



2021 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 2.5 million people. Looking ahead, we are committed to continuing to build on this simple formula – empowering people and enabling positive change around the world.

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Sustainability highlights

Respect for Nature

Our greenhouse gas emission reduction targets of an additional 50% reduction in Scope 1 and 2 for 2030 were approved by the

Science Based Targets initiative

100%

of new Skin Care and Personal Care rinse-off products were formulated to be **biodegradable**



99%

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

Recognised as a

Climate Leader

in Europe by the Financial Times and Statista



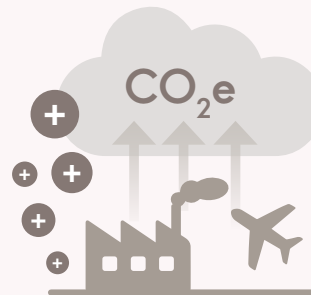
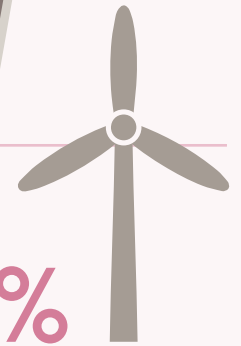
Joined the

EcoBeautyScore Consortium

– a global initiative to enable consumers to make more sustainable choices

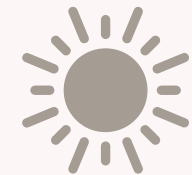
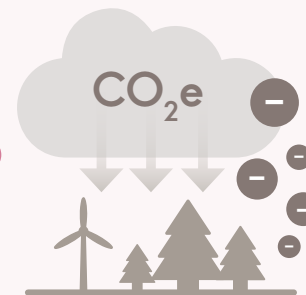
100%

renewable electricity
at all Oriflame operated sites since 2018



100%

climate neutral operations*



Installed **solar panels**
at our manufacturing site in Poland

**We are continuously working to reduce our emissions. For those emissions we could not reduce in 2021, we climate compensated for our GHG emissions in Scope 1, Scope 2 and parts of Scope 3.*



Opportunity for Brand Partners



€249
million

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



60
countries

Oriflame supported Brand Partners to thrive in
a digital world by

providing digital
platforms
– with an average of

145,000

Brand Partners visiting our First
90 Days digital onboarding
programme every month and

51

countries implementing our
e-learning platform



launching a new

eCatalogue

– a digital version of the
Oriflame catalogue for Brand
Partners



holding digital
conferences

– reaching up to

41,000

visitors per day

76%

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

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**

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



Passion for People

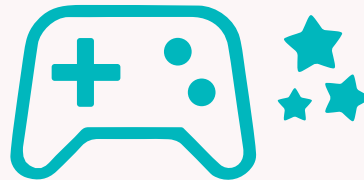
Won the
**Employer
Branding
Star Award
2021**

from Employer Branding
Institute



Won

**Best Employer
Branding**



in Millionmind Gamification
Awards 2021

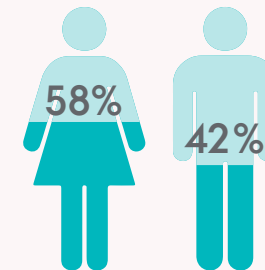
Selected as
one of the top



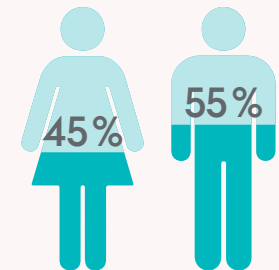
brands globally that does a lot
for society*



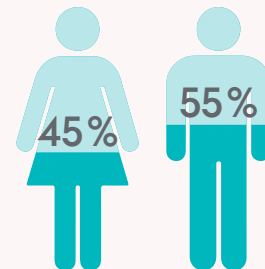
Gender balance



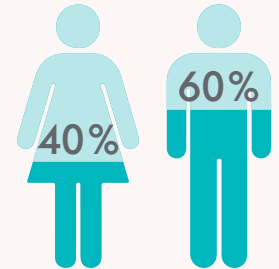
Oriflame globally



Global Management



Group Management



Board of Directors**

Oriflame India awarded

Great Place to Work®
certification

*Source: Kantar, Who Cares, Who Does 2021? Issue 3, September 2021. **Oriflame Holding Ltd.

Oriflame recognised as an ESG Industry Top-Rated company

Oriflame was ranked 7 out of 101 global companies in the category “Household products” by the ESG research company Sustainalytics and was therefore recognised as an ESG Industry Top-Rated company. Sustainalytics reviewed the Oriflame sustainability strategy and the last years’ performance on all three dimensions of Environmental, Social and Governance (ESG). Oriflame received a rating of 21.0 on a scale of 0–100, with 0 indicating negligible ESG risk.



Sustainalytics’ ESG risk ratings measure a company’s exposure to industry-specific material ESG risks – as

well as how well a company manages these risks. This way of measuring ESG risks enables a fair comparison across all industries.

Sustainalytics, a Morningstar company, is a leading independent ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment.



Ranked as Climate Leader by Financial Times in 2021

Oriflame has been recognised by the Financial Times and Statista as a Climate Leader among a selected group of European companies that have made the greatest reduction in greenhouse gas emissions intensity from 2014 to 2019. In this new list, Oriflame was ranked as number 38 out of 300 of the European companies that succeeded in making it to the list. In the Personal & Household Goods sector alone we were positioned as number 2.

Oriflame part of global initiative spearheading transparency in product sustainability

Oriflame has joined EcoBeautyScore Consortium, a global initiative creating an industry-wide system for assessing the environmental impact of cosmetic products, to facilitate consumers in making more informed choices around the sustainability of their cosmetics.

EcoBeautyScore Consortium is unique in the industry in its approach and design, bringing together large and small cosmetics and personal care companies, as well as professional associations, from across four continents, to collaborate in finding a solution that is science-led, specific to cosmetics and with a global scope. Work has already begun, with a target of end of 2022 for a footprinting and scoring prototype.

As full corporate members of EcoBeautyScore Consortium, Oriflame is proactively responding to the growing consumer demand for greater transparency around the environmental impact of their products. This membership will benefit our own customers and Brand Partners, and will drive meaningful change in the cosmetics industry from within.



PRODUCT HIGHLIGHTS

2021 product innovations

We are working to improve our products' sustainability performance across all product categories. During 2021, we launched several product ranges with a stronger sustainability profile.

.SE – Swedish Experience

Two new Swedish fragrances were launched under the .SE – Swedish Experience brand. The two sophisticated eau de parfums – Blazing Warmth and Wild Hearts – were developed to capture the natural beauty of Sweden.

The fragrances were crafted with responsible and advanced patented fragrance technologies – Scent. Trap® and Pure.Scent® – creating exclusive scent accords that were captured on a Swedish scent expedition by a team of specialists and perfumers. The perfumers captured the scent of the living plants without destroying or removing them from nature.

The improved packaging has a minimum of 40% post-consumer recycled glass and was developed for easy separation for recycling*.

NovAge Skinrelief

Developed in line with Oriflame's product development philosophy of Performing, Safe and Responsible beauty products, NovAge Skinrelief is a high performance, youth-preserving Skin Care range designed for sensitive skin. The range features minimalist, gentle formulations to bring reactive skin back into balance but with a strong anti-ageing effect. With airless packaging to limit the need for preservatives and formulated without concern ingredients like parabens, formaldehyde releasers, fragrance and synthetic dyes, as part of the formulation design approach for sensitive skin. Also featuring an upcycled, skin rejuvenating active ingredient from the leaf of the rambutan tree, part of a sustainable harvesting programme.

** Local recycling opportunities may differ, please be sure to follow local recycling guidelines.*

Optimals Urban Guard 3D

During the year, a new collection of products targeting a modern urban lifestyle – Optimals Urban Guard 3D – was also introduced. This is a pollution protection Skin Care range with improved packaging. The new serum bottle was developed with 72% less glass than our ordinary serum bottles. The amount of recycled content was improved in both the plastic and glass packaging; with 50% post-consumer recycled plastic in the mist bottle, 46% post-consumer recycled plastic in the multi-functional cleanser tube and day cream tube and 25% post-consumer recycled glass in the night cream jar.

Recycled materials in Accessories

In the Accessories category, we increased the portfolio with products made from recycled materials. The Elemental Shower Puff is made from 100% recycled PE and the Pure Skin Headband is made from 60% recycled polyester.

Love Nature Shampoo Bar

Love Nature Shampoo Bar was launched within the Personal and Hair Care category. The bar was developed to be more concentrated than a traditional shampoo* and therefore uses less water during production processes and lasts longer. The bar has primary packaging made of credible certified paper, which is easy to recycle. In addition, it requires less packaging materials which reduces the usage of plastic and improves transport efficiency. It is formulated to be biodegradable and has no silicone or parabens.

*One shampoo bar is equivalent to two standard 250 ml bottles of shampoo.





“We want to continue to create business opportunities for our Brand Partners as well as make sure that we take good care of our planet while doing so.”



Statement from the CEO

Sustainability is in our heritage; caring for people and our environment were already a priority for Jonas and Robert Af Jochnick when they founded Oriflame 55 years ago. It is core to the opportunities we create for our Brand Partners to significantly change their lives. Sustainability is also essential to our future; it is reflected in our products and deeply embedded in our organisation, making us resilient to changes affecting the world and helping people to fulfil their dreams. The past year has continued to be challenging for our society, our business and our Brand Partners due to the Covid-19 pandemic. It has continued to affect how we interact with each other at work, and it has resulted in social gatherings and conferences being cancelled.



“We all believe in our potential to change the world for a better, more beautiful tomorrow.”

Since the very start, Oriflame’s business model has made great contributions to the community by creating business opportunities for Brand Partners and making entrepreneurship accessible to all. During the pandemic this has become increasingly important as we have been able to support Brand Partners digitally, providing a safe hand and stable stream of income even during restrictions and lockdowns. For example, we have continued to strengthen our digital presence by providing digital training platforms and virtual conferences. Furthermore, we have continued the digitalisation of our business model by providing a digital eCatalogue. This was met with a huge success, as it makes it easier for our Brand Partners to share the catalogue with customers, browse and shop, but also to discover new products through videos, tutorials and additional product information.

Despite the pandemic we are proud to see that our business continues to have a positive social impact. Kantar did a study to identify which brands do the most for society, and we are very proud to be ranked in 6th place globally!

Achievements during 2021

In order to further strengthen our sustainability strategy we had our emission reduction targets approved by the Science-Based Targets initiative during the year. We are committed to making yearly reductions of our greenhouse gas (GHG) emissions with the aim of reaching required levels to meet the goals of the Paris Agreement. And we are on-track, having reduced our scope 1 and 2 emissions of 22% since 2019. Oriflame was recognised by the Financial Times and Statista, as a Climate Leader among a selected group of European companies that have made the greatest reduction in GHG emissions intensity during a five-year period. We were also ranked an ESG Industry Top Rated company, No 7 out of 101 global companies within Household products, by Sustainalytics. Moreover, by joining the EcoBeautyScore Consortium, a global initiative to enable consumers to make more sustainable choices, we are truly committing to a sustainable beauty industry as well as integrating our sustainability program into our own organisation.

Oriflame is different from many other cosmetic companies around the globe in the sense of our large geographical footprint and wide diversity of nationalities. We are a global community covering nationalities from more than 60 countries in the organisation. Furthermore, we have achieved our gender balance target for the Global Management in the last five years and in the overall organisation we have a gender split of 58% women and 42% men, something that I am very proud of. I’m also very pleased to say our strategy continues to contribute to the United Nations Sustainable Development Goals and, of course, supports the Ten Principles of the United Nations’ Global Compact in

the areas of Human Rights, Labour, Environment and Anti-Corruption.

Prepared to meet opportunities and challenges

To summarise 2021, it was a year of global challenges, yet we met those from a stable financial platform and took many innovative steps forward.

Starting off 2022, our future took another turn when the news reached us about the war in Ukraine. This affects all of us at Oriflame as we share strong emotional ties with our employees and Brand Partners in Ukraine. Since the war broke out, our main priority has been to provide personal safety and every possible support to our employees and their families, as well as to help our Brand Partners in Ukraine. In addition, we drastically restricted our business in Russia.

Despite these geopolitical challenges, we are committed to our people, Brand Partners and respect for nature and we will continue on our path towards a more sustainable future. We want to continue to create business opportunities for our Brand Partners as well as make sure that we take good care of our planet while doing so. Oriflame’s commitment to people and nature is key to continued success and it is business-critical for us that we all believe in our potential to change the world for a better, more beautiful tomorrow.

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 2.5 million Members*, generating annual sales of around €1.0 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 2.5 million Members located in more than 60 countries.

