2021.

Finding the best

When it comes to finding new talent, we believe in diversity. A diverse environment where every culture, gender, religion and race feel at home is much more creative and productive than a homogenic one. Overall, 71 nationalities are represented in our global workforce. In terms of gender, we believe our workforce has a good balance on the whole, with 59% women and 41% men in 2020. In 2020, women represented 43% of the Global Management Team. The Group

CEO Connect: Secret Edition

We ended 2020 with a digital global employee event to celebrate and recognise employees and re-connect after a long year apart. The event had an unique set-up of:

- 60 laptops set up backstage
- 3,000 employees connected to the event

- 800 people seeing each other on two big screens at the same time
- Real-time editing and event coordination remotely from Moscow
- Special two-way projector screens built for the event

The event won the Event of the Year in Event Awards Russia in the Best Online Conference category.

Management Team consists of four women and six men (40% women) and our Board of Directors of Oriflame Holding Ltd consists of two women and three men (40% women). More detailed employee data is presented in the [Performance summary](#) in the Appendix.

Measuring our impact

At Oriflame, we are always looking for new ways to become more agile, especially in how we measure and improve our employee experience. In order to do so, we utilise our own Employee Net Promotor Score (eNPS), which is designed for employee feedback and input regularly. The eNPS combines standard NPS methodology and employee satisfaction by identifying a number of strategic areas within the company, such as employee experience from working at Oriflame, employee readiness to recommend Oriflame as an attractive place to work, and employee suggestions on how to improve.

In 2020, we successfully implemented the eNPS on a global scale in 59 Oriflame markets. 56% of all the markets participating in the survey are so called experiential according to the Employee Experience Index which is the highest rank of that index. This and the comments our employees leave when answering open questions, have given us confirmation that our strategy when it comes to employee experience is considered a key factor for recommending Oriflame. Additionally, in 2020 our co-workers gave us very positive feedback about the measures we took to address the global pandemic of Covid-19.

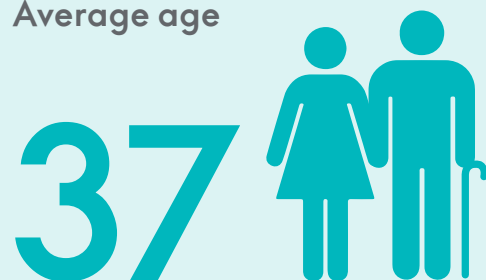


Oriflame employees in numbers

Number of nationalities



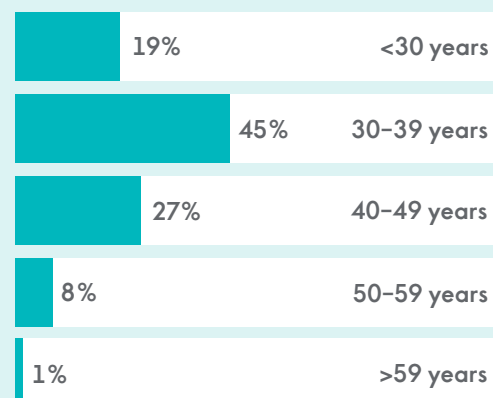
Average age



Average tenure



Age distribution

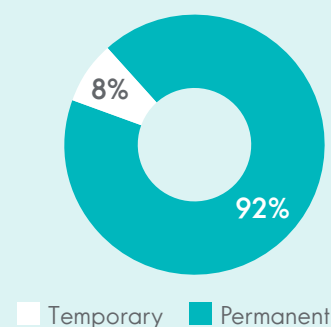


Employee turnover*

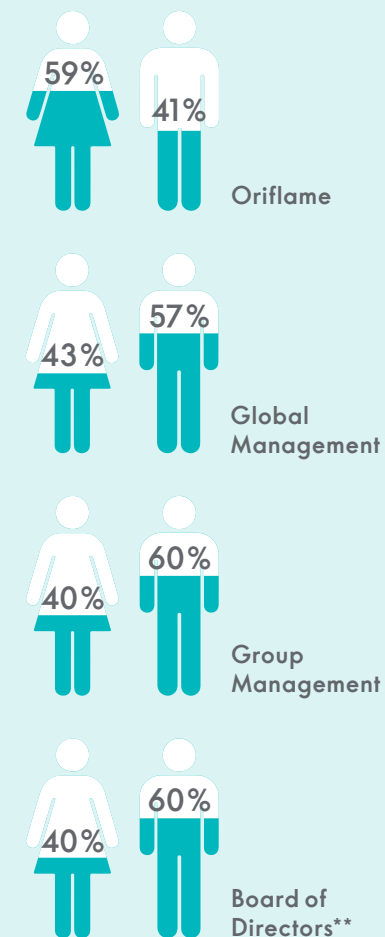


<30 years	31%
30-39 years	24%
40-49 years	24%
50-59 years	26%
>59 years	96%

Employment contract



Gender balance



* Turnover rate is defined as the ratio of employee leaves and 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 owned by the Global Health and Safety Manager in 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 a [Group-level Policy](#) (publicly available). 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. From inception to date, it has been undertaken by 563 employees (73 new persons in 2020). 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 by the Oriflame Code of Conduct, read more in the chapter [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 factories 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

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

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

Worker participation on occupational health and safety

At our major sites we have established health and safety committees taking place at least four times a year, depending on the location, and involving representatives from the management and the workers. 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 2020, the Employee Experience team encouraged employees to work on both their physical and mental well-being by organising online events with relevant experts in the field. In addition to organizing 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

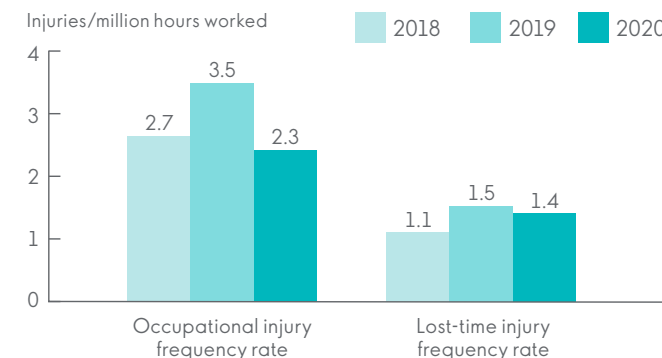
Oriflame suppliers are required to comply with the [Oriflame Supplier Code of Conduct](#), which highlights basic requirements in relation to the reduction of occupational health and safety risks. Where Oriflame outsources some operations and wherever the contractual relationship allows, concerned Oriflame 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 2020

Despite the disruptions caused by the global Covid-19 crisis, global and local initiatives started in previous years to provide our employees with safe workplaces, processes and tools were continued in 2020. Due to the Covid-19 pandemic and the global disruption in travelling and operations, our Global Assurance team did not conduct dedicated Health and Safety audits this year.

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. During 2020, there were no fatalities as a result of work-related injury, no high-consequence work-related injury and no work-related ill health for employees and contractors/suppliers working on Ori-flame premises or on behalf of Oriflame. 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 in the [Performance Summary](#) in the Appendix.

Occupational injury frequency rate and lost-time injury frequency rate



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



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 numerous challenges with it. 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, 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 the communities 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 2020, no new markets were entered.

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 to 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 all human rights violations, including any form of active or passive corruption, harassment and discrimination.

In 2020, we released an update to our employee [Code of Conduct](#). This document 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 and supporting policies are available to all employees, in several languages. This content is also explained to all employees in several on-going classroom and e-learning courses. The Code of Conduct e-learning course, available to all employees, has been completely rewritten to align it with the 2020 update of the Code of Conduct. So far, the updated



e-learning is only available in English, but for 2021 we aim to translate it to more languages. By the end of the year, 409 Oriflame employees had undertaken the updated e-learning. 55% of these employees were located in Europe. No classroom training was conducted in 2020, due to the Covid-19 pandemic and the subsequent travel restrictions.

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. In 2018, we launched our Annual Compliance Pledge initiative. 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 2020, all of our top management (253 managers) have submitted a Compliance Pledge.

We encourage employees to report concerns and to ask compliance-related questions. Employees are regularly reminded that they can address these concerns to their direct manager, or to any other manager in the company. In addition, Oriflame has implemented a compliance-breach reporting mechanism since 2007, guaranteeing confidentiality and protection to employees reporting in good faith. All allegations of breaches of the Oriflame Code of Conduct are reviewed by the Corporate Committee (CEO, Deputy CEO and CFO). This committee requests investigations to be undertaken wherever necessary. In 2020, 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 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

Approximately 60% of our product volumes are manufactured in our own production facilities. In 2020, we sourced close to 350 million units, including finished goods from more than 50 global and regional suppliers. These are shipped to Oriflame's markets worldwide. Our main sourcing markets in 2020 were Poland, Germany, China, Russia, UK, India, Italy, Sweden and France. We strive to source as closely to our markets as possible through different regional sourcing initiatives, while maintaining legal requirements and increasing service levels. During 2020, we continued to increase regional sourcing from suppliers based in strategic locations, particularly in China, India and Indonesia.

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 Corruption Perception Index. Major risk-countries for Oriflame are China, India, Russia, Indonesia, Malaysia and Brazil. In 2019 we started to develop a process for strengthening requirements and improving compliance for both direct suppliers (finished goods, packaging and raw material) and indirect suppliers (as in, all the goods and services that we as a company buy but don't sell). This work continued in 2020, with the aim of making sure that we manage our suppliers in high-risk countries.

Helping our suppliers improve

Our Oriflame Global Supplier Evaluation programme for direct suppliers is significant in helping us improve our sustainability performance across our whole value chain. This programme allows us to objectively assess our suppliers on a range of sustainability criteria including human rights and specify our requirements on how suppliers are evaluated, scored and developed.

The foundation of this process 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, though we encourage our suppliers to implement the Oriflame Supplier Code of Conduct in their own value chain. In 2020, 99.5% of our direct suppliers have signed our Code of Conduct or implemented an equivalent Code of Conduct. In 2021, we will publish an updated version of the Oriflame Supplier Code of Conduct.

The second step of this process is the supplier assessment tool, EcoVadis. EcoVadis is used to understand the level of management system implemented, prioritise our audits as well as identify and co-drive improvements. During 2020, we continued to target new direct suppliers and invite them to the tool, in order to continuously increase the suppliers covered by the tool. The tool 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 into account.



2020 sustainability supplier compliance progress

If a supplier is located in a risk country, or received a low score in the EcoVadis assessment, a sustainability audit will be conducted, either by Oriflame's audit team or by trading partner agencies (for accessories' suppliers). We conduct audits for new suppliers and repeat audits for ongoing suppliers. The audits include both environmental and social criteria. Due to the Covid-19 pandemic and the subsequent travel restrictions, it was difficult to conduct physical audits during the year. As a result, we initiated a process of remote audits in order to protect the health of employees and 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 2020, 23% of the audits conducted were remote audits. Due to the Covid-19 pandemic in 2020, we saw a reduction (-54%) in total sustainability audits. This is due to a reduction in the number of new suppliers onboarded and a postponement of the repeat audits of existing suppliers.

Audit process in Oriflame

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 Oriflame audit, supplier should score 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 or are not awarded our business. The D- or E-graded existing suppliers are most often willing to improve and to close non-conformances. 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. The reduced total amount of audits in 2020, is the main reason for the decrease in D and E score among suppliers in 2020.

In order to achieve an A-grade, a supplier must have a compliance score higher than 95%. Due to these high standards, none of the audited suppliers have reached A-grade in the last three years.

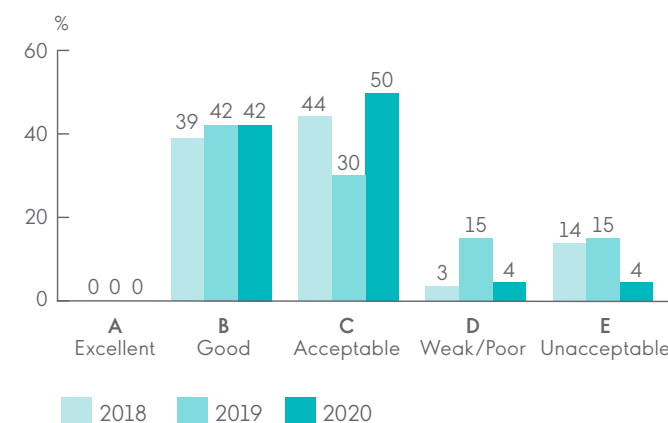
Summary of audit findings

The three main weak areas in compliance for the last two years are:

- Workplace safety (e.g. missing personal protective equipment control and insufficient occupational health examination control).
- Condition of employment and work (e.g. exceeding working hours, lack of overtime compensation and insufficient social insurance for employees).
- Legal compliance (e.g. missing licenses, non-conformances, insufficient hazardous waste control and inadequate workers' contracts).

No zero-tolerance finding was recorded in any audit in 2020. We have not found any evidence of child labour or young workers in our audits, nor have we faced any cases of forced labour. The major part of non-conformities are 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 WELLBEING IS OF PARAMOUNT IMPORTANCE TO US

Oriflame has a team of safety experts working with internal and external specialists. 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 the highest 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, to ensure that all materials meet our very high standards.

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.

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 satisfactory 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 irritation and sensitisation 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 further improve the safety of our products.

We have even more stringent measures in place to ensure the safety of our Wellness products. All our products are formulated in line with global and local food legislation, applying stringent criteria to ensure they are of the highest 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 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, e.g. EU Cosmetics Regulation No 1223/2009, 1169/2011 for Foodstuffs.

We recognise the importance of receiving consumer feedback on our products and as such we are undergoing a programme of work to make 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. Further improvements to this system will continue in 2021.

We have safety certificates present for 100% of our globally developed cosmetic and wellness products we have on the market. In 2020, we experienced one minor incidence of non-compliance with health and



Science and innovation – product safety

Oriflame has a team of safety experts working with internal and external specialists. Together, they make sure every ingredient we use and every product we sell meets our high quality and safety standards.

safety regulations and voluntary codes. This related to a discontinued cosmetic product in one market. During 2020 we did not have any product recall.

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 taking action 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 with regard to 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.

Did you know?



For our accessories, we have adopted a Restricted Substances List (RSL) to protect the health and safety of our consumers, where our requirements for restriction of chemicals in the accessories products and/or their permissible limits follow or go even beyond the EU legal requirements. All major global suppliers of Oriflame accessories have committed to follow the RSL. In 2019, we started to screen our active global accessories based on the RSL, to monitor their compliance. By the end of 2020, we have screened 45% of them and will continue the screening in 2021.





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. As you will read below, we have established several initiatives throughout the years.

Supporting Fairtrade® communities in India

Oriflame sources Fairtrade® Organic coconut oil from a community of farmers in Kerala, India for use in the world's first global Fairtrade® cosmetic range – Eco-beauty face and eye cream. By working with Fairtrade®, the farmers are ensured a fair price for the ingredients. In addition, a percentage of product sales are invested in a fund that further supports the community through specific social, economic and environmental projects. These projects include:

- Organising South India's largest seed exchange event. Each year the annual Seed Festival brings together tens of thousands of farmers, who between them exchange nearly 6,000 indigenous varieties of seeds that enhance biodiversity and food security.

- The creation of community seed banks where neighbourhood women's collectives serve as custodians of the myriad seed diversity in select crops through in situ conservation.
- Training on climate risk mitigation and natural resource management, including the development and protection of community water resources.
- Promoting food security and crop protection through bio-fencing around farmlands and solar-/battery-powered fencing.

Fairtrade® Alliance Kerala is an organisation of small holder farmers in South India. The organisation evolved as a response to the agrarian crisis that resulted in indebtedness and a situation where farmers were many times not even covered for the cost of production. By introducing the Fairtrade® principles, small scale farmers are guaranteed a fair price for their produce, while sustainable farming also means that the land and workers are better protected.

Sourcing natural mica

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 and it can also 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 in 2017 and continued our proactive engagement in 2020, so that we are contributing to the development of practices and policies that will improve the livelihoods of people working in the mines.

Helping Hand soap bar

During the year, we launched the Helping Hand soap bar with a mission to help parents encourage their children to wash their hands. With this soap bar, we wanted to raise awareness of the link between hygiene and health on a global scale by educating on the importance of washing hands, as this practice has become especially relevant during the Covid-19 pandemic. Therefore, we also promoted the soap bar in social media at the Global Handwashing Day in October. The soap bar has a mild and gentle formula that is dermatologically tested and especially developed for children's skin. Also, it comes in a fun shape with a fruity juicy fragrance.



CASE STUDY

Responsible Mica Initiative



We are an active member of the Responsible Mica Initiative (RMI), which aims 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.

Launched in 2017, the Responsible Mica Initiative strategy identified the need for a holistic approach that would improve the underlying social and economic conditions of the people working in the Indian Mica Supply Chain. The strategy recognised three areas that needed to be worked on to improve the overall conditions.

Goal 1 – Responsible workplace standards:

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 2018 and 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. The standards will be continuously monitored against the baseline data collected in the project. RMI members will be required to have all mica processors in their supply chains implement the standards over time.

Goal 2 – Community empowerment:

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, including additional sources of income.

In 2018, RMI launched a three-year programme to develop innovative and scalable solutions, improving the well-being 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.

Goal 3 – Legal framework:

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.

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.

To find out more about the steps the Responsible Mica Initiative are taking please visit their website:

www.responsible-mica-initiative.com








Goals and commitments



Employee experience

Commitment	Deadline	Progress/Result	Comment
1. Ensure equal opportunities for all women and men, by having the minority gender representing no less than 40 % in key governing bodies and management teams.	Year on year	 On track	<i>In terms of gender, we believe our workforce has a good balance on the whole, with 59% women and 41% men in 2020. In 2020 women represented, 43% of the Global Management Team, the Group Management Team consists of four women and six men (40% women) and our Board of Directors of Oriflame Holding Ltd consists of two women and three men (40% women).</i>
2. Create great places to work by having implemented a Global Employee NPS for a majority of our markets by 2020, with the purpose of measuring our employees' loyalty and satisfaction.	2020		<i>In 2020, we successfully implemented the eNPS on a global scale in 59 Oriflame markets.</i>
3. By 2020, to have implemented a Global Employee Experience Index for a majority of our markets, with the purpose of measuring our physical work environment, our inclusive culture and user-friendly technology.	2020		<i>The Global Employee Experience Index is part of the eNPS.</i>



Human rights

	Commitment	Deadline	Progress/Result	Comment
4.	Conduct a human rights risk assessment for all new markets as part of our due diligence process.	Year on year	<div> <div></div> <div></div> <div></div> </div> On track	We have not entered any new markets in 2020.
5.	Oriflame is committed to terminating existing business relationship with any supplier or discontinue 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	<div> <div></div> <div></div> <div></div> </div> On track	Zero relationships have been terminated in 2020.



Consumer safety

	Commitment	Deadline	Progress/Result	Comment
6.	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	<div> <div></div> <div></div> <div></div> </div> On track	No deviations from this statement in 2020. In 2020, we have made a number of improvements to strengthen the feedback process from consumers and this work will continue in 2021.







Employee experience

Human rights

Consumer safety

Socially responsible products

Goals and commitments


Commitment	Deadline	Progress/Result	Comment
7. Oriflame is committed to 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	 On track	No deviations from this statement in 2020.
8. Oriflame is committed to 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	 On track	We are continuing to monitor the developments on endocrine disruptors. No deviation from this statement in 2020.
9. Oriflame is committed to 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	 On track	No deviation from this statement in 2020. In 2020, we launched a fragrance-free range for babies (Baby O).
10. Oriflame is committed to only using 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	 On track	We have not permitted any new nanomaterials into product development since 2018.



Commitment	Deadline	Progress/Result	Comment
11. Oriflame is committed to only using the highest quality raw materials. By doing this we ensure that we minimize 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	 On track	No deviation from this statement in 2020.



Socially responsible products

Commitment	Deadline	Progress/Result	Comment
12. Develop new and grow sales of existing products with a social purpose*.	Year on year	 On track	During the year, we launched the Helping Hand soap bar, with the mission to help parents encourage their children to wash their hands.

*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.