Product offering

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



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

Geographical footprint

Sales regions

- Latin America
- 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

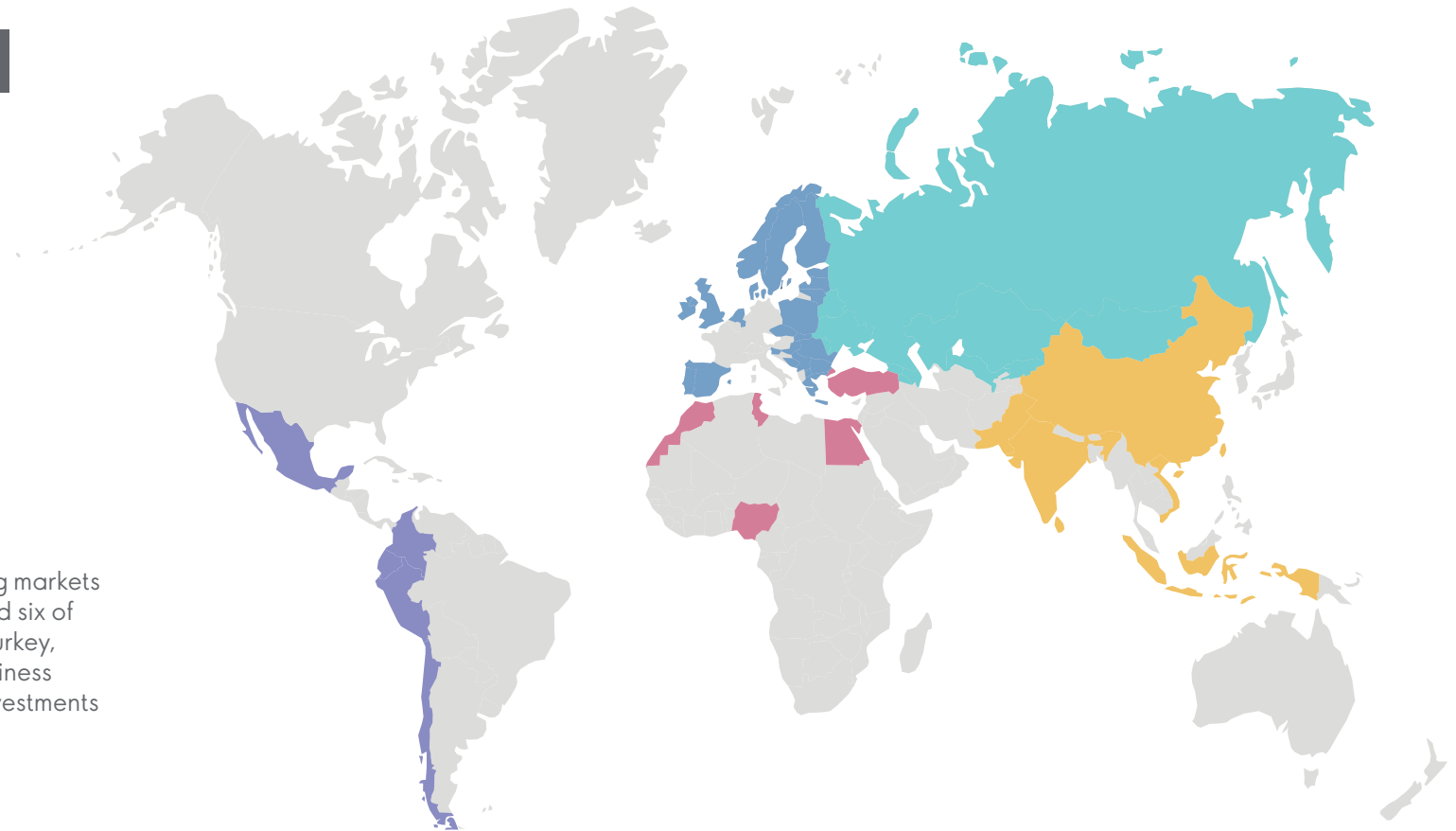
More than 70% of our product volumes are manufactured in our own production facilities. In 2021, we sourced around 346 million units, including finished goods from more than 50 global and regional suppliers. These are shipped to Oriflame's markets worldwide. Our main sourcing markets in 2021 were Poland, China, United Kingdom, India and Germany.

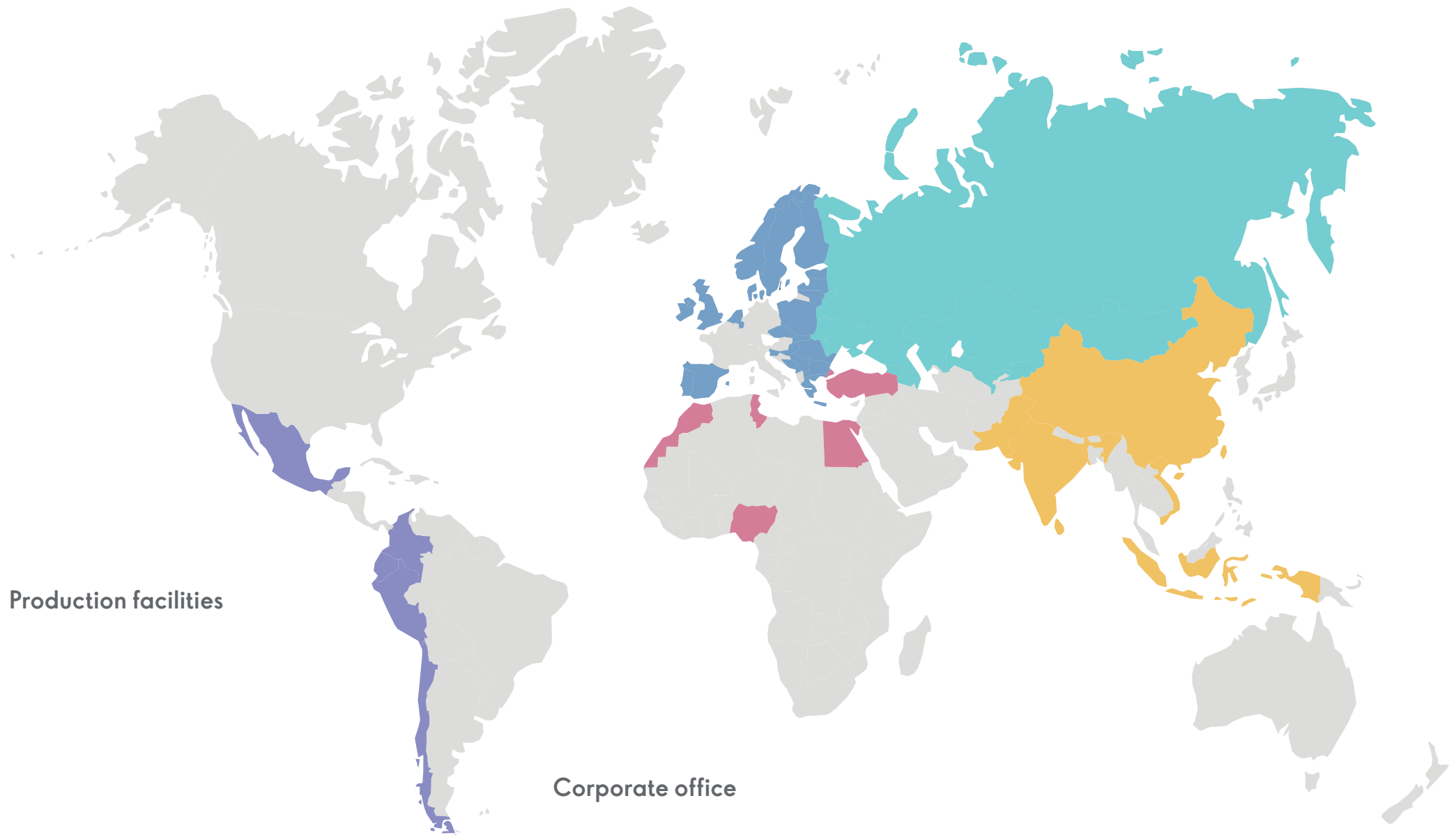
Production

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 is about how you live, feel and act.

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

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

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





Three strategic focus areas

1. Opportunity for Brand Partners

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

Read more about our Opportunity for Brand Partners on [pp. 17-25](#).

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. 26-65](#).

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 supply chain, our work with consumer safety and our efforts to create socially responsible products.

Read more about our Passion for People on [pp. 66-85](#).

Strategy structure

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





Opportunity for Brand Partners

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

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

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



Additional income

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

Anyone can become an Oriflame Brand Partner if they live in one of our markets around the world. They can start their own social-selling business, with two different ways to earn extra money: selling products to customers or building a business by inviting others to sell too and increase their earnings over time. Most Brand Partners choose the first 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.

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

We are committed to continuing to grow the business to increase the total amount paid out to Brand Partners annually. In 2021, we paid out €249 million, a decrease from €315 million in 2020. This amount includes payments related to the participation of Independent Brand Partners in sales conferences. The decrease was due to the lower sales volume (mainly impacted by the Covid-19 pandemic), changes in the business remuneration plan for Independent Brand Partners and cancellation of the international conferences in 2021.

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 2021, our NPS score was slightly lower than the result from 2020. Product Availability remains the index that scored lowest, as this is the area that has been strongly impacted by the Covid-19 pandemic. The top-rated satisfaction index was Product Quality, which is reflected in reviews of Brand Partners and ratings they give to specific products. The website and Oriflame App are evaluated highly too, as the overall convenience of using them to place orders was rated 4 out of 5.

Throughout 2021 we collected 125,000 product reviews via the Bazaarvoice platform, which measures Brand Partners' and consumers' satisfaction with our products. Our global average score was 4.6 out of 5, higher than last year (4.5 in 2020). While the Fragrance category gets the most reviews, Wellness continues to be rated as the best category. Swedish Spa is the highest-rated brand and Tender Care follows closely behind with two products of this brand qualifying in the top 10 rated products globally.





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 several tools and training possibilities. In the Oriflame Global Brand Tracking from 2020, it was concluded that growth and development are important to our Brand Partners. A total of 74% agreed that their business skills have improved and 76% noticed improvements in their self-esteem and confidence because of working at Oriflame.

Training opportunities for Brand Partners

Oriflame Academy is a training programme that Oriflame has used for more than 15 years. It consists of a series of training steps for Brand Partners at different levels in Oriflame. It includes training steps on products, social selling, leadership development and many other topics. In 2020 we began updating Oriflame Academy 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 and combine video content, shareable assets and community activities to support our Brand Partners in strengthening their digital presence. Four new Oriflame Academy training steps were launched in 2020, and an additional five in 2021. These steps address, among other things, how to expand your beauty community, how to activate your network, how to promote your business in social media and storytelling. These nine new Oriflame Academy training steps were rolled out globally with a high implementation rate. All new training steps combine face-to-face and online tools and methods, as this is how most successful Brand Partners work today.

Mobile Office in 43 markets

Oriflame offers all registered Brand Partners access to their own digital back office, called Mobile Office. Mobile Office consists of features to support Brand Partners in all aspects of their business, including how to start their business, keeping track of their own and their team's performance – and much more. To date, Mobile Office has been launched in 43 markets.

The First 90 Days digital onboarding programme for newcomers and sponsors has proved a popular part of Mobile Office, with an average of 145,000 unique users going through the action-oriented steps each month. The First 90 Days offers training and practical steps designed to help new Brand Partners get started with Oriflame and is currently available in 42 Oriflame markets. During 2021 we conducted a survey in five key markets, gathering feedback and lessons learned from newcomers on how to develop the onboarding programme. The participants rated the programme 4.6 out of 5 in response to the question, 'How helpful was the programme to you when starting your business'? They found the programme to be useful, clear, instructional and inspiring. To add value for new Brand Partners, we will continue to evolve and improve the programme in 2022 based on the survey results and add new features and action-oriented video material.

E-learning in 51 markets

Our e-learning platform includes 17 videos and micro-learning courses on Oriflame products, business opportunity, sales and recruitment skills and sponsor's skills. A total of 51 markets have implemented the e-learning platform, an increase from 50 markets in 2020. During 2021, updates in the course portfolio were made for all markets and we removed several courses that were no longer relevant or outdated. The number of course completions by Brand Partners recorded on our e-learning platform decreased significantly to around 70,000 courses in 2021 (compared to 161,000 courses completed in 2020).



New launch of Oriflame Wellness Club Certification programme

In 2021, we launched the Wellness Club Certification programme – the advanced training level of the Wellness Academy. The programme has been developed in Sweden by health experts and is based on a combination of the latest scientific research, practical Wellness knowledge about a holistic healthy lifestyle, physical exercise and Oriflame Wellness products.

All Brand Partners can access this programme in Mobile Office at no cost. When they have successfully passed the tests for all courses, they become certified Oriflame Wellness Club Coaches and thereby can start their own Wellness Clubs and support Wellness Club Members in improving their lifestyle. For Members, a Wellness Club is a community that meets once a week to learn, share and actively participate in a 12-week journey to improve their health and lifestyle.



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



Sense of belonging

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

At conferences, Oriflame Brand Partners get access to product launches and training – and have the possibility to hear best practice stories from successful leaders across the regions. Conferences are also a platform for Brand Partners to learn about the Oriflame brand and culture, and for people to meet and connect with each other. In the Oriflame Global Brand Tracking from 2020, it was concluded that 81% of Brand Partners consider that Oriflame enables them to meet new people.

Digitally connected

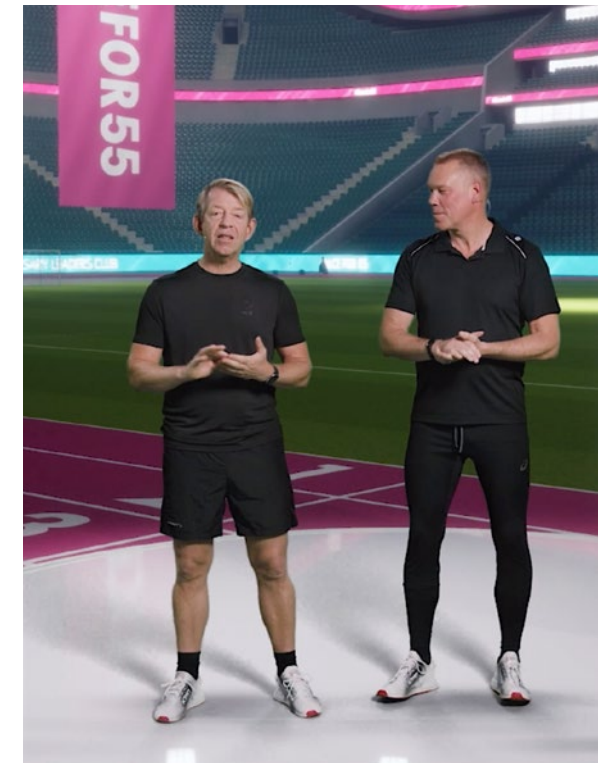
During 2021, the effect of the Covid-19 pandemic continued, and our conferences were developed into



digital or hybrid events. In the beginning of the year, 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 October we organised the digital event "Race for 55" to prepare for our 55th anniversary celebration in 2022. With around 11,000 participants, the "Race for 55" event was aimed to launch our Race for 55 programme – a temporary programme created to drive activity and growth through the Oriflame Business App – and to launch our new eCatalogue. The eCatalogue is a digital version of our Oriflame catalogue and will make it easier for Brand Partners to share the catalogue with customers, browse and shop, and also discover new products with videos, tutorials and more in-depth product information. In addition to global conferences, regional digital conferences were also held throughout the year across Oriflame locations to celebrate Brand Partners' achievements.