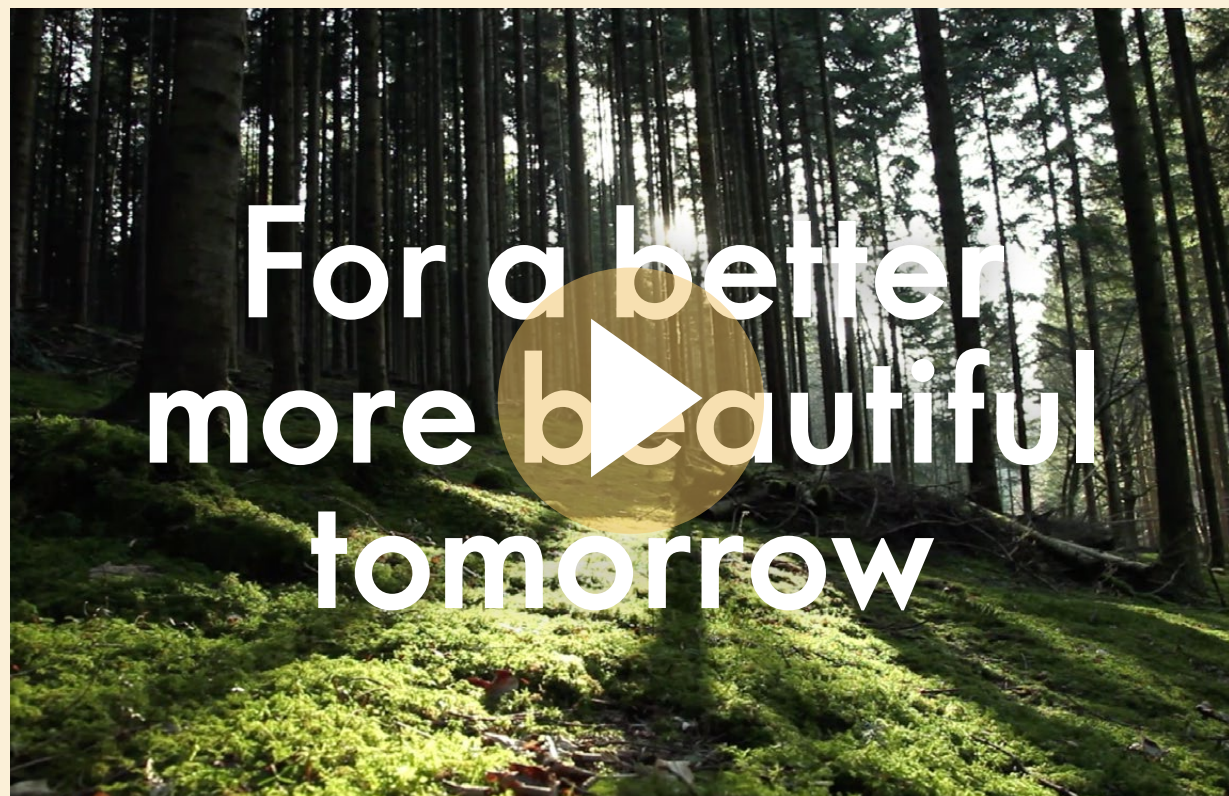
We also recognise the potential that engagement and successful communication with our Brand Partners and consumers has in achieving our sustainability ambitions. Our business reaches more than 9 million people in more than 60 countries every month. If we can showcase the value of sustainability behaviours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

Communicating sustainability

We want to inspire Oriflame Brand Partners and our consumers to take action and make their own contribution towards a better, more sustainable world.

In 2020, we launched a brand activation toolbox to all Oriflame regions with focus on sustainability initiatives. The aim was to make sustainability an integral part of our brand communication – and long term, to educate and inspire Brand Partners and consumers about Oriflame's initiatives and encourage them to make more sustainable lifestyle choices. As there are very different levels of awareness of sustainability issues among Brand Partners, we focused on delivering easy-to-understand communication and raising awareness of the topics.

The toolbox included a video, content for social media and local Oriflame websites, and a Brand Partner training presentation summarising our achievements, on both a brand and product level, in a simple, educational and inspirational way. Latin America was one of the regions to implement the toolbox during the year. Sustainability posts were shared on social media and reached in total more than 170,000 people on Facebook and 95,000 people on Instagram between July and September 2020.



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 developed a video of 2019 sustainability highlights.

**Communicating sustainability**

Regional sustainability initiatives

Oriflame Foundation

Charity actions against Covid-19

Stakeholder engagement

During the year, Oriflame leveraged the increased interest in sustainability communication and the wide-spread adoption of digital events by joining several online sustainability forums to discuss sustainability challenges and solutions. In a webinar co-organised by Oriflame Romania, the Swedish Embassy in Romania and Guerrilla Verde (a digital platform that focuses on environmental education) our Vice President Sustainability was invited as one of the speakers. The webinar focused on Swedish companies sharing sustainability practices in order to spread climate change awareness with the younger generation. The event was much appreciated as it reached over 37,000 people on social media channels and was viewed 5,800 times.

Another example is the digital TEDxStockholm Countdown event, where one of the panels was guested by the Vice President Sustainability. Countdown is a global initiative to champion and accelerate solutions to the climate crisis, turning ideas into action. Oriflame is a proud sponsor of TEDxStockholm and therefore all employees were invited to watch the event live.

Environmental and social attributes in Global Brand Tracking 2020

The Oriflame Global Brand Tracking has been conducted annually since 2017 with the aim of understanding Oriflame's brand position over time in key markets in a competitor context. In the Oriflame Global Brand Tracking 2020 we added a new brand tracking area related to environmental and social attributes to understand if Oriflame is perceived as environmentally and socially responsible. We asked around 500 consuming Brand Partners in 7 Oriflame markets (Russia, Indonesia, Turkey, Poland, Mexico, India and China) about the

Environmental attributes

88%	of Brand Partners consider Oriflame to be a company that cares for nature and the environment
81%	of Brand Partners consider Oriflame to be a company that cares about protecting forests
81%	of Brand Partners consider Oriflame to be a company that cares about clean water and oceans
81%	of Brand Partners consider Oriflame to be a company that cares about air pollution and impact on climate
81%	of Brand Partners consider Oriflame to be a company that cares about reducing waste

Social attributes

84%	of Brand Partners consider Oriflame as a good opportunity to earn additional income
74%	of Brand Partners consider Oriflame has helped to improve their business and sales skills
76%	of Brand Partners consider Oriflame has helped to improve their self-esteem and confidence
81%	of Brand Partners consider Oriflame enables them to meet new people

environmental and social attributes. Questions were asked on a 5-point scale, ranging from strongly disagree to strongly agree. The above table summarises the proportion of Brand Partners (average of the 7 markets) that answered strongly agree or somewhat agree to the statements. The perception of Oriflame as environmentally responsible is strongest in Indonesia and China. The Oriflame Global Brand Tracking will be updated for 2021 and the 2020 data will be considered as a baseline to be able to track data over time.

Sustainability Brand Ambassadors

In each Oriflame region we now have at least one Sustainability Brand Ambassador. The global Sustainability team meet 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.



Beauty by Sweden

What makes Oriflame unique is its Swedish approach to offering beauty and business to people around the world. Oriflame's high quality products are affordable, inspired by nature and powered by science.

Sustainability SharePoint

During the year, we have also focused on improving our sustainability communication towards employees. Therefore, we developed a new sustainability SharePoint site on our intranet, where employees can get easy access to the sustainability brand activation toolbox, a sustainability induction presentation, our policies and frequently asked questions. On LinkedIn learning we have built a sustainability learning path for employees who want to develop their knowledge in the topic further.

Our brand positioning: Beauty by Sweden

What makes Oriflame unique is our Swedish approach to offering beauty and business to people around the world. Oriflame's high quality products are affordable, inspired by nature and powered by science. Respect for Nature is a key pillar in our brand. Oriflame is proud of its Swedish heritage, as it plays a vital role in what makes the company unique and has helped to define how the company operates. As the only Swedish brand in the global beauty arena selling direct, Oriflame holds a unique place. Our long-term commitment to sustainability is also reflected in our Beauty by Sweden brand positioning – beauty is about more than how you look, it's about how you feel, live and act.

Regional sustainability initiatives

In 2020, we took our sustainability communications a notch higher to generate awareness. We were able to successfully embed sustainability in brand activations across regions.

Latin America – Social selling and sustainability summit

In Latin America, the brand activation toolbox was launched with sustainability posts on social media channels. Such posts garnered more reach when combined with campaigns, such as International Charity Day and International Handwashing Day. We reached over 170,000 people on Facebook and 95,000 people on Instagram between July and September 2020.

The region also hosted its online social selling and sustainability summit on YouTube, attended by 8,000 people spread across Mexico, Peru, Colombia, Ecuador and Chile. There was a live poll asking participants about their sustainable lifestyle choices. The audience was educated about sustainable certifications such as FSC™, climate neutrality and about Oriflame initiatives for a sustainable future. Brand Partners also shared what they had learnt about selling products with a lower environment footprint.

As online events became the norm, Oriflame Peru hosted the Ecohome office brunch and sent seed paper invitations to Instagram influencers. In Chile, we partic-

ipated in various digital media and radio programmes to generate environmental awareness. More and more sustainability topics were covered in monthly catalogues, followed by online training sessions.

CIS – Recycling campaign

Oriflame Armenia launched the recycling campaign “Recycle It” in the office in collaboration with an NGO. Brand Partners and employees could deposit waste containers of any brand, which were then sent for recycling. The campaign kickstarted with a livestream on the official Oriflame Armenia Facebook page, showing people how to prepare for recycling, along with a calendar of 10 sustainable everyday tasks and ending with the initiative to clean lake Sevan. Over 1.2 tonnes of waste were collected within four weeks of the campaign.

Europe – Run for trees

As a way to raise environmental awareness and save the forest, Oriflame Central Europe teamed up with the fitness app Endomondo to convert kilometres covered by running, walking or cycling into new trees planted. The target of 30,000 kilometres was accomplished by 175 participants, and as a result 5,000 trees will be planted by the Polish national organisation State Forests in 2021.

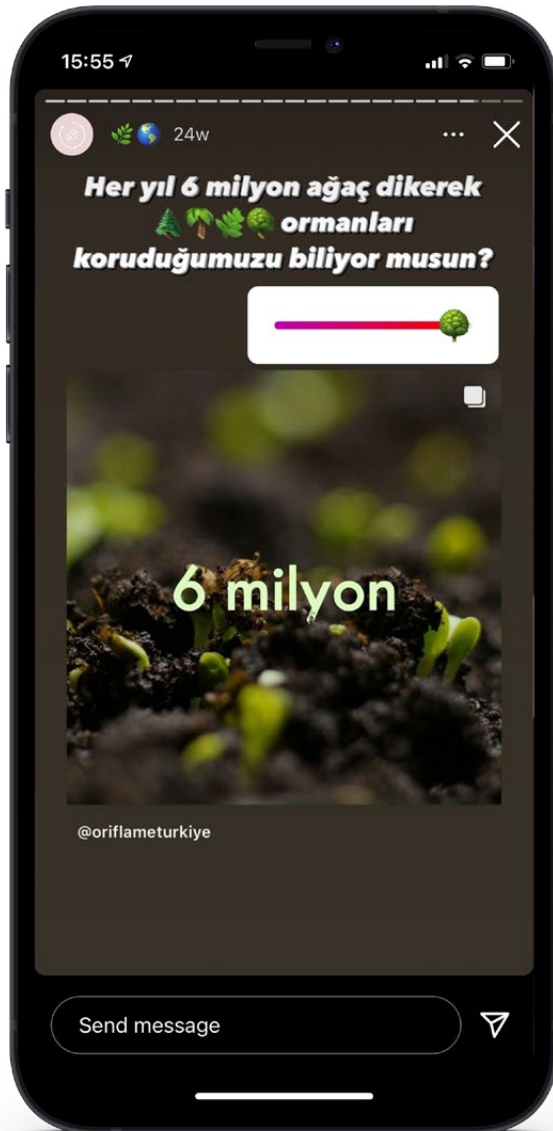
Our new range of responsible beauty products, Beautanicals, was launched in Poland with a similar project. For each order of Beautanicals, one tree is planted in

cooperation with the Polish organisation, State Forests. By 2021, 4,000 new trees will be planted in Krzeszowice nearby Cracow.

Over 10,000 trees were planted in Prague and Tatra National park in Slovakia through participation in tele-calling marathons. For the period of two months, the Czech Republic and Slovakia also replaced part of traditional catalogues with mini catalogues and by doing so, avoided using more than 50 tonnes of catalogue paper. In Serbia, together with the Swedish embassy, we participated in the creation of a park by the river for all residents of Belgrade.



Serbia



Africa and Turkey – Towards sustainable events

Oriflame Africa launched a campaign incorporating product sustainability messages in catalogues, accompanied by educational content for consumers on sustainable lifestyle practices. Conferences were held in different parts of Africa during February and March 2020. The conferences were planned to follow sustainable practices such as using zero plastic bottles, less printing materials and reusable bags for attendees. Conferences are the perfect medium to communicate impact through actions.

In Turkey, regional website and social media posts about sustainability reached over 1 million people. This is proof of the rising consumer preference for brands that advocate and practice sustainability in Turkey.

Indonesia – Responsible waste management

Responsible consumption and production is a bilateral process. To raise awareness and encourage participation in the process, Indonesia shared social media awareness posts about sustainable lifestyle. Do-it-yourself (DIY) tips and upcycling were also high engagement posts on social media. The Jakarta office collaborated with Waste 4 Change to implement responsible waste management at the office. Out of 1 tonne of waste generated, about 21% organic waste was converted into compost, 39% of recyclable

waste consisting of glass, paper, plastic and metal was recycled into useful products and 40% of residue was used as fuel for the cement industry.

India – Plastic waste management

In India, we explored multiple channels to engage with consumers on sustainability. Sustainability communication is part of monthly catalogue launch meetings in India, reaching over 120,000 Brand Partners in 2020. We converted the success of our social media posts in 2019 to wider engagement on specific days in 2020. Social media campaigns, such as World Water Day, reached 1.3 million unique users and our commitments towards preserving water were covered by over 40 publications. Similarly, on World Environment Day we engaged with consumers and asked them about their sustainable choices. The campaign reached 2 million people and generated over 5.3 million impressions. Planet Outlook held a live interaction on Facebook with our Vice President of Sustainability, Quality & Packaging on sustainable business practices that reached over 30,000 people.

To address the issue of plastic waste, in 2020 Oriflame India sent 100% of its consumption of plastic packaging for recycling and co-processing in compliance with local waste management laws. In collaboration with a waste management company, we diverted waste from landfill, saving 10,000 m³ of landfill space. Recycling plastic saves resources and according to reports submitted by our suppliers, over 8 million litres of water and 2.5 million kWh of energy were saved due to this.



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 2020, the total amount of money raised to charity in Oriflame markets was almost €1.2 million. Since 2009, the total sum raised to charity amounts to more than €12 million.

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

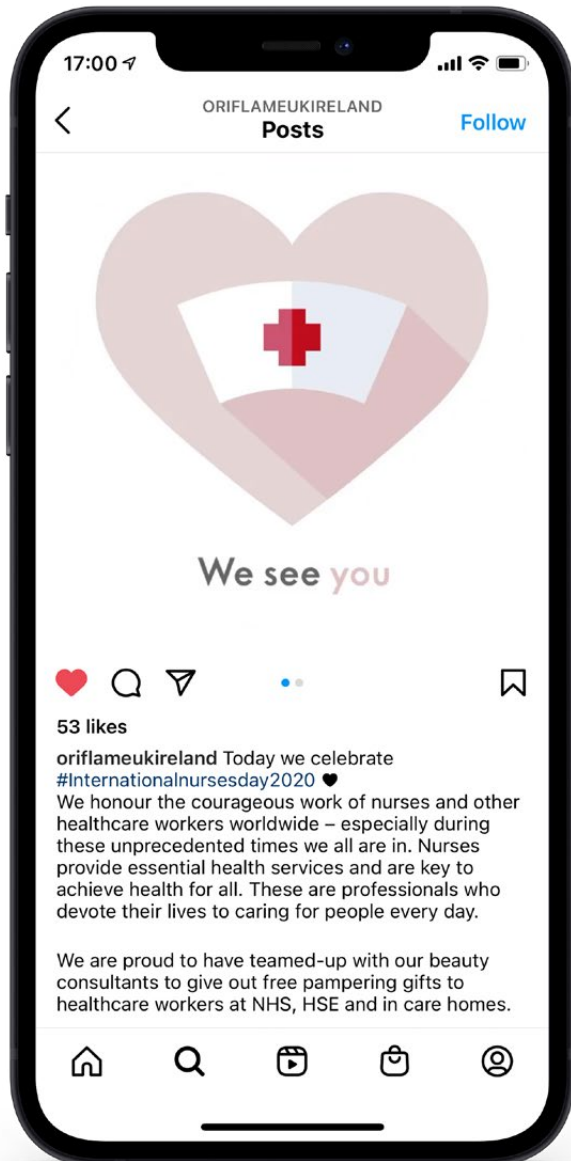
Before, we globally developed and sold accessories and beauty products for fundraising purposes. Now, this is done locally in some markets and markets also offer customers the opportunity to make an extra donation to specific charities at the end of their online order. Markets are also encouraged to 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



Charity actions against Covid-19

During 2020, Oriflamians across the world joined forces to raise donations of more than €300,000 through various charitable actions in support of those fighting and affected by the Covid-19 virus.

Oriflame personal care kits

Oriflame Portugal donated personal care products to frontline workers in hospitals, and these efforts were multiplied when our Brand Partners in Portugal teamed up to support more than 80 hospitals, local fire departments and care homes. We partnered with the Portuguese Medical Association to donate products to hospitals and other medical institutions via their logistics platform.

Oriflame Portugal and Oriflame the Netherlands distributed over 10,000 products each across their countries.

Oriflame Russia donated 2,500 personal hygiene products to a children's fund, and our Noginsk plant sent over 20,000 personal hygiene products to hospitals, nursing homes and low-income families.

Oriflame Poland together with Brand Partners in the re-

gion supported more than 18 hospitals in the country with personal care and wellness products to help strengthen the immunity of medical workers.

In India, we donated 15,000 face masks and 7,000 bars of soap to local government authorities working at the frontline during the pandemic. In collaboration with local NGOs, personal care and hygiene products were distributed to marginalised communities in India. Oriflame Sri Lanka decided to help children with special needs in Sukhitha Children's Home. As many NGOs witnessed a shortage of funds and essential items during the pandemic, we provided them with food, medicines and daily essentials.

In Mexico, we donated a total of 800 sanitary kits to hospitals in Mexico City.

Donations and fundraising activities

In the Czech Republic and Slovakia, we donated over €35,000 to orphanages and children wards in hospitals. Oriflame Romania in collaboration with Save the Children donated €20,000 for medical equipment and materials to paediatric hospitals treating children with Covid-19.

Our Group Support Office in Stockholm organised the Move4Charity Challenge and raised donations of €3,000 for the global organisation Doctors Without Borders. Also unique medical equipment was provided to researchers studying the Covid-19 virus. During the year, Oriflame Scandinavia has donated more than 8,500 hand creams to hospitals and health care institutions in Sweden and Norway, e.g. on International Nurse Day one hand cream set was donated for each hand cream set sold.

In China, liquid hand soaps worth €75,000 were donated to the Shanghai Charity Foundation, and about 4,500 employees and Brand Partners helped raise €50,000 for the Hubei Charity Foundation. Covid-19 insurance was provided to Brand Partners (Senior Managers and above) and their families.

Indonesia raised funds for donation through various campaigns throughout the pandemic. Funds were raised through local websites and product sales, and the donations received were sometimes matched by Oriflame Indonesia. A total of €19,000 was donated to UNICEF to provide medical devices to Government Referral Hospitals and areas affected by Covid-19.

In Vietnam, a percentage of sales generated from Wellness sets was donated and helped raise over €7,000 for doctors in Da Nang hospital and SOS Children's Villages. In India, Oriflame and its employees made a contribution of €25,000 to PM Cares Fund for Covid-19.





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 are all our stakeholders, 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 maintain a reasonable level of dialogue with our stakeholder groups so we can better understand and incorporate their expectations. We engage our stakeholders through a range of methods, including Brand Partner meetings, consumer questionnaires and employee surveys. Beyond this, we consult non-governmental organisations (NGOs) to discuss sustainability challenges and receive feedback on our efforts. This is a vital part of how we stay accountable and continue to improve our performance.

Cooperation and memberships of associations or advocacy organisations

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)
- Swedish Network for Sustainability Reporting
- Swedish Network for High-Risk Crops
- Science-Based Targets Initiative
- Rainforest Alliance
- CDP