These virtual events helped to support Brand Partners with the latest digital solutions and training, 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, these events kept us all connected. However, we are hoping to bring back physical Oriflame Conferences as soon as possible.









Goals and commitments



Additional income

Goal/commitment	Deadline	SDG	Result	Comment	Status
1. Continue to grow the business in order to increase the total amount paid out to Brand Partners annually.	Year on year	8 DECENT WORK AND ECONOMIC GROWTH 	Decreased by 21% vs 2020	In 2021, we paid out €249 million, a decrease from €315 million in 2020. This amount includes payments related to the participation of Independent Brand Partners in sales conferences. The decrease was due to the lower sales volume (mainly impacted by the Covid-19 pandemic), changes in the business remuneration plan for Independent Brand Partners and cancellation of the international conferences in 2021.	 More to do
2. We want our Brand Partners to recognise Oriflame as a good opportunity to earn an additional income and gain an increase in freedom and flexibility in their daily life.	Year on year	8 DECENT WORK AND ECONOMIC GROWTH 	84% of Brand Partners consider Oriflame as a good opportunity to earn an additional income	Data from the Oriflame Global Brand Tracking 2020.	 Achieved



Growth and development

Goal/commitment	Deadline	SDG	Result	Comment	Status
3. Provide our Brand Partners, most of whom are women, with online and offline training to build sales, marketing and beauty skills.	Year on year	5 GENDER EQUALITY 	Increased by 2% vs 2020	A total of 51 markets have implemented the e-learning platform (an increase from 50 in 2020).	 On track
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: <ul style="list-style-type: none"> • Become more confident • Improved their self-esteem • Improved their skills 	Year on year	5 GENDER EQUALITY 	76% of Brand Partners consider Oriflame has helped to improve their self-esteem and confidence	Data from the Oriflame Global Brand Tracking 2020. This figure will be updated in 2022.	 Achieved



Sense of belonging

Goal/commitment	Deadline	SDG	Result	Comment	Status
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.	Year on year	5 GENDER EQUALITY 	81% of Brand Partners consider Oriflame enables them to meet new people	Data from the Oriflame Global Brand Tracking 2020.	 Achieved



Respect for Nature

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

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



Water

OUR WATER JOURNEY

2015

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

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

2017

Launched Love Nature rinse-off range with biodegradable formulations.

2021

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

2013

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

2016

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

2018

Expanded biodegradability to other ranges, including Discover.

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



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 eight severe risks on a global scale over the next 10 years in the World Economic Forum’s Global Risks report 2022. Water issues are a global challenge, but because we operate in some water scarce countries it is important for us to consider the implications at a local level too.

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

address: water pollution and water scarcity. To understand these challenges better, we conducted a water impact study a number of years ago, on the lifecycle of a representative selection of our key products. The results helped us to define the focus areas for our water strategy and to strengthen our commitments. For example, the study showed that over the lifecycle of a shampoo, 88% of freshwater use is generated by consumers. As a result of this insight, we are looking at ways to engage our consumers around more sustainable water use, while also looking into opportunities for developing waterless products. In 2021, we launched our first shampoo bar within the Love Nature brand. As the bar is developed to be more concentrated than a traditional shampoo, it therefore uses less water and packaging materials.

No plastic microbeads

Microplastic contamination is a cause of water pollution. A variety of pollution sources have been identified,



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

Biodegradable formulations

We know that rinse-off products have a high impact on the water system and may have an impact on the ecosystems. It is therefore important to us that we improve our raw materials' biodegradability, particularly those used in our rinse-off products. By 2025, 100% of new Skin Care and Personal Care rinse-off products (face and body) will be formulated to be biodegradable. We continued to progress towards this goal in 2021. Historically, we independently tested a number of our rinse-off products to validate their biodegradability. Going forward biodegradability will be assessed at an ingredient level, where 90% of the carbon-based ingredients must be biodegradable, based on the method developed by OECD* or similar.

Biodegradable masks and wipes

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

*The Organisation for Economic Co-operation and Development.

Effective water management in manufacturing

About 87% of the total water withdrawn at our manufacturing sites comes from ground water. Manufacturing of products, use of purified water and washing equipment were the most water intensive processes. About 40% of water withdrawn in 2021 was discharged to surface water and municipal water networks but only after treatment by effluent treatment plants at all factories.

Manufacturing processes are highly dependent on water and account for more than half of the company's total impact on water. Water use and discharge may have an impact on local ecosystems and affect water quality and supply in a region. All sites have a secured water supply with regulatory consent. The sites treat water as per local water regulations and monitor physical, chemical and biological water quality parameters before discharge.

In 2021, to understand and address our water-related impacts better, we used the WRI Aqueduct Water Tool to assess water stress in regions where our manufacturing sites are located. Only 13% of total water withdrawn for manufacturing products came from high water stress areas. To manage water efficiently, we have undertaken the following measures at our manufacturing sites:

- The Wellness factory in Roorkee, India is a zero liquid discharge (ZLD) factory. 100% of water is reused after treatment for local landscaping.
- At our factory in Noida, India about 50% of the water required by the cooling tower is met by the water treated from our effluent treatment plant.

Water is also reused from backwash of sand filter and RO membranes at the factory in Poland.

- Rainwater is collected in rainwater harvesting pits at two sites, to replenish groundwater (Roorkee, India) and to reuse for lawn watering (Russia).
- Regular training of employees in factories on efficient water usage and about our water targets.
- All factories treat wastewater and are 100% compliant with local regulations for wastewater discharge.
- All factories engage with government stakeholders and third-party suppliers to follow good water management practices.

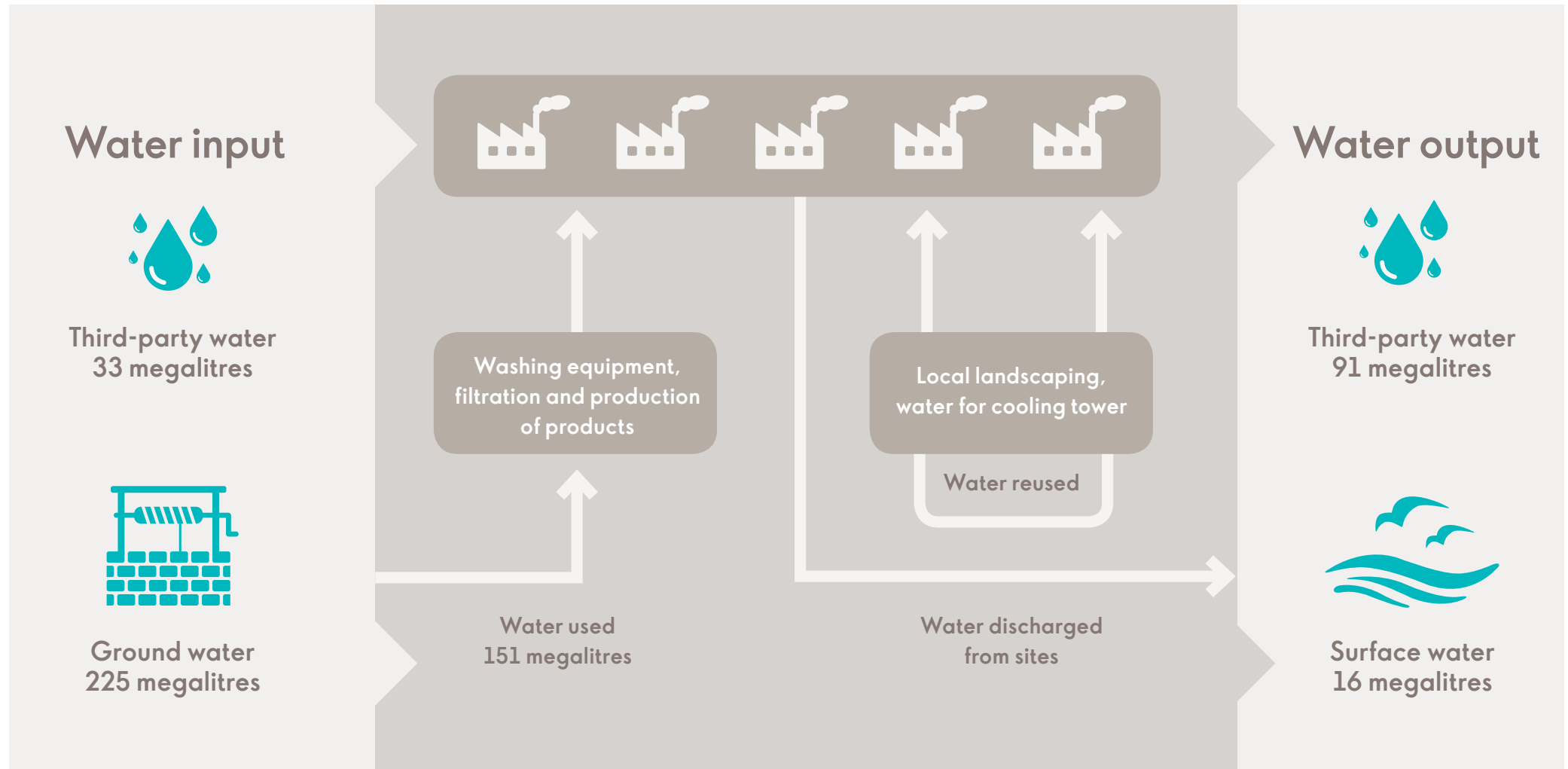
Going forward, we are committed to reduce water consumption per unit produced at our own manufacturing sites* by 10% by 2030 from a 2019 base year. In 2021 we increased the water consumption per unit produced by 13% from a 2019 base year. The main reason for this was an increase in production of water-intense external products. We will continue to implement water improvements at our manufacturing sites in order to reach our 2030 water goal.

Managing water risks in future includes looking for alternate water sources in case water supply is affected in a region of high water stress; managing water costs associated with water treatment, leakage detection and repair and regulatory costs in case of failure to meet local discharge standards.

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



Water flow at manufacturing sites





Achievements in 2021

WATER



100% of new Skin Care and Personal Care rinse-off products were formulated to be biodegradable.



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



Forest

OUR FOREST JOURNEY

2012

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

Started CDP Forest reporting.

2019

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

2010

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

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

2014

Started purchasing Mass Balance certified palm oil.

2021

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

*The product is no longer in our product portfolio.



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. In a study from World Wildlife Fund (WWF) in 2021* it was found that across 29 countries in Asia, Latin America and Africa, over 43 million hectares of forest and other critical natural ecosystems were destroyed between 2004 and 2017. Deforestation can cause climate change, desertification, soil erosion and increase risks of pandemics, among other things. As Oriflame has two major raw ma-

terials with forestry origin, paper and palm oil, it is important for us to work towards more sustainable forestry practices.

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 2021, we used 18,697 tonnes** of packaging paper, board and catalogue paper. Around 69% of total volume was catalogue paper and the remainder (31%) was used for paper and board packaging.

Some of our raw materials contain palm oil derivatives. 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

* The Deforestation Fronts: Drivers and responses in a changing world.

**Data from supplier questionnaires. Response rate of 86%.

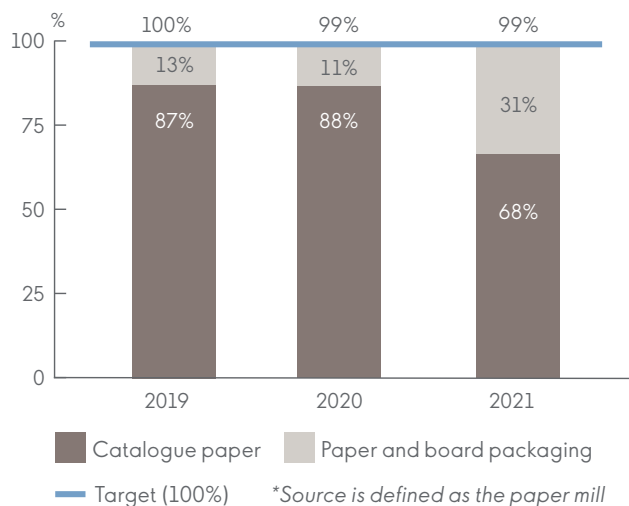


global disclosure system for investors and companies to manage environmental impact. In 2021, we scored B for both timber and palm oil in CDP Forest.

Paper 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. By 2025, all our paper-based products (catalogues and paper and board packaging) will come certifiably from sustainably managed forests or be made from recycled raw materials. In practice, this means giving preference to Forest Stewardship Council (FSC™) certified paper when possible. In certain markets,

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



where FSC™ certification is not available, we allow other certifications that meet our minimum requirements, such as Programme for the Endorsement of Forest Certification (PEFC). In 2021, we reached 98.9% paper and board packaging and catalogues combined from credible certified sources* or recycled materials. The data was collected via paper supplier questionnaires for product packaging, accessories and catalogues with a response rate of 86%. Questionnaires 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.

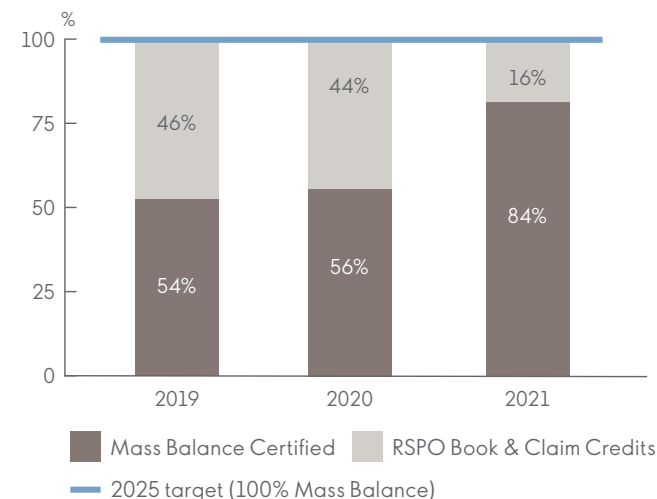
Responsibly certified wood

By 2025, we aim to source all wood used to make our products from certified sustainably managed forests. The vast majority of wood we source is used for products within the Colour Cosmetics category. In 2021, all our newly developed wooden pencils were made from FSC™ certified wood.

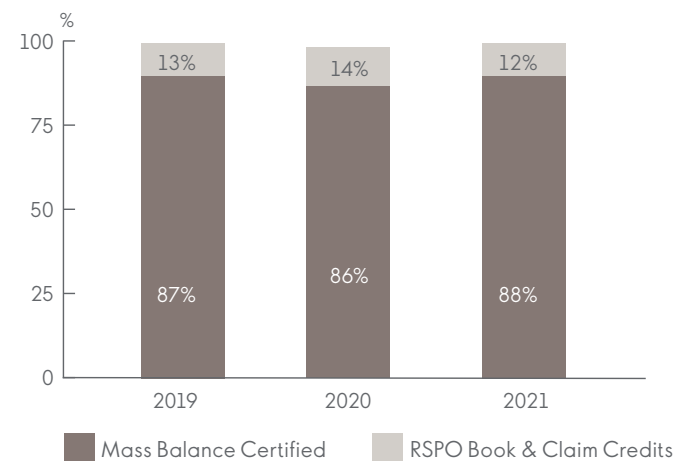
Mass Balance palm oil

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 40% of the world's vegetable oil demand on just 6% of the land. To get the same amount of other vegetable oils, 4 to 10 times more land would be needed and that would shift the problem to other parts of the world.

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



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





We have been a member of the Roundtable on Sustainable Palm Oil (RSPO) since 2010 and we aim to source 100% Mass Balance certified derivatives for the raw materials used at our own manufacturing sites by 2025. If Mass Balance certified derivatives are not available, we use RSPO Book & Claim Credits. In 2021, we purchased 1,478 tonnes of derivatives of palm oil (18%) and palm kernel oil (82%) for our raw materials used in our own factories. Out of this 991 tonnes of palm kernel oil derivatives and 254 tonnes of palm oil derivatives were Mass Balance certified, resulting in 84% RSPO Mass Balance in our raw materials portfolio. The remainder of our consumption (16%) will be covered by RSPO Book & Claim Credits.

Derivatives of palm oil and palm kernel oil are also available in some of our subcontracted finished goods. As these products are developed by our suppliers, we have a limited overview of the volumes of derivatives and the level of Mass Balance certified derivatives. For our subcontracted soap bars, we have been working together with our suppliers for several years to account for the Mass Balance certified palm oil and palm kernel oil derivatives. In 2021, 88% of the derivatives were Mass Balance certified and the remainder consumption (12%) will be covered by RSPO Book & Claim Credits.



Achievements in 2021

FOREST



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



84% of Mass Balance certified palm oil and palm kernel oil derivatives in our raw materials portfolio. Remainder consumption (16%) will be covered by RSPO Book & Claim Credits.



All wooden pencils in the Colour Cosmetics category developed during 2021 were made from FSC™ certified wood.

**Source is defined as the paper mill*



Climate

OUR CLIMATE JOURNEY

2011

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

2015

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

2018

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

2019

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

Organised our first two climate neutral conferences.

2021

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

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

Installed solar panels at our manufacturing site in Poland.

2010

Started calculating greenhouse gas emissions.

Started our CDP Climate reporting.

2014

Installed solar panels at our Wellness manufacturing site in India.

2016

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

2020

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



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 reports increasing levels of carbon dioxide (CO₂) and other greenhouse gases (GHG) in the atmosphere. In the years to come, changing global climate patterns will incur more extreme and unpredictable weather, including more frequent and intense storms, heat waves, droughts and floods. The World Economic Forum's Global Risks Report 2022 ranks climate action failure and extreme weather as the top two severe risks on a global scale over the next 10 years.

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, a global disclosure system for investors and companies to manage environmental impact, and in 2021 we scored B in the Climate category.

Reduced climate impact since 2010

We implemented a company-wide emissions reduction programme in 2010 and in 10 years' time (from 2010 to

At the manufacturing site in Poland, a pilot station of solar panels was installed during the year, with a capacity of delivering 0.1 MW of solar power.

2020) we reduced our absolute GHG emissions (Scope 1, Scope 2 and parts of Scope 3) by 76%. The large reduction was mainly due to our wide range of initiatives implemented:

- We implemented an energy audit programme at our manufacturing sites and offices in 2011 and conducted energy audits with a focus on energy efficiency, water consumption and waste. The results helped us to identify areas of improvement and to establish energy-saving programmes. The energy audit programme was concluded in 2020.
- We developed a logistics programme to gradually consolidate local warehouses and move our product sourcing, catalogue printing and Global Distribution Centres closer to our major markets. From 2010 to 2021, we have reduced our emissions from global logistics transportation by 21% 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.





- We aim to certify all new construction and major renovations. In 2015, we built two new manufacturing sites in Noginsk, Russia and Roorkee, India with LEED® certifications. LEED® is a green building certification recognising best-in-class sustainable building practices. The following year, our main office in Moscow was BREEAM certified – another green building certification that helps drive sustainable improvements through operational efficiency. Our manufacturing sites in Russia and Poland were assessed by Eco-Vadis – a scorecard to assess environmental, social and ethical risks – and have received gold certification for both sites in 2021. In addition, both sites have environmental management systems certifications (ISO 14001:2015).
- Since 2018, we have purchased traceable renewable electricity for all Oriflame operated sites (offices, manufacturing sites and warehouses). For the sites that do not procure renewable electricity directly, we have matched our electricity consumption with Guarantees of Origin (GOs) in Europe and the International REC Standard (I-RECs) on other continents. The origin of this electricity is a mix of wind power, solar power and hydro power. Solar panels were installed at our Wellness manufacturing site in India in 2014. They cover around 5% of the factory's consumption as of 2021. At the manufacturing site in Poland, a pilot station of solar panels was installed during the year, with a capacity of delivering 0.1 MW of solar power.

Science-Based Targets approved

In 2021, we got our emission reduction targets approved by the Science-Based Targets initiative as

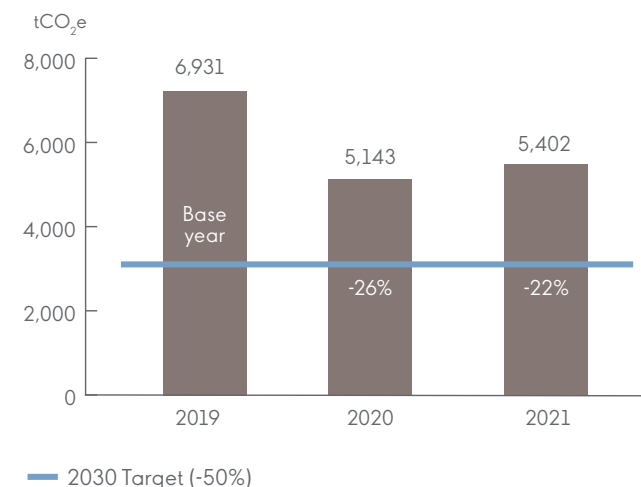
consistent with the levels required to meet the goals of the Paris Agreement. Oriflame commits to reduce absolute Scope 1 and 2 GHG emissions 50% by 2030 from a 2019 base year. Oriflame also commits to reduce Scope 3 GHG emissions 22% per unit sold over the same timeframe. In 2021, we reduced our absolute Scope 1 and 2 GHG emissions 22% since 2019 and Scope 3 GHG emissions per unit sold reduced 24% since 2019. The decrease since 2019 was mainly due to reduction in sales and consequent impact on operational activities such as energy consumption, purchased goods and services, business travel and transportation. Overall, the impacts of the Covid-19 pandemic were still evident in 2021.

During the year, we joined the [European Climate Pact](#) to support the European Commission to meet its goal to be the first climate-neutral continent in the world by 2050. Our main pledge to contribute to fighting climate change is our Science-Based Targets and progress towards the pledge will be monitored annually via our CDP Climate questionnaire.

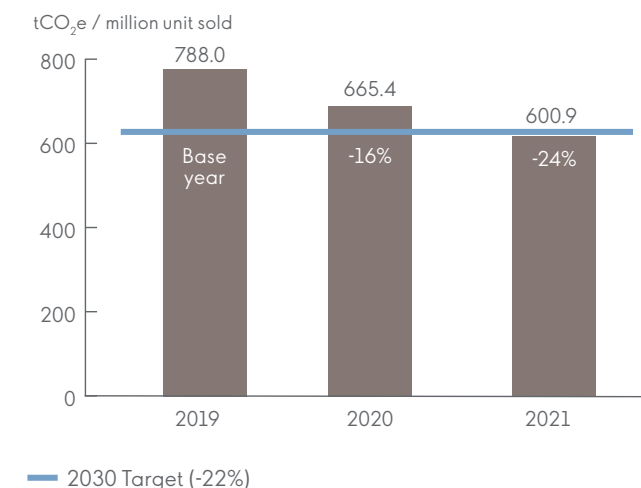
Greenhouse gas emission breakdown

Our major GHG emission sources in Scope 1 and 2 are the fuel and district heating combusted when energy is consumed at our offices, manufacturing sites and warehouses. As we procure 100% renewable electricity, we account this as zero tonnes of CO₂e according to the market-based methodology. Within Scope 3 our largest GHG emission sources are purchased goods and services such as finished goods from external suppliers and production of catalogues, but also downstream transportation and distribution and downstream leased assets.

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



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

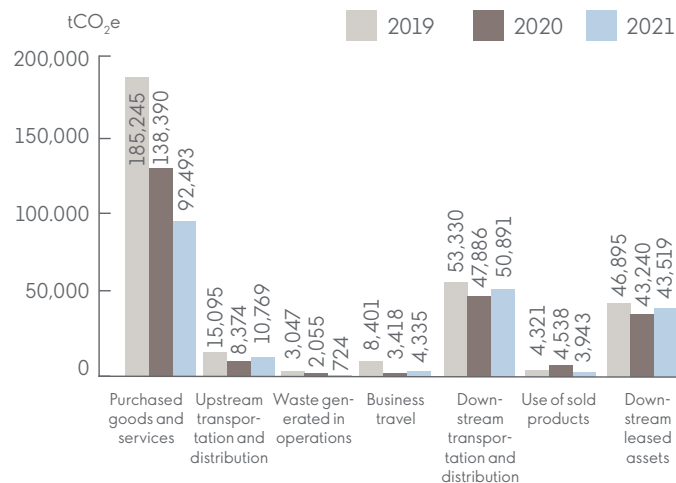




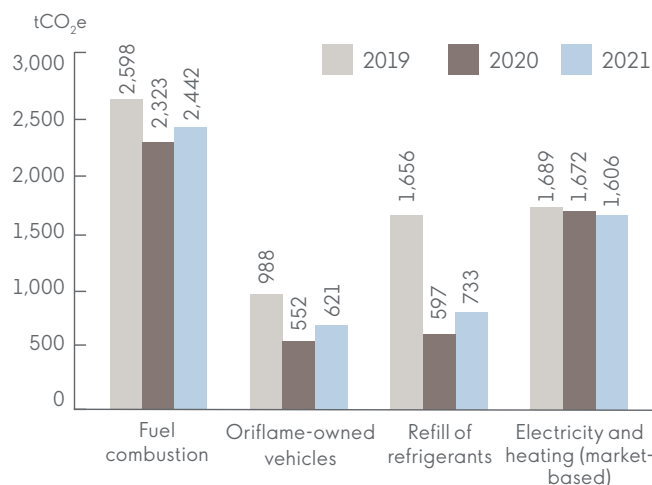
Energy breakdown

Overall, 53% of Oriflame's energy consumption within the organisation originated from renewable sources during the year. In total, the energy consumption within the organisation in 2021 was 47,650 MWh. Most of the energy originated from renewable electricity, but natural gas and district heating were also large energy sources. We are committed to reduce energy consumption per unit produced at our own manufacturing sites* 10% by 2030 from a 2019 base year. In 2021, we increased the energy consumption per unit produced by 10% from a 2019 base year. We will continue to implement energy efficiency measures at our manufacturing sites in order to reach our 2030 energy goal.