Communicating sustainability

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Stakeholder engagement

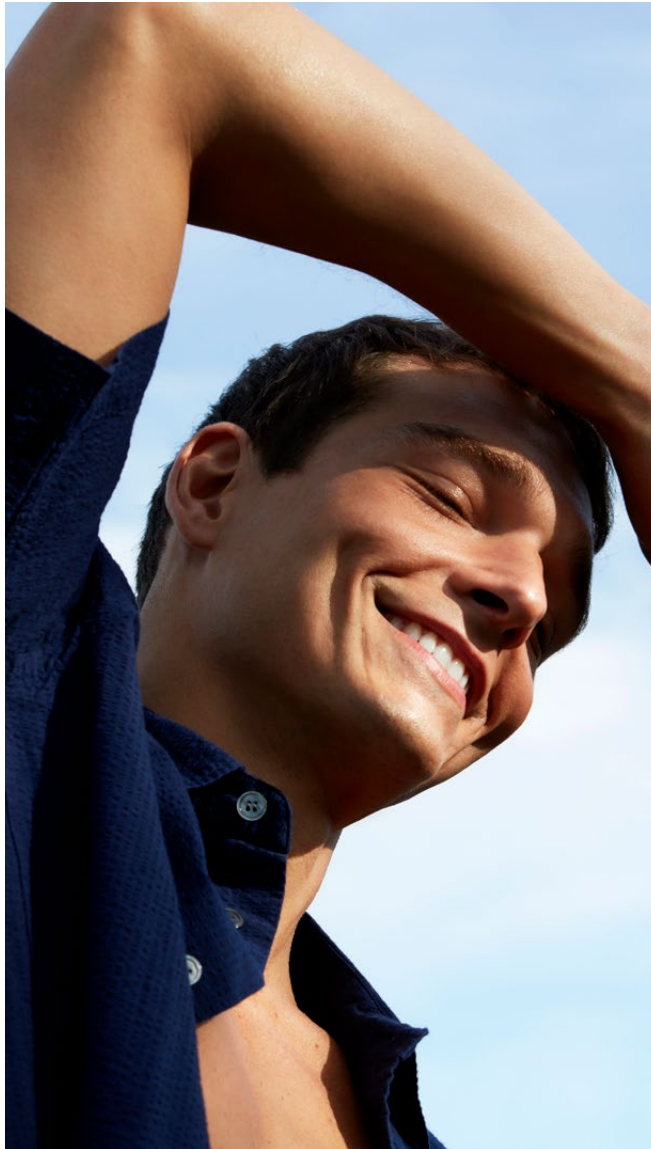
Stakeholders	How we engage on sustainability	Key issues raised
Employees	<ul style="list-style-type: none"> Employee NPS (annually) CEO Connect – live broadcast with the opportunity for employees to ask the CEO any questions Continuous training and feedback e.g. the Oriflame way (regularly) Dialogue and sharing through Oriflame's intranet and internal social media (regularly) Sustainability Brand Ambassador Forum (quarterly) 	<ul style="list-style-type: none"> Performance management Recognition and rewards Personal development and career opportunities Empowerment – leadership, corporate culture Diversity and inclusion Charity Sustainable packaging
Brand Partners	<ul style="list-style-type: none"> Brand Partner NPS (quarterly) Brand tracking of social and environmental attributes (annually) Business meetings, training, conferences and events (regularly) 	<ul style="list-style-type: none"> Job creation/recruitment and benefits Charity Sustainable sourcing Product ingredients and safety Sustainable packaging Animal testing
Investors*	<ul style="list-style-type: none"> Meetings/calls with investors (regularly) Conference calls for the financial community in connection to quarterly reports (quarterly) Attending seminars for the financial community (regularly) Corporate affairs meetings incl. Direct Selling Association (DSA) meetings (regularly) Responding to ongoing investor questions and data reporting requests (regularly) 	<ul style="list-style-type: none"> Sustainable sourcing Climate impact Supply chain R&D and product ingredients Customer relations Diversity
Consumers	<ul style="list-style-type: none"> Consumer research, primarily product focused (regularly) Consumer surveys, sometimes including Oriflame Brand Partners in their role as consumers (regularly) Brand Tracking (annually) 	<ul style="list-style-type: none"> Product ingredients and safety Customer engagement Sustainable sourcing Animal testing
Suppliers	<ul style="list-style-type: none"> Meetings/site visits with Oriflame teams regarding purchasing, packaging, etc. (regularly) Sustainability audits (regularly) Sustainability desktop assessment (new suppliers only) Supplier self-assessment tool EcoVadis (regularly) 	<ul style="list-style-type: none"> Sustainable product development Supply chain Climate impact Sustainable sourcing
NGO's	<ul style="list-style-type: none"> One-on-one meetings discussing both general strategy and more specific topics (when relevant) Discussions at industry events (regularly) Partner with Rainforest Alliance on paper assessment (annually) 	<ul style="list-style-type: none"> Supply chain Transparency and communication Product ingredients and safety Female empowerment Sustainable sourcing
Society	<ul style="list-style-type: none"> Participation in industry initiatives and standardisation bodies (regularly) Community involvement, including Oriflame Foundation initiatives (regularly) Participation in conferences and events (regularly) 	<ul style="list-style-type: none"> Sustainable sourcing Human rights Ethics and fraud Charity

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



Management approach

In this section 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 the Board of Directors oversee our sustainability strategy.

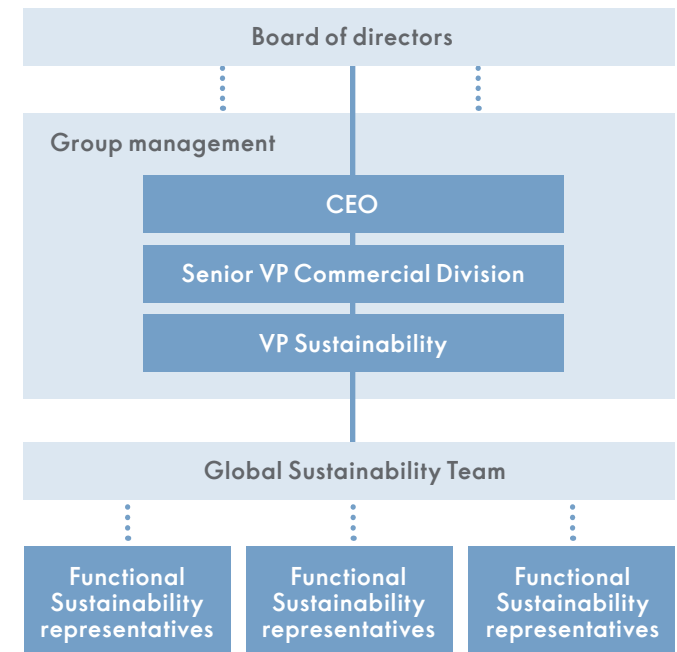
A global sustainability team is responsible for developing global targets and supporting the organisation by identifying key responsibilities, helping to set goals and targets, as well as monitoring and reporting progress externally. The Vice President of Sustainability is part of our Group Management, with sustainability topics 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 of 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:

- We are integrating sustainability goals into performance targets of commercial division departments.
- We provide ongoing training in specific sustainability areas to those who require it.
- We have a global forum for Sustainability Brand Am-

bassadors 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.
- We are working on more ways to engage our employees and Brand Partners around sustainability issues, for example via brand activation campaigns.



Materiality

Our initial in-depth materiality assessment was conducted in 2014 to gain a clearer view of the issues most pertinent to our business. Materiality refers to the issues that reflect an organisation's significant economic, environmental and social impacts, and substantively influences the assessment and decisions of stakeholders.

In addition to conducting an in-depth analysis, we are continuously monitoring and evaluating relevant areas to make sure we focus on the right issues.

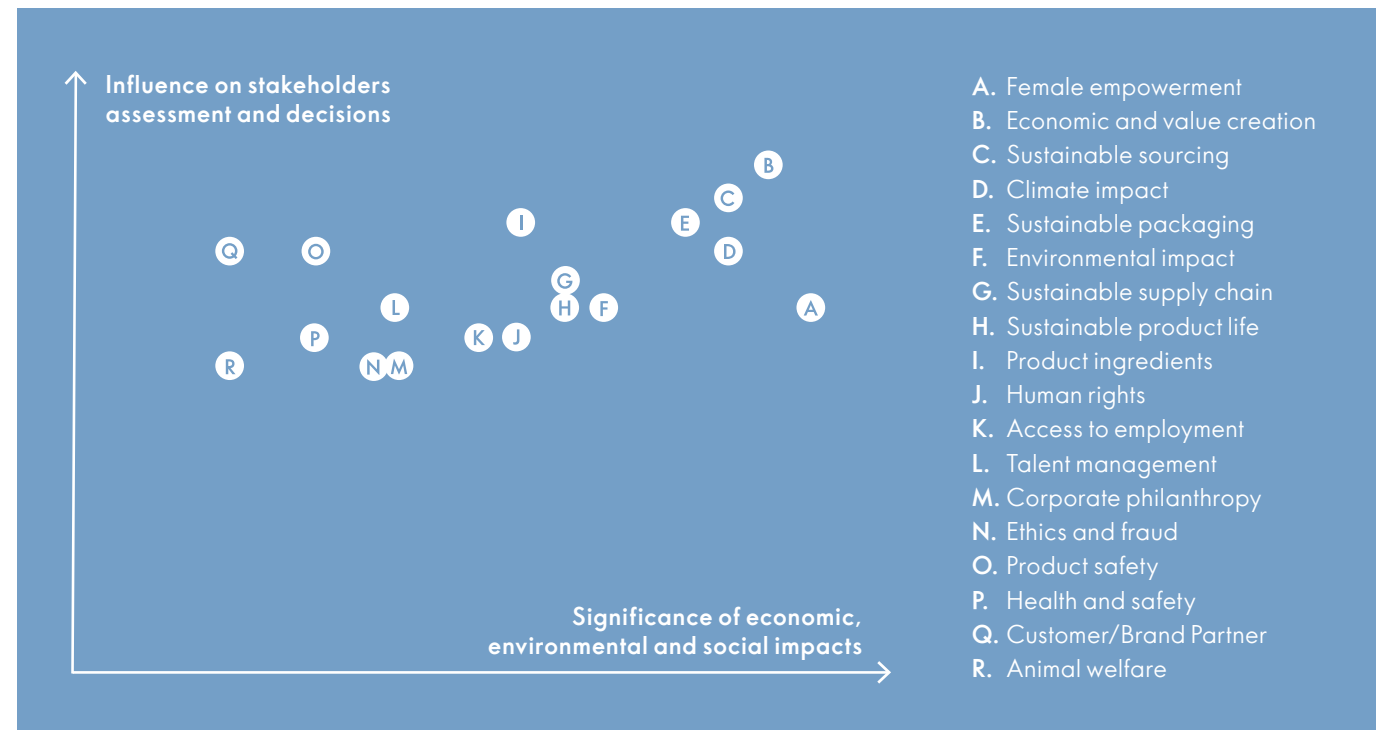
Understanding our impact

In the first step of our materiality assessment we used all our existing knowledge and research of our direct and indirect impact factors to create a list of material aspects. The next step was an extensive review of media, industry associations and peers to identify what social, environmental and economic topics were raised by our stakeholders. We then asked our most important stakeholder groups to help us prioritise what they believed were the most relevant aspects to them. This included speaking with Oriflame employees, customers, investors and social organisations such as NGOs.

The result was a prioritised list of aspects, which we then combined with our sustainability strategy and other indicators from the Global Reporting Initiative (GRI).

We used this to inform and re-evaluate our original list of Oriflame's biggest impacts and relevant issues. This approach ensured that the final list did not omit any issues – such as, for example, the wide range of environmental issues that are so important to our business strategy. It also allowed us to prioritise the list accordingly.

In 2018, we transitioned from GRI G4 to GRI Standards. In combination with our updated sustainability strategy we re-evaluated the materiality analysis to help us fully understand our business impact, improve our knowledge on what stakeholders find important and develop our priorities and processes.





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.