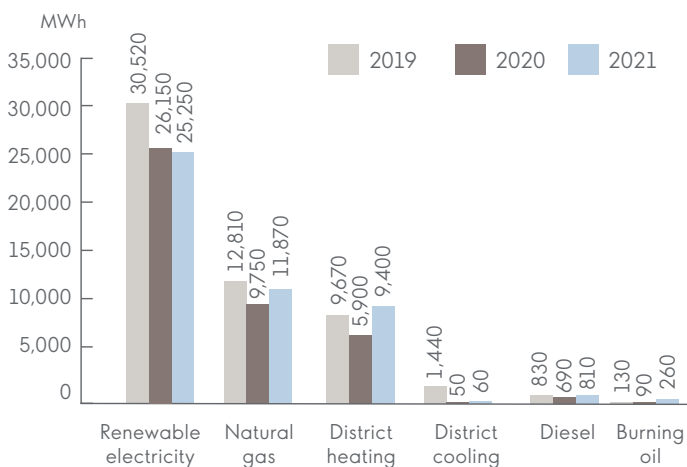
Scope 3 GHG emission sources



Scope 1 and 2 GHG emission sources

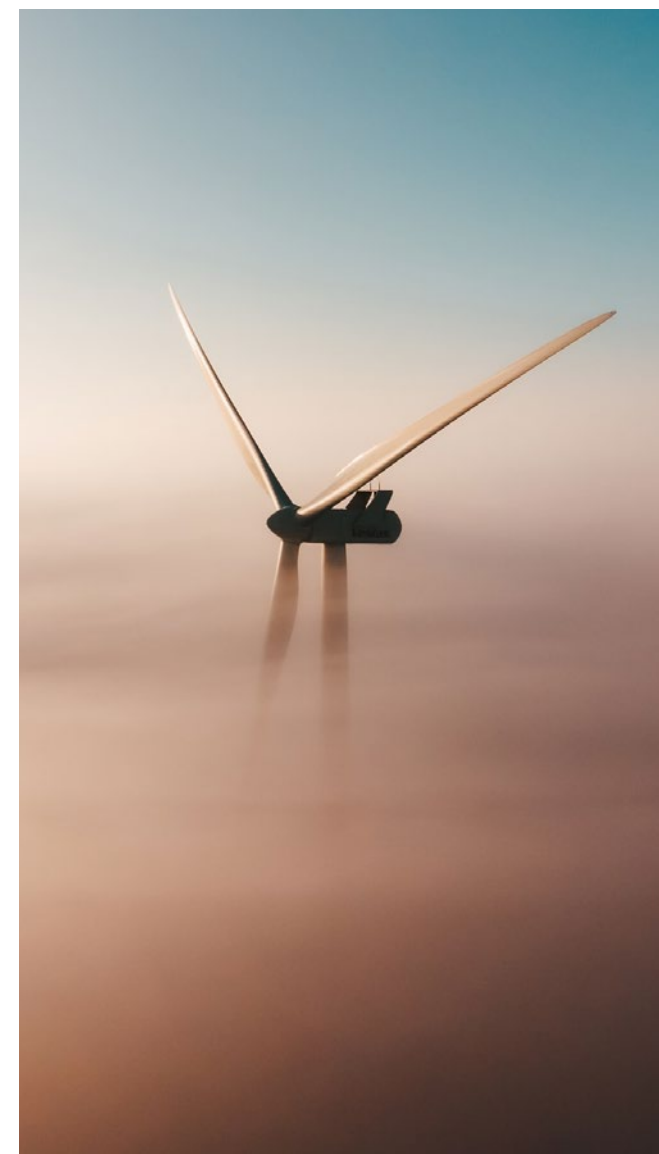


Energy sources within the organisation**



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

** Numbers rounded to the nearest 10.

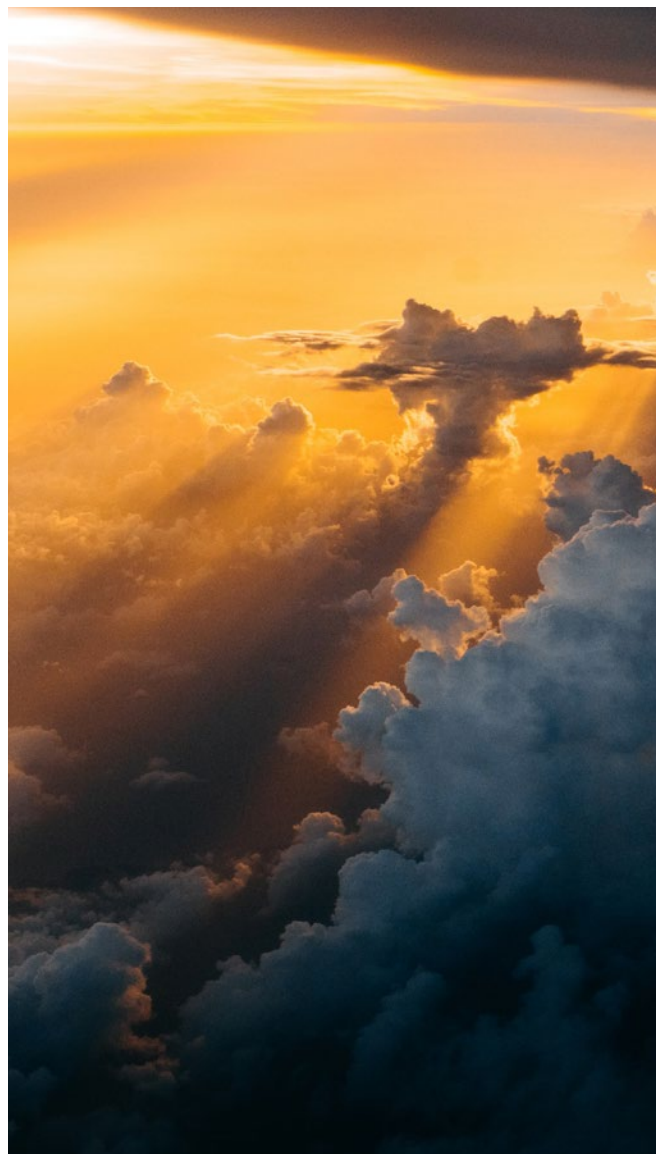




GHG emissions in scope of our approved Science-Based Targets

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

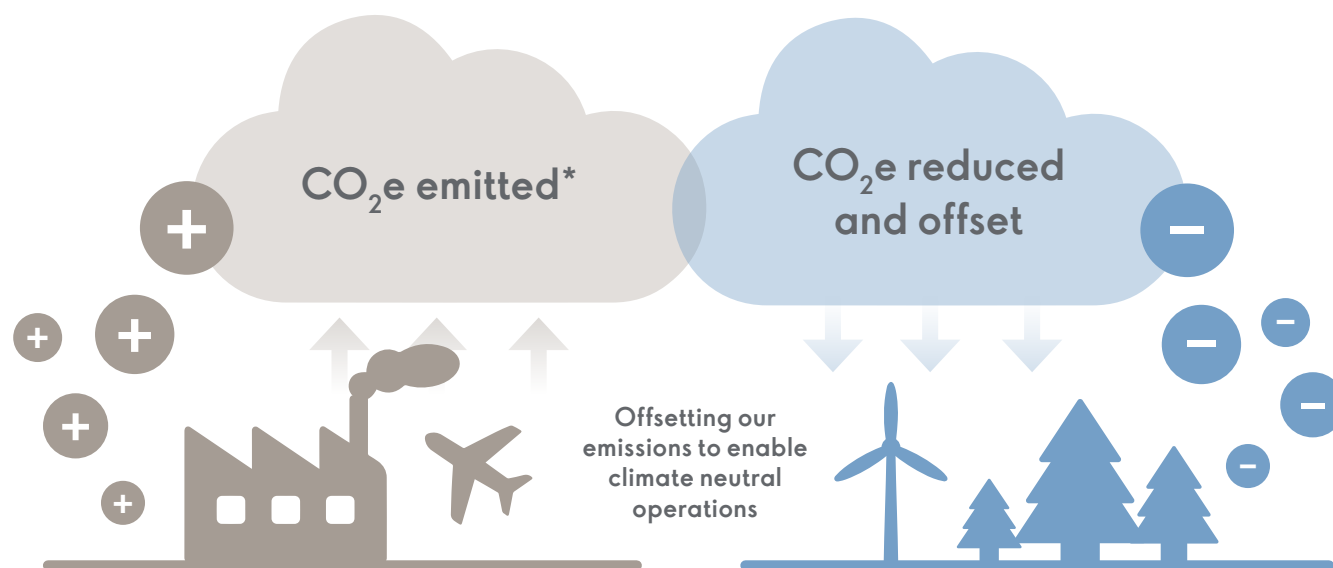
● = Fully included ◐ = Partially included



Climate neutral operations and events

We are continuously working to reduce our GHG emissions in our operations and value chain. Since 2019, we have compensated annually for parts of the GHG emissions we cannot reduce (Scope 1, Scope 2 and selected categories in Scope 3). For 2021, this was done by purchasing carbon credits in forest conservation and renewable energy projects in China and Indonesia. By balancing our emitted emissions with an equal amount of climate reduction initiatives and carbon credits, we are climate neutral in our own operations, including our own manufacturing sites (Scope 1, Scope 2 and parts of Scope 3).

In 2019, we organised our first climate neutral conferences and since 2020 we aim to have all our regional and global conferences certified as climate neutral. This is done by first quantifying all greenhouse gas emissions from the event according to the GHG Protocol, including all attendees' travel, meals, hotel stays, energy use, etc. Then the calculations are validated by a third party, South Pole, to assure accordance with their Climate Neutral Event certification, defined by the strictest PAS 2060 standard. Lastly, we implement emission-reduction initiatives to reduce ensuing climate impact. We climate compensate for the emissions we cannot reduce. All physical regional and global conferences were cancelled during 2021 due to the Covid-19 pandemic.



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

CASE STUDY

Climate compensation projects

Keyihe Forest Conservation in China

The project involves converting a forest from logged to protected forest. The state-owned forest is 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.



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, but it also promotes sustainable development, particularly regarding environmental education and economic capacity building.





CASE STUDY

Asahan River hydropower in Indonesia

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



Achievements in 2021

CLIMATE

- ✓ Our greenhouse **gas emission reduction targets** for 2030 were **approved by the Science Based Targets initiative**.
- ✓ **Recognised as one of 300 climate leaders** in Europe by the Financial Times and Statista.
- ✓ Installed a **pilot station of solar panels** at our manufacturing site in Poland.



Packaging

OUR PACKAGING JOURNEY

2011

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

2014

First trials with bio-based materials.

2021

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

2009

Launched first refillable packaging.

2012

Launched first packaging made of PCR glass.

2020

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

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

Launched first mascara with packaging made of PCR plastic.



Packaging

WE ARE STRIVING FOR MORE SUSTAINABLE PACKAGING SOLUTIONS AND REDUCING WASTE

Product packaging is an important part of the consumer experience and ensures that safe and high-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 increasing 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 2021, we sourced around 17% PCR plastic in our bottles and 9% PCR plastic in our tubes.

By 2025, a significant share of Oriflame's plastic packaging will be from PCR or other sustainable materials. By using PCR materials, we reduce the amount 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 are part of our strategy. Replacing finite and fossil-based



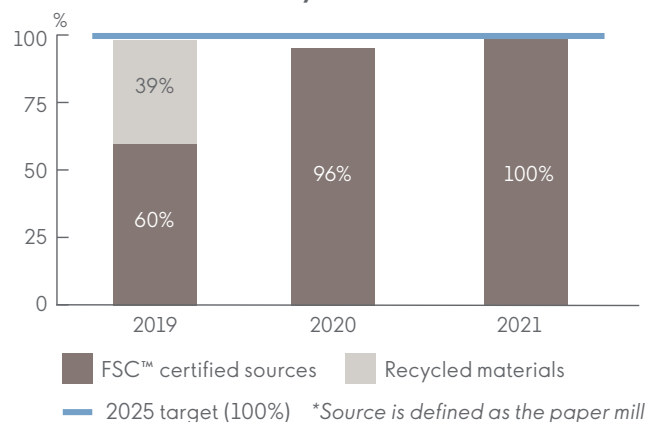


materials with responsibly managed renewable materials can decrease greenhouse gas emissions while reducing dependency on finite resources. In 2021, 99.8% of our paper and board packaging was sourced from FSC™ certified sources* or recycled materials. We will continue to aim to source 100% paper and board packaging from FSC™ certified sources* or recycled materials by 2025. In addition, we also focus on replacing fossil-based materials with renewable materials if possible. We are also exploring the field of bioplastics, with successful trials in biopolymers and bio-based 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

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



environment in mind gives us packaging that weighs less than a comparable or previous packaging and requires fewer natural resources to be made. We have been working to find a good balance between more lightweight packaging and durability. We never compromise on the quality of our packaging. When we develop more lightweight packaging, tests are always conducted to ensure the packaging quality is approved and meets our packaging standards.

4. Refills

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 refillable 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.

Greener Packs

To help consumers make the right choices, we have developed the Greener Packs logo as a guide to our packaging solutions with a reduced environmental impact. Products with improved packaging will receive a





Greener Packs logo if at least one of the below requirements are met.