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
Water – impact of Oriflame sites on water resources	Oriflame may impact water quality during the manufacturing process.	<ul style="list-style-type: none"> All manufacturing sites have effluent treatment plants. Water efficiency improvement plans at manufacturing sites (e.g. our wellness factory in India is designed to reuse 100% of its effluent water).
Water – impact of Oriflame products on water resources	Many Oriflame products require water during consumer usage and contain ingredients or by-products that may be harmful to the environment may end-up in waterways.	<ul style="list-style-type: none"> All new skin care and personal care rinse-off products were formulated to be biodegradable. Only use natural origin exfoliants (no plastic microbeads or plastic glitter).
Forest – impact of Oriflame products on forest resources	Oriflame uses large quantity of forest-related raw materials, in particular: palm oil derivatives (3,648 tonnes), catalogue paper (9,969 tonnes), paper and board packaging (1,360 tonnes).	<ul style="list-style-type: none"> Palm oil: target 100% Mass Balance certified palm oil by 2020. In 2020, 74% palm oil was Mass Balance certified and the rest (26%) was covered by RSPO Book & Claim Credits. Paper-based products: target to source 100% paper from credibly certified or recycled sources. In 2020, 99% of paper was sourced from credibly certified or recycled sources.
Climate – direct and indirect climate impact	Our business emits greenhouse gas (GHG) emissions both directly in our operations (Scope 1 and 2) and indirectly in our value chain (Scope 3).	<ul style="list-style-type: none"> Target to reduce GHG emissions per sales by 50% from 2010 to 2020. In 2020, we reached 69%. Oriflame-owned manufacturing and operations have been provided with 100% renewable electricity since 2018. We have joined the Science Based Targets Initiative (SBTI) and are currently finalising our target submissions to the initiative. Since 2019, we climate compensate for all of our current scope of GHG emissions (Scope 1, Scope 2 and parts of Scope 3).
Corruption and bribery	Oriflame operates in countries where corruption is endemic and must be very clear and consistent in its anti-corruption measures. Due to its geographical footprint and scope of activities, Oriflame employees could participate in active or passive corruption schemes.	<ul style="list-style-type: none"> Oriflame has a zero-tolerance policy towards active or passive corruption. The Company has developed Employee Code of Conduct and Supplier Code of Conduct as well as a reporting system for compliance breaches. The principal decision-makers (around 200 employees) 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.



Organising for improvements

Materiality

Sustainability risks

Risk area	Description	Mitigation
Occupational health and safety	Oriflame employees are exposed to occupational health & safety risks, in particular in manufacturing, warehouse and laboratory environments.	Health & Safety Management System: <ul style="list-style-type: none"> • Global Health & Safety function • Training for employees • Audits • Accident reporting and investigation • Ad-hoc risk-reduction initiatives
Human rights of employees	Oriflame has around 5,600 employees worldwide, which entails risks of human rights-related risks. However, very few cases are reported annually, so we have reason to believe that the values we have in our culture work in our favour and our employees can separate right from wrong.	<ul style="list-style-type: none"> • Employee Code of Conduct • Human rights commitments • Reporting system for compliance breaches • Zero-tolerance policy towards any form of harassment and any form of discrimination
Human rights of suppliers	Breaches of legislation or of the Oriflame Supplier Code of Conduct related to human rights by Oriflame suppliers.	<ul style="list-style-type: none"> • Human rights impact assessments when entering new markets • Supplier Code of Conduct • EcoVadis – supplier assessment tool for direct procurement • Sustainability audits (on-site or remote) of suppliers located in risk countries
Consumer safety	Oriflame distributes cosmetic and wellness products, and as such its end-consumers may be exposed to health and safety risks from their usage.	<ul style="list-style-type: none"> • Conduct a thorough evaluation of all raw materials. We only use reputable suppliers, and only select ingredients that are supported with satisfactory data. • We 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 irritation and sensitisation 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 further improve the safety of our products.



Appendix

In this section of the report we disclose our sustainability work related to the Sustainable Development Goals (SDGs), a summary of our sustainability performance and the GRI 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 recognised the importance of the SDGs since they were conceived in 2015. Although we have an opportunity to support all of 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. 25–57](#)

Protecting employee health and safety

[pp. 59–65](#)



Achieve gender equality and empower all women and girls

Giving Brand Partners, mainly women, an opportunity to additional income, growth and development and network opportunities

[pp. 16–24](#)

Creating a diverse global workforce at all management levels

[pp. 59–65](#)



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

Maintaining a global workforce of approximately 5,600 employees in more than 60 countries with 71 nationalities

[pp. 59–65](#)

Providing approximately 3 million Brand Partners the opportunity to have an additional income

[pp. 16–24](#)

Creating a diverse global workforce at all management levels

[pp. 59–65](#)



Ensure sustainable consumption and production patterns

Aiming to source paper and palm oil (main raw materials) from sustainable sources

[pp. 31–33](#)

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

[pp. 41–45](#)

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

[pp. 46–50](#)

Innovating in formulation developments

[pp. 46–50](#)



Take urgent action to combat climate change and its impacts

Reducing greenhouse gas emissions in our own operations and value chain

[pp. 34–40](#)

Improving energy efficiency at manufacturing sites

[pp. 34–40](#)

Sourcing renewable electricity at all Oriflame operated sites

[pp. 34–40](#)

Installing solar panels at our wellness factory in India

[pp. 34–40](#)

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

[pp. 41–45](#)



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. 28–30](#)

Prohibiting the use of plastic microbeads and plastic glitter in our products

[pp. 28–30](#)

Identifying raw materials that may be of concern for consumers

[pp. 70–72](#)



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

Aiming to source paper and palm oil (main raw materials) from sustainable sources

[pp. 31–33](#)

Avoiding the use of materials derived from protected or endangered flora and fauna

[pp. 46–50](#)



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

[pp. 66–69](#)

Including the Oriflame Supplier Code of Conduct as part of standard contracts with suppliers

[pp. 66–69](#)

Requiring all Brand Partners to sign and comply with Oriflame Code of Ethics

[pp. 16–24](#)

Maintaining our Employee Code of Conduct

[pp. 66–69](#)

Utilising our reporting system to identify compliance breaches

[pp. 66–69](#)



Performance summary

Oriflame		2018	2019	2020	Unit
Sales		1,278.8	1,258.3	1,156.9	Million EUR
Adjusted operating margin		12.0	11.3	12.3	%
Social security, pension and corporate income tax expenses		74.4	68.7	73.8	Million EUR
Manufacturing sites		6	6	6	No. of facilities
Production distribution	Oriflame manufacturing sites	60	60	60	%
	Finished Goods suppliers	40	40	40	%
Orders placed online		96	96	98	%



Social performance

Creating opportunities for Brand Partners	2018	2019	2020	Unit
Brand Partner bonus and performance discounts	370	350	315	Million EUR
Markets implemented our e-learning platform	41	50	50	No. of markets

Social brand tracking attributes (average of 7 markets)	2018	2019	2020	Unit
Brand Partners consider Oriflame as a good opportunity to earn an additional income	N/A	N/A	84	%
Brand Partners consider Oriflame has improved their business and sales skills	N/A	N/A	74	%
Brand Partners consider Oriflame has improved their self-esteem and confidence	N/A	N/A	76	%
Brand Partners consider Oriflame enables them to meet new people	N/A	N/A	81	%



Employment		2018*	2019*	2020**	Unit
Total employees		6,100	6,152	5,660	No. of persons
Employees by employment contract	Permanent	N/A	N/A	5,229	No. of persons
	Temporary	N/A	N/A	431	No. of persons
Employees by employment type	Full-time	N/A	6,015	5,570	No. of persons
	Part-time	N/A	137	90	No. of persons
Employees by age group	<30 years	N/A	N/A	1,054	No. of persons
	30–39 years	N/A	N/A	2,559	No. of persons
	40–49 years	N/A	N/A	1,539	No. of persons
	50–59 years	N/A	N/A	454	No. of persons
	>59 years	N/A	N/A	54	No. of persons
Employees by region	Latin America	N/A	N/A	572	No. of persons
	Europe	N/A	N/A	1,008	No. of persons
	CIS	N/A	N/A	1,373	No. of persons
	Asia	N/A	N/A	1,379	No. of persons
	Turkey & Africa	N/A	N/A	572	No. of persons
	Corporate offices & GSOs	N/A	N/A	756	No. of persons
Employees by job position	Global Management Team	226	241	198	No. of persons
	Managing Directors	XX	38	33	No. of persons
	Regional Directors	XX	13	10	No. of persons
	Group Management	10	10	10	No. of persons
	Board of Directors	10	8	5***	No. of persons

*Head count **Average FTE ***Oriflame Holding Ltd



Employment		2018	2019	2020**	Unit
Employees with permanent contract by region	Latin America	N/A	N/A	572	No. of persons
	Europe	N/A	N/A	923	No. of persons
	CIS	N/A	N/A	1,352	No. of persons
	Asia	N/A	N/A	923	No. of persons
	Turkey & Africa	N/A	N/A	567	No. of persons
	Corporate offices & GSOs	N/A	N/A	702	No. of persons
Employees with temporary contract by region	Latin America	N/A	N/A	0	No. of persons
	Europe	N/A	N/A	85	No. of persons
	CIS	N/A	N/A	21	No. of persons
	Asia	N/A	N/A	266	No. of persons
	Turkey & Africa	N/A	N/A	5	No. of persons
	Corporate offices & GSOs	N/A	N/A	54	No. of persons
Global new employee hires* rate		13	16	9	%
New employee hires* rate by age group	<30 years	25	39	20	%
	30–39 years	13	13	8	%
	40–49 years	7	7	4	%
	50–59 years	5	5	3	%
	>59 years	4	7	4	%

*New employee hires rate is defined as the ratio of employee hires and total number of employees

**Average FTE



Employment		2018	2019	2020	Unit
New employee hires rate* by region	Latin America	N/A	N/A	7	%
	Europe	N/A	N/A	13	%
	CIS	N/A	N/A	11	%
	Asia	N/A	N/A	6	%
	Turkey & Africa	N/A	N/A	9	%
Global turnover rate**		20	11	26	%
Turnover rate** by age group	<30 years	28	17	31	%
	30–39 years	21	11	24	%
	40–49 years	13	8	24	%
	50–59 years	10	6	26	%
	>59 years	30	14	96	%
Turnover rate** by region	Latin America	24	14	26	%
	Europe	N/A	N/A	18	%
	CIS	13	13	17	%
	Asia	N/A	N/A	16	%
	Turkey & Africa	N/A	N/A	17	%
Global average tenure		6.1	6.5	6.7	Years
Global average age		37	37	37	Age

*New employee hires rate is defined as the ratio of employee hires and total number of employees

**Turnover rate is defined as the ratio of employee leaves and total number of employees



Training and education	2018	2019	2020	Unit
Active LinkedIn learning licences	N/A	993	993	No. of licenses
Average LinkedIn learning training per employee	N/A	4.5	1.0	Hours per learner

Diversity and equal opportunity		2018	2019	2020	Unit
Total employees by gender	Female	59	58	59	%
	Male	41	42	41	%
Global Management Team by gender	Female	40	43	43	%
	Male	60	57	57	%
Managing Directors by gender	Female	N/A	42	42	%
	Male	N/A	58	58	%
Regional Directors by gender	Female	N/A	54	40	%
	Male	N/A	46	60	%
Group Management by gender	Female	30	30	40	%
	Male	70	70	60	%
Board of Directors by gender	Female	50	38	40	%
	Male	50	62	60	%
Total employees by age group	<30 years	22	22	19	%
	30-39 years	44	43	45	%
	40-49 years	25	26	27	%
	50-59 years	7	8	8	%
	>59 years	2	2	1	%



Diversity and equal opportunity		2018	2019	2020	Unit
Global Management Team by age group	<30 years	0	0	0	%
	30–39 years	22	21	18	%
	40–49 years	57	61	61	%
	50–59 years	19	16	21	%
	>59 years	2	1	0	%
Managing Directors by age group	<30 years	N/A	3	3	%
	30–39 years	N/A	38	24	%
	40–49 years	N/A	43	61	%
	50–59 years	N/A	11	12	%
	>59 years	N/A	5	0	%
Regional Directors by age group	<30 years	N/A	8	0	%
	30–39 years	N/A	15	0	%
	40–49 years	N/A	62	70	%
	50–59 years	N/A	15	30	%
	>59 years	N/A	0	0	%
Group Management by age group	<30 years	0	0	0	%
	30–39 years	10	10	0	%
	40–49 years	50	50	40	%
	50–59 years	40	40	60	%
	>59 years	0	0	0	%



Diversity and equal opportunity		2018	2019	2020**	Unit
Board of Directors by age group	<30 years	0	0	0*	%
	30–39 years	10	13	0*	%
	40–49 years	20	25	60*	%
	50–59 years	50	25	20*	%
	>59 years	20	38	20*	%
Employees with permanent contract by gender	Female	N/A	N/A	3,035	No. of persons
	Male	N/A	N/A	2,197	No. of persons
Employees with temporary contract by gender	Female	N/A	N/A	288	No. of persons
	Male	N/A	N/A	140	No. of persons
Employees working full-time by gender	Female	N/A	N/A	3,253	No. of persons
	Male	N/A	N/A	2,318	No. of persons
Employees working part-time by gender	Female	N/A	N/A	70	No. of persons
	Male	N/A	N/A	19	No. of persons
Total number of nationalities		73	76	71	No. of nationalities
Number of nationalities in the six global support offices (GSOs)		39	44	43	No. of nationalities

*Oriflame Holding Ltd

**Average FTE

Labor/management relations	2018	2019	2020	Unit
Global average minimum notice periods regarding operational changes	N/A	N/A	5	Weeks



Market presence	2018	2019	2020	Unit
Senior management at significant locations hired from the local community*	62	52	73	%

*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		2018	2019	2020	Unit
Occupational injuries (rate of all recordable work-related injuries)	Oriflame all	2.7	3.5	2.3	Injuries per million hours worked**
	Manufacturing	5.1	3.2	3.1	Injuries per million hours worked**
	Non-manufacturing	2.4	3.5	2.2	Injuries per million hours worked**
Lost-time injury frequency rate	Oriflame all	1.1	1.5	1.4	Injuries per million hours worked**
	Manufacturing	3.7	1.9	3.1	Injuries per million hours worked**
	Non-manufacturing	0.8	1.5	1.3	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 injuries
	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	17	14	No. of injuries
	Manufacturing	5	3	3	No. of injuries
	Non-manufacturing	9	14	11	No. of injuries
	Contractors/suppliers working on Oriflame premises or on behalf of Oriflame	1	1	1	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		2018	2019	2020	Unit
Recordable work-related injuries	Oriflame all	34	39	22	No. of injuries
	Manufacturing	7	5	3	No. of injuries
	Non-manufacturing	27	34	19	No. of injuries
	Contractors/suppliers working on Oriflame premises or on behalf of Oriflame	2	4	4	No. of injuries
Number of hours worked	Oriflame all	12,613,657	11,158,469	9,705,000	Hours
	Manufacturing	1,367,370	1,546,123	984,336	Hours
	Non-manufacturing	11,246,287	9,611,346	8,720,689	Hours
	Contractors/suppliers working on Oriflame premises or on behalf of Oriflame	N/A	N/A	N/A	Hours
Work-related ill-health	Oriflame all	0	1	0	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	2.6	4.4	3.7	%

*Number of days of absence per number of working days

Sustainable suppliers		2018	2019	2020	Unit
Direct suppliers signed Code of Conduct or similar		N/A	N/A	99.5	%
Remote and on-site audits	On-site audits	100	100	77	%
	Remote audits**	0	0	23	%

**Implemented due to the Covid-19 pandemic



Sustainable suppliers		2018	2019	2020	Unit
Sustainability audit score results	A – Excellent	0	0	0	%
	B – Good	39	42	42	%
	C – Acceptable	44	29	50	%
	D – Weak/Poor	3	15	4	%
	E – Unacceptable	14	15	4	%

Human Rights	2018	2019	2020	Unit
Human rights assessments conducted for new markets	N/A	1	N/A	No. of HR 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	2018	2019	2020	Unit
Employees taken the updated Code of Conduct e-learning	N/A	N/A	409	No. of persons
Managers submitted the Annual Compliance Pledge	184	184	253	No. of persons

Oriflame Foundation	2018	2019	2020	Unit
Total amount raised for charity	1.03	1.30	1.18	Million EUR



Environmental performance

Water*		2018	2019	2020	Unit
Products developed with natural origin exfoliants (zero plastic microbeads)		100	100	100	%
New skin care and personal care rinse-off developments with biodegradable formulations		N/A	100	100	%
Water consumption per unit produced at Oriflame manufacturing sites		535	556	647	m3/million units produced
Water consumption per unit produced at Oriflame manufacturing sites since 2015		-21	-18	-7	%
Total water withdrawn	All facilities	318	406	322	Megalitres
	Manufacturing sites	225	268	255	Megalitres
	Non-manufacturing sites	93	139	67	Megalitres
Total water consumed	All facilities	163	188	169	Megalitres
	Manufacturing sites	134	161	155	Megalitres
	Non-manufacturing sites	29	27	14	Megalitres
Total water discharged	All facilities	156	218	153	Megalitres
	Manufacturing sites	91	107	99	Megalitres
	Non-manufacturing sites	64	112	54	Megalitres

*Our wellness factory in China is excluded



Forest		2018	2019	2020	Unit
Product packaging*		2,240	2,730	1,360	Tonne
Catalogue paper*		20,980	17,840	9,960	Tonne
Catalogues from credible certified sources or recycled materials		97	100	99	%
Product packaging	From FSC™ certified sources	84	60	96	%
	From recycled materials	4	39	0	%
	From non-certified sources	12	1	4	%
Sustainable certified palm oil derivatives	Mass Balance	1,281	2,511	2,700	Tonne
	RSPO Credits	2,011	804	948	Tonne
Sustainable certified palm oil derivatives	Mass Balance	39	74	74	%
	RSPO Credits	61	26	26	%
Ratio palm oil and palm kernel oil derivatives	Palm oil derivatives	N/A	N/A	56	%
	Palm kernel oil derivatives	N/A	N/A	44	%
CDP score	Forest – Timber	B	C	A-	Score (A-D)
	Forest – Palm oil	B	C	B	Score (A-D)

*The numbers are self-reported by suppliers



Climate: Scope 1, Scope 2 and parts of Scope 3		2018	2019	2020	Unit
Absolute GHG emissions		51,480	42,080	19,070	Tonne CO ₂ e
Reduction in absolute GHG emissions since 2010		-36	-48	-76	%
Relative GHG emissions		40.3	33.4	16.5	Tonne CO ₂ e/million EUR sales
Reduction in relative GHG emissions since 2010		-24	-37	-69	%
Scope 1 GHG emissions	Total Scope 1	5,255	5,191	3,471	Tonne CO ₂ e
	Fuel combustion	2,474	2,598	2,323	Tonne CO ₂ e
	Oriflame owned vehicles	1,102	937	552	Tonne CO ₂ e
	Refill of refrigerants	1,679	1,656	597	Tonne CO ₂ e
Scope 2 GHG emissions	Total Scope 2*	2,696	1,689	1,672	Tonne CO ₂ e
	Purchased electricity*	0	0	0	Tonne CO ₂ e
	<i>Purchased electricity**</i>	<i>16,617</i>	<i>16,958</i>	<i>13,924</i>	<i>Tonne CO₂e</i>
	Purchased heat, steam and cooling	2,696	1,689	1,672	Tonne CO ₂ e
Scope 3 GHG emissions	Total Scope 3	43,526	35,196	13,926	Tonne CO ₂ e
	Energy-related activities	1,652	1,618	1,360	Tonne CO ₂ e
	Logistics	11,536	11,092	8,689	Tonne CO ₂ e
	Employee business travel	10,038	6,735	2,795	Tonne CO ₂ e
	Brand Partner air travel to international conferences	19,120	13,537	176	Tonne CO ₂ e
	Water	183	253	183	Tonne CO ₂ e
	Waste	997	1,961	723	Tonne CO ₂ e
Upstream leased asset (Scope 3 - but not included in target scope)		2,674	1,951	1,541	Tonne CO ₂ e
Purchased climate compensation		N/A	48,017	20,434	Tonne CO ₂ e

*Market-based emissions **Location-based emissions



Climate: Scope 1, Scope 2 and parts of Scope 3		2018	2019	2020	Unit
Certified climate neutral conferences organised		N/A	2	2	No. of conferences
CDP score	Climate	B	B	A-	Score (A-D)

Electricity consumption		2018	2019	2020	Unit
Electricity use per unit produced at Oriflame manufacturing sites		43,136	42,909	44,023	kWh/million units produced
Electricity use per unit produced at Oriflame manufacturing sites since 2015		-13	-14	-14	%
Renewable electricity at Oriflame operated sites (manufacturing, offices, warehouses)		100	100	100	%

Energy consumption		2018	2019	2020	Unit
Energy consumption from renewable sources		29,890	32,000	26,200	MWh
Energy consumption from non-renewable sources		27,640	23,400	22,090	MWh
Energy consumption by source (within the organisation)	Total	57,530	55,400	48,290	MWh
	Renewable electricity	29,890	30,520	26,150	MWh
	Natural gas	12,250	12,810	11,560	MWh
	District heating	14,450	9,670	9,750	MWh
	District cooling	70	1,440	50	MWh
	Diesel	760	830	690	MWh
	Burning oil	110	130	90	MWh



Energy consumption		2018	2019	2020	Unit
Energy consumption (outside of the organisation)	Warehouses not operated by Oriflame	3,620	4,030	4,030	MWh
Energy consumption ratio*		45	44	42	MWh/million EUR sales

*The ratio refers to all energy consumption within the organisation.