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

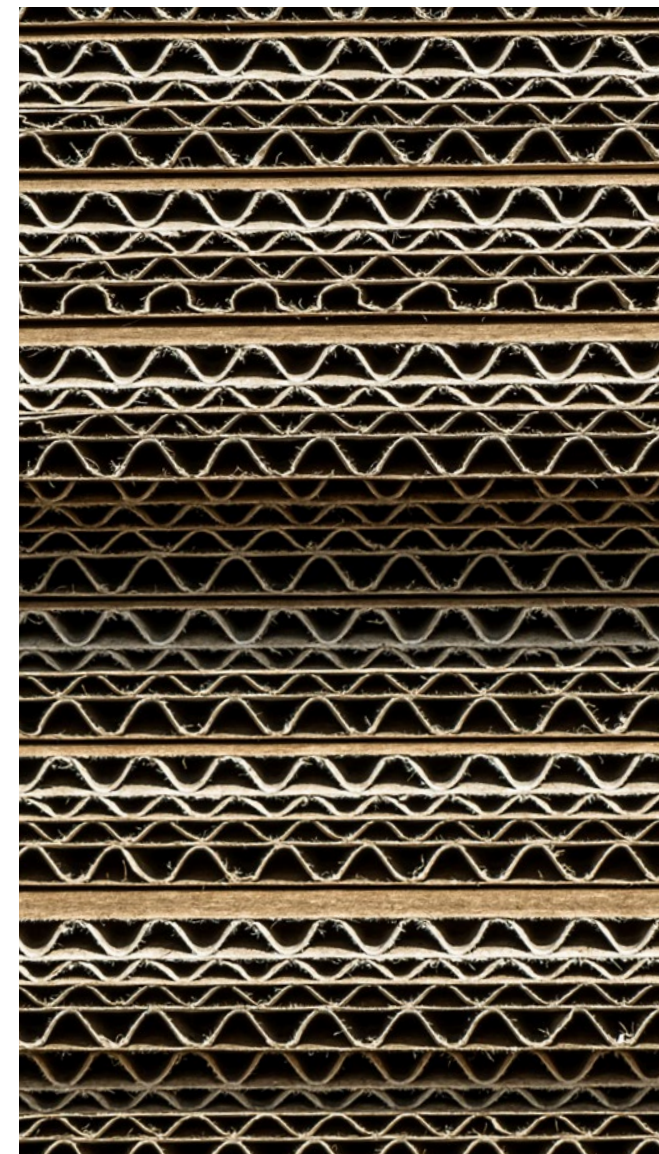
Reducing waste in our value chain

Waste is a significant impact area for our business. Due to our presence in markets that lack a recycling infrastructure, a large proportion of our product packaging ends up in landfill. This is problematic as unmanaged landfill creates a lot of harmful gases and contaminants, including methane – a particularly potent greenhouse gas. In addition, informal landfills are present in many of our markets, contributing to street pollution and the pollution of water streams and eventually oceans. We are aware of the scale of our waste challenge and are committed to tackling it. Much of our progress will come from creating better, more efficient packaging from the very start. Our primary focus areas are the removal of unnecessary packaging, 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.

Waste management at our manufacturing sites

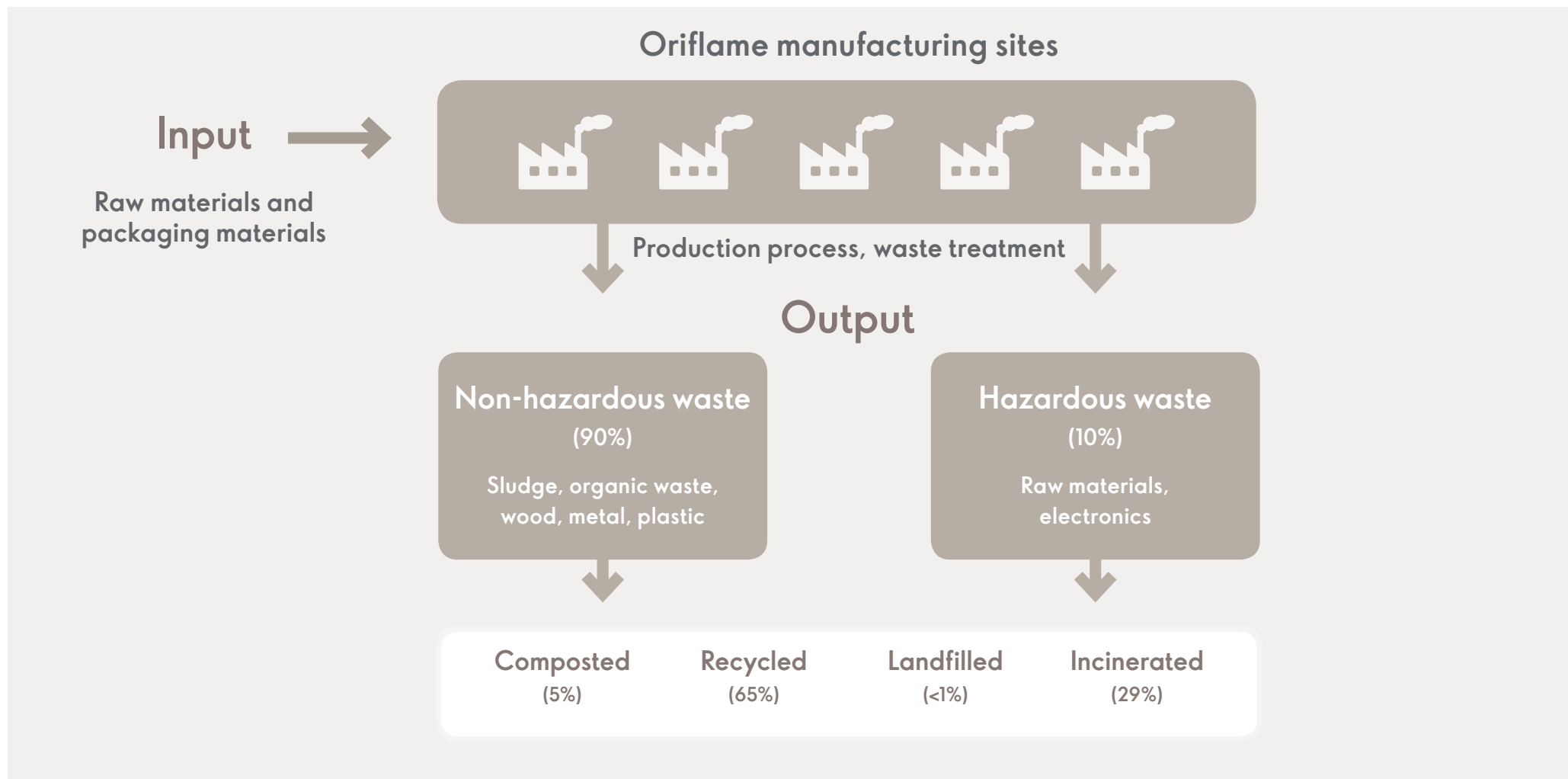
To address the impact of waste generated, we look at our inputs, activities and outputs which contribute to majority of our waste generation at our manufacturing sites. As a beauty company, cosmetic raw materials and packaging materials are major inputs during production processes such as material procurement, product development and packaging. The raw materials are used in product formulations and generate pre-production waste due to changeovers, rejects and spillage. Packaging of raw materials and finished goods delivered to manufacturing sites also contribute to packaging waste. Sludge from the effluent treatment plants is generated during post-production processes. In 2021, about 10% of total waste generated at manufacturing sites* was hazardous waste. We ensure that hazardous waste is disposed of and processed in accordance with local waste regulations. Recyclable waste and municipal waste are recycled and composted.

In 2021, <1% of the waste generated at our manufacturing sites* was sent to landfill and 68% of waste (excluding hazardous waste) was recycled. We are committed to sending zero waste to landfill and will continue to pursue this target. By 2030, we aim to recycle 100% of waste (excluding hazardous waste) generated at our manufacturing sites*. About 127 tonnes of waste from effluent treatment plant at our manufacturing site in Poland was composted. We also reuse 11% of carton boxes at our manufacturing site in Noida, India leading to substantial resource and cost savings.



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

Waste process flow at manufacturing sites





Achievements in 2021

PACKAGING



100% of our paper product packaging came from **FSC™ certified sources*** or recycled materials.



<1% of our manufacturing waste was sent to landfill.



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

**Source is defined as the paper mill.*



Formulations

OUR FORMULATION JOURNEY

2012

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

Launched the world's first shower gel with 100% segregated palm oil – Swedish Spa Shower Gel. The product is no longer in our product portfolio.

2016

Relaunched Ecobeauty with a focus on organic certified products.

2019

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

2021

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

Launched our first vegan* meal replacement products.

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

2011

Replaced synthetic alcohol with natural origin.

2013

Launched our first range containing plant stem cells.

2017

Joined the Responsible Mica Initiative.

2020

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

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

*Certified by The Vegan Society™



Formulations

PRODUCT DEVELOPMENT PHILOSOPHY – RESPONSIBLE APPROACH

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

Our product development philosophy

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

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

- **Responsible** – respecting our planet and overall society

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 products, we use natural origin alcohols that most often come from fermented grains – a great example of promoting the use of natural raw materials and reducing environmental impact. We also have a large portfolio of natural 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 develop our own plant stem cell technology, which provides performance while considering environmental impact.

CASE STUDY

Upcycling active ingredient



Rambutan (*Nephelium lappaceum*) is an evergreen tree that thrives in the humid tropics of Asia and South America. The tree produces an edible fruit that is mostly red in colour, but also varies between pink, yellow and orange. It is renowned for its health benefits and widely consumed in Asia.

When the fruit of the rambutan tree is harvested, the leftover leaves, peel and seeds are not utilised for food and were previously labelled as 'waste'. A programme was established to ensure all parts of the harvest could be used to their full potential, including the so-called 'waste' by-products. After first demonstrating that the leaves, peel and seeds had skin beneficial active compounds, all these previously labelled 'waste' parts of the rambutan harvest are now upcycled to produce performance Skin Care active ingredients. In fact, the natural and preservative-free

leaf extract of rambutan, featured in our NovAge SkinRelief range to strengthen and rejuvenate the skin (DermaLift), is sourced from this sustainable harvesting programme. As part of the programme, a sustainable supply chain was set up to cultivate the fruit and leaves of the rambutan tree in organic certified gardens in Asia. Our supplier, in partnership with a network of local farmers, is committed to the promotion of sustainable agricultural practices that respect the local ecosystem and to the improvement of overall working conditions.

Ingredient focus

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

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 have committed to phasing out parabens and formaldehyde releasers from our products.

From an ethical sourcing perspective, we took the decision to stop using natural diamond powder due to conflict concerns. We always ensure our 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. [81–82](#) and about RSPO see pp. [33–36](#).

CASE STUDY

.SE – Swedish Experience fragrance technology

Two new Swedish fragrances were launched under the .SE – Swedish Experience brand. The two sophisticated eau de parfums – Blazing Warmth and Wild Hearts – were developed to capture the natural beauty of Sweden.

The fragrances were crafted with responsible and advanced patented fragrance technologies – Scent.Trap® and Pure.Scent® – creating exclusive scent accords that were captured on a Swedish scent expedition by a team of specialists and perfumers. The perfumers captured the scent of the living plants without destroying or removing them from nature.

Scent.Trap®

Scent.Trap® is a responsible patented technology that allows the extraction of scent molecules from any natural materials such as fruits and flowers. This

technology was used to extract the scents of our hero ingredients: Golden Button Flowers, Sweet Cicely and Wild Rosemary.

Pure.Scent®

Pure.Scent® is a responsible patented technology that allows the extraction of scent molecules from any material through a gas compartment. All extractions were done on small amounts of material in nature, then expertly replicated by our perfumers so as not to remove or harvest large amounts of the natural plant – ultimately, respecting nature. This technology was used to extract the scents of our hero ingredients: Incandescent Birch Wood and Golden Button Flowers.





Understanding our ingredients

We have an Ingredient Rationale process in place to ensure that we drive the influx of new ingredients that are in line with our brand. Our experts review Cosmetic and Wellness ingredients from a safety and sustainability perspective, 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/eco-system and evaluating its biodegradability and potential aquatic toxicity, such as plastic microbeads and oxybenzone.
- **Ethical impact:** we ensure that no ingredient contains genetically modified organisms (GMO). We also assess our ingredients for links to child labour and conflict concerns such as mica.
- **Traceability:** we have started to work with our partners to track the country in which our natural ingredients have been grown.

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

Animal welfare

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

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

We have always advocated alternative test methods and use the latest in-vitro (non-animal) methods for any tests that are not appropriate for human volunteers – for example eye irritancy.

In 2013, more than 40 years after Oriflame first stood against the use of animal testing, the EU prohibited the sale of cosmetics that have been animal tested. This means from 2013, to be sold in Europe, no cosmetic product or ingredient can be tested on animals. Unfortunately, this approach is not always followed globally. Test data gained through animal testing may be required by local authorities to legally register a product in their market, according to local laws and regulations.

For more details, see our Animal Welfare Policy on our [corporate website](#).





Achievements in 2021

FORMULATIONS

- ✓ Launched NovAge Skinrelief with our **first upcycled ingredient** and our Swedish Balanced Approach.
- ✓ Launched our **first vegan* meal replacements products**.
- ✓ **100% of new raw materials and products** in development were screened through our Ingredient Rationale process.







**Certified by The Vegan Society™*



Goals and commitments



Water

Goal/commitment	Deadline	SDG	Result	Comment	Status
1. To have 100% of new Skin Care and Personal Care rinse-off products formulated to be biodegradable.*	2025	14 LIFE BELOW WATER 	100%	100% of new Skin Care and Personal Care rinse-off products were formulated to be biodegradable in 2021.	 On track
2. Launch new waterless products as part of a key range.	2025	14 LIFE BELOW WATER 	Achieved for 2021	The Love Nature Shampoo Bar was launched during 2021. The bar was developed to be more concentrated than a traditional shampoo** and therefore uses less water during production processes and lasts longer. In addition, it requires less packaging materials which reduces the usage of plastic and improves transport efficiency.	 On track
3. Reduce water consumption per unit produced at our own manufacturing sites*** 10% from a 2019 base year.	2030	14 LIFE BELOW WATER 	+13%	In 2021 we increased the water consumption per unit produced by 13% from a 2019 base year. The main reason for the results are an increase in production of water-intense external products. We will continue to implement water improvements at our manufacturing sites in order to reach our 2030 water goal.	 More to do

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

**One shampoo bar is equivalent to two standard 250 ml bottles of shampoo.

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



Water

Forest







Climate

Packaging

Formulations

Goals and commitments











Forest

Goal/commitment	Deadline	SDG	Result	Comment	Status
4. To have 100% of our paper-based products (catalogues and paper and board packaging) certifiably from sustainably managed forests or made from recycled raw materials.	2025	15 LIFE ON LAND 	99%	99% of paper and board packaging and catalogue paper combined comes from credible certified sources* or recycled materials.	 On track
5. Source 100% of wood used to make our products from certified sustainably managed forests.	2025	15 LIFE ON LAND 	100% of newly developed wooden pencils	The vast majority of wood we source is used for products within the Colour Cosmetics category. In 2021, all our newly developed wooden pencils were made from FSC™ certified wood.	 On track
6. Source 100% Mass Balance certified derivatives by 2025 for the raw materials used at our own manufacturing sites.	2025	15 LIFE ON LAND 	84%	In 2021, we had 84% of Mass Balance certified palm oil and palm kernel oil derivatives in our raw materials portfolio. Remainder consumption (16%) will be covered by RSPO Book & Claim Credits.	 On track

*Source is defined as the paper mill.









Climate

	Goal/commitment	Deadline	SDG	Result	Comment	Status
7.	Reduce absolute Scope 1 and 2 GHG emissions 50% from a 2019 base year.	2030	13 CLIMATE ACTION 	-22%	Oriflame commits to reduce absolute Scope 1 and 2 GHG emissions by 50% in 2030 from a 2019 base year. This target was approved by the Science-Based Targets initiative as consistent with the goals of the Paris Agreement. By the end of 2021, we achieved a 22% reduction since 2019.	 On track
8.	Reduce Scope 3 GHG emissions 22% per unit sold from a 2019 base year.	2030	13 CLIMATE ACTION 	-24%	Oriflame commits to reduce Scope 3 GHG emissions per unit sold by 22% in 2030 from a 2019 base year. This target was approved by the Science-Based Targets initiative as consistent with the goals of the Paris Agreement. By the end of 2021, we achieved a 24% reduction per unit sold since 2019. The decrease was mainly due to reduction in sales and impact on operational activities.	 On track
9.	Reduce energy consumption per unit produced at our own manufacturing sites* 10% from a 2019 base year.	2030	13 CLIMATE ACTION 	+10%	In 2021, we increased the energy consumption per unit produced by 10% from a 2019 base year. We will continue to implement energy efficiency measures at our manufacturing sites in order to reach our 2030 energy goal.	 More to do
10.	Replace refrigerants at our own manufacturing sites* with a GWP factor higher than 750.	2030	13 CLIMATE ACTION 	New	This is a new target that we aim to start working on during 2022.	 Not started
11.	Increase the share of our own produced renewable electricity at our manufacturing sites* by 10% from a 2019 base year.	2030	13 CLIMATE ACTION 	1%	In 2021, 1% of the electricity consumption at our manufacturing sites came from on-site solar panels, in particular from our Wellness site in India. We expect the share of on-site renewable electricity production to increase going forward as we during the year installed a pilot station of solar panels at our manufacturing site in Poland.	 On track

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



Climate

Goal/commitment	Deadline	SDG	Result	Comment	Status
12. Pursue LEED® Green Building scheme certification for all new construction and major renovations and pursue environmental effectiveness on all our premises.	Year on year	13 CLIMATE ACTION 	N/A	No new construction and major renovations were concluded in 2021.	 On track
13. Certify all regional and global conferences as climate neutral conferences*.	Year on year	13 CLIMATE ACTION 	N/A	All physical regional and global conferences were cancelled during 2021 due to the Covid-19 pandemic. In 2019, we organised our first climate neutral conferences and since 2020 we aim to have all our regional and global conferences certified as climate neutral*.	 On track
14. Continue to purchase renewable electricity at Oriflame-operated sites.	Year on year	13 CLIMATE ACTION 	100%	Since 2018, we have purchased traceable renewable electricity for all Oriflame-operated sites (offices, manufacturing sites and warehouses). We have had solar panels installed at our Wellness manufacturing site in India since 2014 and at our manufacturing site in Poland since 2021.	 Achieved
15. Continue to climate compensate for parts of Oriflame's GHG emissions (Scope 1, Scope 2 and parts of Scope 3) in order to have climate neutral operations and manufacturing.	Year on year	13 CLIMATE ACTION 	100%	In 2021, we climate compensated for parts of our GHG emissions (Scope 1, Scope 2 and parts of Scope 3).	 Achieved

*Calculations are validated by a third party, South Pole, to assure accordance with their Climate Neutral Event certification, defined by the strictest PAS 2060 standard.



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Packaging

Goal/commitment	Deadline	SDG	Result	Comment	Status
16. Use at least 20% post-consumer recycled (PCR) plastic in our PE and PET Cosmetics packaging.	2022	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	15%	A limited assessment conducted in 2021 showed we had around 15% PCR plastic in our PE and PET Cosmetics packaging. We are working to get a complete data set to measure this goal and therefore the deadline is prolonged to 2022.	 On track
17. 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 19) and providing information on how and where the products should be recycled*. All sales offices should be able to help our Brand Partners with this at latest by the end of 2022.	2022	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	N/A	We are planning on finding new ways to help our Brand Partners and consumers to recycle their packaging waste.	 More to do
18. Have a significant share of Oriflame's plastic packaging from either post-consumer recycled (PCR), bio-based or other sustainable materials.	2025	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	N/A	A limited assessment conducted in 2021 showed we had around 17% PCR plastic in our bottles and 9% PCR plastic in our tubes. We are working to get a complete data set to measure this goal.	 More to do
19. Have 75% of the packaging used in our 2025 Cosmetics and Wellness products designed to be fully recyclable, reusable or compostable.	2025	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	N/A	Packaging performance indicators are not available for 2021.	 More to do

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



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Goal/commitment	Deadline	SDG	Result	Comment	Status
20. Recycle 100% of waste (excluding hazardous waste) generated at our manufacturing sites*.	2030	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	68%	<i>In 2021, 68% of waste (excluding hazardous waste) generated at our manufacturing sites was sent for recycling.</i>	 More to do
21. Send zero waste to landfill from our own manufacturing sites.*	Year on year	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	<1%	<i>In 2021, <1% of all waste produced at our manufacturing sites ended up in landfill.</i>	 More to do
22. Reduce the overall weight of packaging material used in our Cosmetic and Wellness products.	Year on year	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	N/A	<i>Packaging performance indicators are not available for 2021.</i>	 More to do

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



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Goal/commitment	Deadline	SDG	Result	Comment	Status
23. Have 0% revenue originating from products containing ingredients on the REACH Substances of Very High Concern (SVHC) candidate list*.	2030	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	22%	In 2021, 22% (16% in 2020) of product revenue (€222m) originated from products containing ingredients on the REACH SVHC candidate list*.	 More to do
24. Conduct a sustainability review process of 100% of our Cosmetic and Wellness raw materials.	Year on year	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	100%	In 2021, all of Cosmetics and Wellness raw materials were reviewed under our sustainability criteria (Ingredient Rationale process).	 Achieved
25. Have 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	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	Achieved for 2021	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 have committed to phasing our parabens and formaldehyde releasers from our products.	 Achieved
26. Improve our product portfolio by increasing sustainable/natural/circular/innovative ingredients and solutions and by launching new and more sustainable products every year.	Year on year	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	Achieved for 2021	During 2021, we launched several product ranges with a stronger sustainability profile such as .SE – Swedish Experience, NovAge Skinrelief and Love Nature Shampoo Bar.	 Achieved

*Candidate list February 2021.



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 5,200 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

Our people always come first to us. We want our employees to feel challenged and needed and we want them to feel that Oriflame is a place for people who act on their dreams. That is why we work with employee experience.

2021 continued to be a challenging and transformative year for the whole world, continuing the struggle against the Covid-19 pandemic. While the physical and emotional well-being of our employees remained at the forefront of our strategy during 2021, we started to shift our focus towards long-term planning with a goal to reinforce Oriflame's culture, maintain our strong global community and find new ways of working in this unfamiliar environment. As always, we want everyone working

in the company to feel the connection, the excitement, to be challenged and to be needed – and to achieve these things we tied our global initiatives to the larger goals of our company.

Beauty by Sweden – emotional connection

It is our strong belief that Oriflame's culture and values of Togetherness, Spirit and Passion make us stand out from our competitors and help us overcome challenges. The rise of the Covid-19 pandemic proved to be a true test of our values, as we could not meet physically as much as before. To counteract that, we adopted a new, hybrid way of working in 2021. We also felt it was necessary to re-establish the connections between our employees – both horizontal connections between

co-workers and vertical connections between management and staff.

To this end, we have increased the frequency of our regular CEO Connect sessions, where the CEO provides updates on the current situation in the company and answers the most pressing questions from employees. Regular updates from our management and the ability to ask questions in a live format have been appreciated by employees, who experienced uncertainty due to the Covid-19 pandemic and the challenges we faced as a company. We were also able to increase the production quality of these sessions, using the latest features available. At the same time, inviting special guests such as the Chairman of the Board helped provide employees with relevant and fresh content during these meetings.

To further boost our culture, we have also conducted several global events, celebrated our people and reinforced our values. The first one was TSP reboot – a three-day online session, focusing on bringing our community together and reflecting on what makes Oriflame unique. Each day was built around discussing a particular value and its meaning. Each meeting featured online calls with employees from all over the world as well as invited speakers at the studio, including Oriflame’s co-founder Robert af Jochnick. The virtual event took place in May, with 800 employees connected to the call. In total, 1,450 viewers have experienced TSP Reboot live.

Adding value to Brand Partners and consumers – business relevance

In 2021 our work process and events shifted towards hybrid formats. Events that were previously restricted to



The Global Employee End Year Celebration – igniting friendships

The Global Employee End Year Celebration – Igniting Friendships was about celebrating our people and their achievements. Hosted by the CEO and the VP of Global Employee Experience, it was conducted in a hybrid way with some of the audience connected through an online conferencing solution, and some present physically at the studio in Stockholm. For the latter, we created a Covid-safe zone by organising mandatory testing for those attending the event.



in-person interactions were now moved online, and this helped lift limitations regarding delivering content for a specific audience. This has led to an understanding that our initiatives can be adapted for and shared with not just employees, but Brand Partners and consumers as well. This allows us to save resources that previously were allocated to bringing similar messages to different target audiences. We first adapted this duplication approach to our events, producing deployment packages that allow regional sales teams to replicate these happenings and adapt them to the local markets and appropriate audiences.

To make sure all employees, potential candidates, Brand Partners and customers have access to the most relevant information about the company we have also launched a [new onboarding website](#). Users can explore a unique 3D environment to learn more about the company and our way of working while also watching a collection of videos, exploring our business model, history, culture, strategic vision and product portfolio. The website is currently only accessible on desktop, but we have plans to adapt it to mobile devices, while also expanding the content to include local information about different regions and offices.

As the Oriflame Wellness Club Certification programme was launched as a new training course for Brand Partners during 2021, we took the opportunity to make it accessible for employees too. For 12 weeks employees all over the world could participate in an educational programme to increase their knowledge about healthy lifestyle, physical exercise and Oriflame Wellness products.

Finally, in 2021 we have continued the implementation of our new self-serving employee platform called CSOD

(Cornerstone on-Demand). Cornerstone was launched in 2020 for all Oriflame offices, and last year we successfully implemented it across the entire manufacturing organisation. We have also improved and refined the processes in CSOD, establishing clear routines for individual performance review, mandatory training and recruitment process.

Always curious – learning opportunities

In 2021 we continued to educate both long-time employees and newcomers about the Oriflame business model, mission, vision and culture. However, our long-existing format of Oriflame Way training, led by top-management, was no longer possible due to the various restrictions posed by the Covid-19 pandemic. To continue the process of onboarding our people, we have created a new, shortened digital version of Oriflame Way and successfully launched it on a regional level. By the end of 2021, 75% of new Oriflame employees successfully passed this iteration of the course.

In 2021, we also continued our partnership with LinkedIn Learning. By the end of the year, we had 970 activated licenses out of 1,000 purchased (97% activation rate). Overall, our employees spent 2,966 hours studying – an average of 3.1 hours per user. Additionally, in countries where LinkedIn is unavailable (such as Russia) we have partnered with another educational platform called eduson.tv. Out of 200 licenses purchased by the end of 2021 we had 130 active (65% activation rate).

It starts with us – measuring the impact

In 2021, the eNPS (Employee Net promoter score) became part of the employee experience global cycle

Employee experience

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routine in all Oriflame markets. We also included our manufacturing sites in the survey, giving an opportunity to all Oriflame employees to rate the company both on eNPS and recommendation index as well as share their overall feedback and suggestions on improvements.

When measuring the Employee Experience Index, we evaluate three main areas: culture, office space and technology, based on Jacob Morgan methodology.

The global eNPS survey conducted in 2021 proved once again that Oriflame corporate culture and values are as strong as ever and are highly appreciated by our people, and the experience we provide is still the key factor for them to continue working in Oriflame. Respondents also highly appreciate our products and our internationally diverse community, mentioning being part of the team both locally and globally as one of our company's strongest unique advantages.

When it comes to the workplace, our employees are proud of our offices, which offer diverse working spaces and flexible working options. In 2021 we followed the global trend of hybrid work and transformed and upgraded many of our offices in various markets accordingly. The transformation will continue in 2022, making sure all our employees enjoy their work places and feel comfortable, safe and flexible.

When it comes to technology, the Covid-19 pandemic made us face new challenges in this area and re-evaluate the technical equipment and systems in our locations. We are an agile, dynamic and modern company – and in 2022 we will continue to ensure that our employees have the up-to-date tools and systems to work with.