Waste – manufacturing**		2018	2019	2020	Unit
Total waste produced		1,790	2,113	2,133	Tonne
Waste directed to disposal	Incinerated	220	210	265	Tonne
	Landfilled	8	<1	3	Tonne
Waste avoiding landfill	Composted	207	124	147	Tonne
	Recycled	1,355	1,778	1,718	Tonne
Waste from manufacturing sites avoiding landfill		99	100	99	%
Waste per unit produced at Oriflame manufacturing sites		7.2	7.3	8.9	Tonne/million units produced
Waste per unit produced at Oriflame manufacturing sites since 2015		-9	-7	+10	%

**Our wellness factory in China is excluded

Waste – offices and warehouses		2018	2019	2020	Unit
Total waste produced		3,115	4,379	4,368	Tonne
Waste directed to disposal	Incinerated	64	57	37	Tonne
	Landfilled	1,331	2,876	1,442	Tonne



Waste – offices and warehouses		2018	2019	2020	Unit
Waste avoiding landfill	Composted	105	69	289	Tonne
	Recycled	1,615	1,377	2,600	Tonne

Formulations	2018	2019	2020	Unit
New cosmetic and wellness raw materials screened in our sustainability review process	100	100	100	%
Natural origin alcohols in Eau de Toilettes, Eau de Parfumes and aerosols	100	100	100	%
Revenue from products that contain REACH substances of very high concern (SVHC)*	N/A	N/A	16	%

*Candidate list February 2021

Environmental brand tracking attributes (average of 7 markets)	2018	2019	2020	Unit
Brand Partners consider Oriflame to be a company that cares for nature and the environment	N/A	N/A	88	%
Brand Partners consider Oriflame to be a company that cares about protecting forests	N/A	N/A	81	%
Brand Partners consider Oriflame to be a company that cares about clean water and oceans	N/A	N/A	81	%
Brand Partners consider Oriflame to be a company that cares about air pollution and impact on climate	N/A	N/A	81	%
Brand Partners consider Oriflame to be a company that cares about reducing waste	N/A	N/A	81	%



GRI Index

GRI 102: General Disclosures (2016)

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Organisational profile			
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102-2	Activities, brands, products and services	This is Oriflame, p. 11	
102-3	Location of headquarters	Geographical footprint, pp.12-13	
102-4	Location of operations	Geographical footprint, pp.12-13	
102-5	Ownership and legal form	2020 Annual Report	
102-6	Markets served	2020 Annual Report	
102-7	Scale of the organisation	2020 Annual Report	
102-8	Information on employees and other workers	Employee Experience, pp. 59-65 Performance summary, pp. 102-118 Additional income, pp. 17-18	
102-9	Supply chain	2020 Annual Report Human Rights, pp. 66-69	
102-10	Significant changes to the organisation and its supply chain	2020 Annual Report	
102-11	Precautionary principle or approach	Sustainability risks, pp. 95-97	
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**GRI 102: General Disclosures (2016)**

Code	Title	Location	Comments
102-13	Membership of associations	Stakeholder engagement, pp. 90-91	
Strategy			
102-14	Statement from senior decision-maker	CEO Statement, pp. 9-10	
Ethics and integrity			
102-16	Values, principles, standards and norms of behaviour	2020 Annual Report This is Oriflame, p. 11 Human Rights, pp. 66-69	
Governance			
102-18	Governance structure	2020 Annual Report Organising for improvements, p. 93	
Stakeholder engagement			
102-40	List of stakeholder groups	Stakeholder engagement, pp. 90-91	
102-41	Collective bargaining agreements		Information unavailable. We are working to improve the accuracy of data under this parameter.
102-42	Identifying and selecting stakeholders	Stakeholder engagement, pp. 90-91	
102-43	Approach to stakeholder engagement	Stakeholder engagement, pp. 90-91	
102-44	Key topics and concerns raised	Stakeholder engagement, pp. 90-91	
Reporting practice			
102-45	Entities included in the consolidated financial statements	2020 Annual Report	
102-46	Defining report content and topic Boundaries	Materiality, p. 94	
102-47	List of material topics	Materiality, p. 94	
102-48	Restatements of information	–	No restatements are needed.

**GRI 102: General Disclosures (2016)**

Code	Title	Location	Comments
102-49	Changes in reporting	About this report, p. 127	
102-50	Reporting period	About this report, p. 127	
102-51	Date of most recent report	–	April 17, 2020
102-52	Reporting cycle	About this report, p. 127	
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102-54	Claims of reporting in accordance with the GRI Standards	About this report, p. 127	
102-55	GRI content index	GRI Index, pp. 119–126	
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**GRI 200: Economic Standards**

Code	Title	Location	Comments
GRI 201: Economic performance (2016)			
103-1/2/3	Management approach 201	2020 Annual Report	
201-1	Direct economic value generated and distributed	2020 Annual Report	
201-2	Financial implications and other risks and opportunities due to climate change	CDP questionnaire Climate – Oriflame Cosmetics AB	
GRI 202: Market presence (2016)			
103-1/2/3	Management approach 202	Employee Experience, pp. 59–65	
202-2	Proportion of senior management hired from the local community	Performance summary, pp. 102–118	
GRI 205: Anti-corruption (2016)			
103-1/2/3	Management approach 205	Human Rights, pp. 66–69	
205-2	Communication and training about anti-corruption policies and procedures	Human Rights, pp. 66–69	

GRI 300: Environmental Standards

Code	Title	Location	Comments
GRI 301: Materials (2016)			
103-1/2/3	Management approach 301	Forest, pp. 31–33 Packaging, pp. 41–45	
301-1	Materials used by weight or volume	Forest, pp. 31–33	
301-2	Recycled input materials used	Forest, pp. 31–33 Packaging, pp. 41–45 Performance summary, pp. 102–118	

**GRI 300: Environmental Standards**

Code	Title	Location	Comments
GRI 302: Energy (2016)			
103-1/2/3	Management approach 302	Climate, pp. 34-40	
302-1	Energy consumption within the organisation	Climate, pp. 34-40 Performance summary, pp. 102-118	
302-2	Energy consumption outside of the organisation	Climate, pp. 34-40 Performance summary, pp. 102-118	
302-3	Energy intensity	Climate, pp. 34-40 Performance summary, pp. 102-118	
302-4	Reduction of energy consumption	Climate, pp. 34-40 Performance summary, pp. 102-118	
GRI 303: Water and effluents (2018)			
303-1	Interactions with water as a shared resource	Water, pp. 28-30	
303-2	Management of water discharge-related impacts	Water, pp. 28-30	
303-3	Water withdrawal	Water, pp. 28-30 Performance summary, pp. 102-118	
303-4	Water discharge	Water, pp. 28-30 Performance summary, pp. 102-118	
303-5	Water consumption	Water, pp. 28-30 Performance summary, pp. 102-118	
GRI 305: Emissions (2016)			
103-1/2/3	Management approach 305	Climate, pp. 34-40	

**GRI 300: Environmental Standards**

Code	Title	Location	Comments
305-1	Direct (Scope 1) GHG emissions	Performance summary, pp. 102-118	
305-2	Energy indirect (Scope 2) GHG emissions	Performance summary, pp. 102-118	
305-3	Other indirect (Scope 3) GHG emissions	Performance summary, pp. 102-118	
305-4	GHG emissions intensity	Performance summary, pp. 102-118	
303-5	Reduction of GHG emissions	Climate, pp. 34-40 Performance summary, pp. 102-118	

GRI 308: Supplier environmental assessment (2016)

103-1/2/3	Management approach 308	Human Rights, pp. 66-69	
308-1	New suppliers that were screened using environmental criteria	Human Rights, pp. 66-69 Performance summary, pp. 102-118	

GRI 400: Social Standards

Code	Title	Location	Comments
GRI 401: Employment (2016)			
103-1/2/3	Management approach 401	Employee Experience, pp. 59-65	
401-1	New employee hires and employee turnover	Performance summary, pp. 102-118	
GRI 402: Labor/management relations (2016)			
103-1/2/3	Management approach 402	Employee Experience, pp. 59-65	
402-1	Minimum notice periods regarding operational changes	Performance summary, pp. 102-118	
GRI 403: Occupational health and safety (2018)			
403-1	Occupational health and safety management system	Employee Experience, pp. 59-65	

**GRI 400: Social Standards**

Code	Title	Location	Comments
403-2	Hazard identification, risk assessment and incident investigation	Employee Experience, pp. 59-65	
403-3	Occupational health services	Employee Experience, pp. 59-65	
403-4	Worker participation, consultation, and communication on occupational health and safety	Employee Experience, pp. 59-65	
403-5	Worker training on occupational health and safety	Employee Experience, pp. 59-65	
403-6	Promotion of worker health	Employee Experience, pp. 59-65	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Employee Experience, pp. 59-65	
403-9	Work-related injuries	Employee Experience, pp. 59-65 Performance summary, pp. 102-118	
403-10	Work-related ill health	Employee Experience, pp. 59-65 Performance summary, pp. 102-118	

GRI 404: Training and education (2016)

103-1/2/3	Management approach 404	Employee Experience, pp. 59-65	
404-1	Average hours of training per year per employee	Employee Experience, pp. 59-65	
404-3	Percentage of employees receiving regular performance and career development reviews	Employee Experience, pp. 59-65	

GRI 405: Diversity and equal opportunity (2016)

103-1/2/3	Management approach 405	Employee Experience, pp. 59-65	
405-1	Diversity of governance bodies and employees	Employee Experience, pp. 59-65	

GRI 408: Child labor (2016)

**GRI 400: Social Standards**

Code	Title	Location	Comments
103-1/2/3	Management approach 408	Human Rights, pp. 66–69	
408-1	Operations and suppliers at significant risk for incidents of child labor	Human Rights, pp. 66–69	

GRI 409: Forced or compulsory labor (2016)

103-1/2/3	Management approach 409	Human Rights, pp. 66–69	
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights, pp. 66–69	

GRI 412: Human rights assessment (2016)

103-1/2/3	Management approach 412	Human Rights, pp. 66–69	
412-1	Operations that have been subject to human rights reviews or impact assessments	Human Rights, pp. 66–69 Performance summary, pp. 102–118	

GRI 414: Supplier social assessment (2016)

103-1/2/3	Management approach 414	Human Rights, pp. 66–69	
414-1	New suppliers that were screened using social criteria	Human Rights, pp. 66–69 Performance summary, pp. 102–118	

GRI 416: Customer health and safety (2016)

103-1/2/3	Management approach 416	Consumer safety, pp. 70–72	
416-1	Assessment of the health and safety impacts of products and service categories	Consumer safety, pp. 70–72	



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. (called Oriflame in this report) during the period January 1 to December 31, 2020, unless stated otherwise. Franchise operations are not covered in this report. This report was published on Oriflame's website, oriflame.com, on April 9 2021, where you will also find additional information about our sustainability efforts. This report has been prepared in accordance with the GRI Standards: Core option. A GRI Content Index is included in the Appendix of this report. The value creation model on page 29 in the Annual Report is inspired by the International <IR> Framework.

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 oper-

ations, references are made to the Oriflame Annual Report for the fiscal year 2020. 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 credible certified sources. This report has been developed and reviewed by Oriflame's sustainability team, relevant experts in the company, and is approved by the CEO.

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