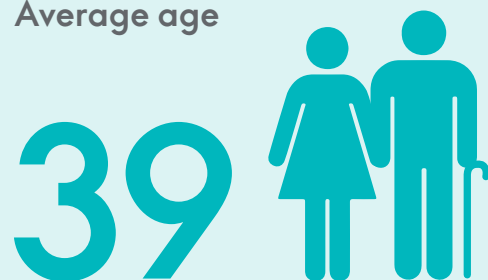


Oriflame employees in numbers

Number of nationalities



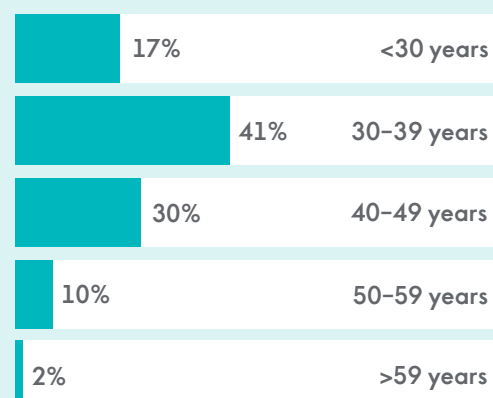
Average age



Average tenure



Age distribution

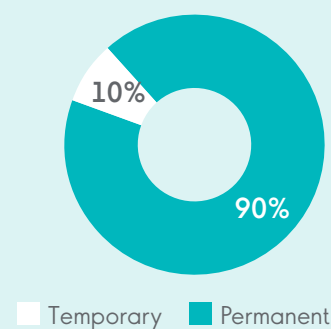


Employee turnover*

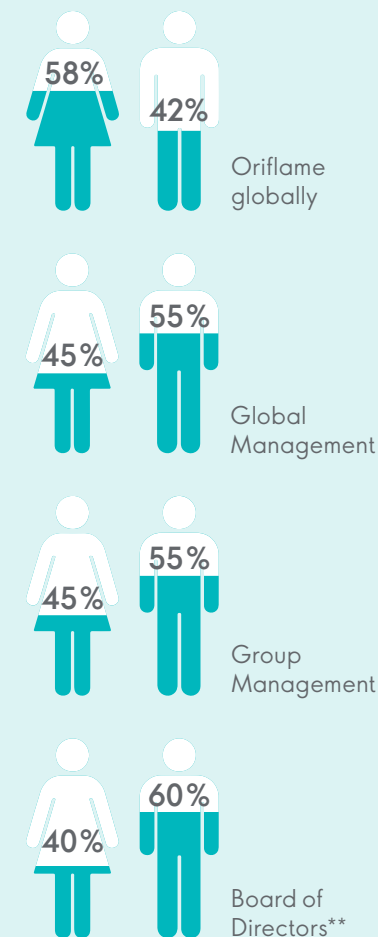


<30 years	35%
30-39 years	21%
40-49 years	14%
50-59 years	9%
>59 years	27%

Employment contract



Gender balance



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



Health and safety

At Oriflame, we are committed to ensuring that no employee should be exposed to health or safety risks when they work for us or on our behalf. To better manage these risks, Oriflame has an occupational health and safety management system in place 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 our publicly available [Group-level policy](#). These requirements include but are not limited to monitoring of compliance with applicable health and safety regulation, emergency planning, fire and loss prevention, qualification of suppliers and contractors. The policy is followed up through an internal control process, where each Oriflame entity must confirm policy implementation, which is verified annually in all Group entities.

Health and safety e-learning

Our Health and Safety Awareness e-learning is available to all employees in English, Russian, Chinese (simplified) and French. The e-learning is required to be undertaken by all management and supervisors of

Oriflame manufacturing, laboratories and warehouses. In 2021, it has been undertaken by 292 employees. The course states clearly the rights and responsibilities of all workers to report hazard and to not engage in any activity that they consider would pose an unacceptable danger to their health or safety. In addition, all employees are required to report breaches of compliance with the Oriflame Code of Conduct. Read more in the chapter on [Human Rights](#).

Occupational health and safety assessment

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

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

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 that meet at least four times a year, depending on the location, and include representatives from both management and employees. The committees review the objectives of the site's health and safety management system and risk-reduction programme. Whenever relevant, these committees make decisions related to the definition and implementation of such objectives.



Promotion of worker health

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

Preventing risks at suppliers

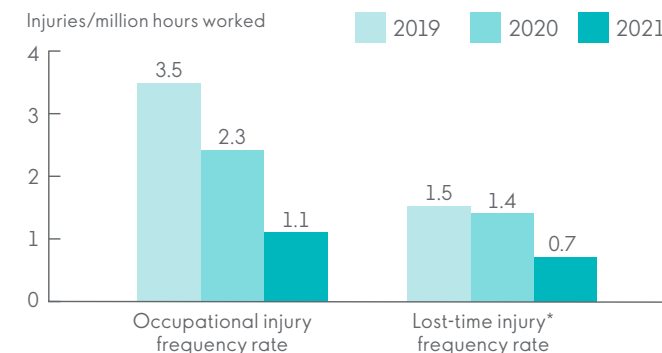
Oriflame suppliers are required to comply with the [Oriflame Supplier Code of Conduct](#), which highlights basic requirements in relation to the reduction of occupational health and safety risks. Where Oriflame outsources some operations and wherever the contractual relationship allows, concerned Oriflame 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 2021

Global and local initiatives to provide our employees with safe workplaces, processes and tools continued in 2021. The in-person Health & Safety audits that took place in previous years resumed in some places where the Covid-19 pandemic travel restrictions allowed, and were complemented by virtual audits in 2021. 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 2021, there were no fatalities as a result of

work-related injury and no high-consequence work-related injury for employees and contractors/suppliers working on Oriflame premises or on behalf of Oriflame. In 2021, there were six work-related ill health cases affecting Oriflame employees. We investigate accidents and occupational illnesses with the aim to identify root causes. Consequently, we implement corrective actions to prevent future incidents. More detailed health and safety data is presented 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 Stress and work-life balance
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.				

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



Human rights

IMPROVING STANDARDS ACROSS OUR VALUE CHAIN

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

To understand the human rights risks, 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 2021, 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 any and all human rights violations, including any form of active or passive corruption, harassment and discrimination. In 2020, we updated our [employee Code of Conduct](#). This document 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, was undertaken by 1,262 employees during 2021. No classroom training was conducted in 2021, 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 2021, all of our top management (262 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 2021, 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

More than 70% of our product volumes are manufactured in our own production facilities. In 2021, we





Oriflame Responsible Sourcing programme for direct suppliers



sourced around 346 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 2021 were Poland, China, United Kingdom, India and Germany. We strive to source as closely to our markets as possible through different regional sourcing initiatives, while maintaining legal requirements and increasing service levels. Some of our products, packaging and raw materials are sourced from markets that are classified as high-risk from a human rights and corruption perspective according to Transparency International's Corruption Perceptions Index. Major risk-countries for Oriflame are Russia, Brazil, Indonesia, India, China and Malaysia. In 2019 we started to develop a process for strengthening requirements and improving compliance for both direct suppliers and indirect suppliers. This work continued in 2021, with the aim of making sure that we manage our suppliers in high-risk countries.

Oriflame Responsible Sourcing programme

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

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

The foundation of the programme is the [Oriflame Supplier Code of Conduct](#), which outlines our requirements regarding working conditions, health and safety, discrimination and environmental impact, among others. The Code applies primarily to all our first-tier direct suppliers, although we expect our suppliers to implement the Oriflame Supplier Code of Conduct in their own value chain.

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

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



a corrective action plan together and a reassessment should be made within one year of the publication of the previous scorecard. During 2021, we continued to target new direct suppliers and invite them to the tool, to continuously increase the supplier coverage. Suppliers representing approximately 95% of our direct external finished goods Cosmetics, Accessories and Wellness spend were covered by this tool in 2021.

Sustainability audits

Sustainability audits are prioritised based on risk assessment or Ecovadis score for high-risk direct suppliers. Sustainability audits are carried out to confirm compliance against Oriflame Supplier Code of Conduct and sustainability minimum requirements. We conduct both new supplier audits and regular audits for existing suppliers. The audits include environmental and social criteria. From May 2020, we started to conduct remote audits to protect the health of employees during the Covid-19 pandemic, but also to ensure business continuity, service and support to stakeholders. Remote audits have a similar process as on-site audits; a real-time assessment is conducted via online video where the team is interviewed, the site is inspected, and records and documents are verified. The same audit grade and scoring system applies to remote audits as on-site audits. In 2021, 7% of the audits conducted were remote audits.

The categories audited include Cosmetics, Wellness, Packaging and Accessories suppliers. When non-conformances are found, a corrective action plan is agreed upon with the supplier and put into place. The supplier is then given a set amount of time (general

timeline is within three months) to complete the actions required to close the non-conformances.

Suppliers are scored on a scale A to E, with A being the best score. To pass an Oriflame audit, a supplier must score a minimum C grade. D-grade suppliers (existing or potential) are identified as having critical non-conformances or a compliance score of less than 70%. E-grade suppliers (existing or potential) are identified as having critical non-conformances or a compliance score of less than 50%. The D- and E-graded potential suppliers either improved significantly via a corrective action plan or are not awarded our business. The D- and E-graded existing suppliers are most often willing to improve and to close non-conformances via a corrective action plan. If not, they are up for exit-plan discussions. Each supplier's current progress status is regularly reviewed by the procurement team and by the global quality and sustainability team. The focus in the past years has been on working together with suppliers to reduce non-conformances and improve their sustainability performance.

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

Summary of audit findings

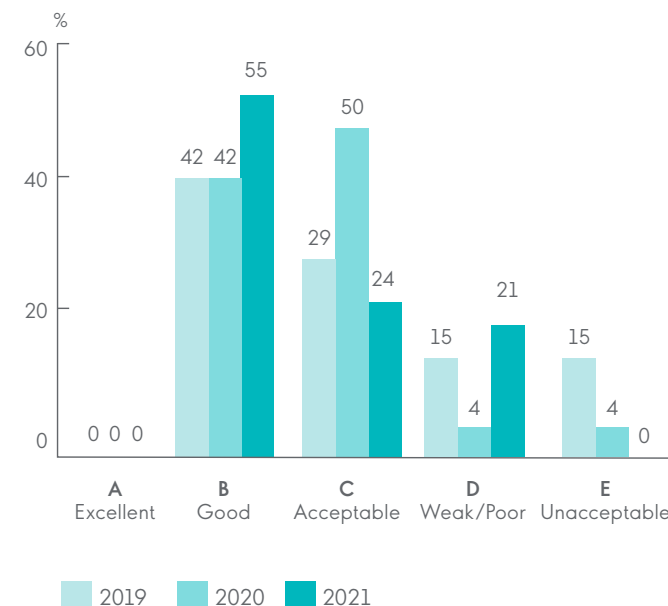
The three main areas of concern in the last three years are:

- Condition of employment and work (eg exceeding working hours, lack of overtime compensation and insufficient social insurance for employees).

- Workplace safety (eg missing personal protective equipment control and insufficient occupational health examination control).
- Legal compliance (eg missing licenses, non-conformances, insufficient hazardous waste control and inadequate workers' contracts).

No zero-tolerance finding was recorded in any audit in 2021. We have not found any evidence of child workers in our audits, nor have we faced any cases of forced labour. A major part of non-conformances is related to the absence of formal policies and procedures to suitably control risks.

Sustainability audit score results





Consumer safety

WE NEVER COMPROMISE ON THE SAFETY OF OUR CONSUMERS
– THEIR 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. 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 robust data.
- We carefully measure safe concentration levels. Our team of expert toxicologists ensure ingredients are safe for each intended use and intended consumer group.
- We test our final formulations for skin compatibility on healthy human volunteers in independent laboratories, and also use 'in vitro' (non-animal) tests to further confirm the safety of our products.
- Post-launch, we proactively collect feedback from consumers and data about any unwanted effects to 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, eg EU Cosmetics Regulation No 1223/2009, 1169/2011 for Foodstuffs.

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

We have safety certificates present for 100% of our globally developed Cosmetic and Wellness products

we have on the market and in 2021 we did not have any product recalls. We have made improvements to our product recall procedure to ensure we are prepared should we need to perform a recall in the future.

Oriflame is committed to avoiding the use of CMR substances (substances classified as carcinogenic, mutagenic, or toxic for reproduction) in our products. We do this by continuously monitoring the latest scientific data on our ingredients and by acting early if we feel an ingredient doesn't meet Oriflame's high standard for safety. We are, therefore, proud to report that we do not have any CMR substances present in our products. We are aware that endocrine disruptors are of concern for our consumers. Our approach here is the same – we continually monitor developments regarding endocrine disruptors, and we prohibit or remove any ingredient that does not adhere to our high commitment to safety.

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

CASE STUDY



NovAge Skinrelief

Approximately 50% of people in the industrialised world are reported to have sensitive skin. One of the major causes of sensitive skin is an impaired skin barrier. This strong consumer need led Oriflame to develop NovAge Skinrelief, a youth-preserving range designed to strengthen the barrier and re-balance skin's microbiota. Featuring high-performance anti-ageing formulations that are also gentle and proven to work for reactive, sensitive skin, with industry best calming and soothing actives.

NovAge Skinrelief features airless packaging where possible, which reduces the need for preservation. The products are also formulated with the mildest cleansing agents, skin mimicking ingredients, lipid-layer enhancers and natural oils and butters to help repair and protect the skin barrier. They are also pH balanced, and formulated without concern ingredients like parabens, formaldehyde releasers, fragrance and synthetic dyes.

From conception through to the final product the full range has been designed to bring sensitive skin back into balance and to help protect the skin against future reactions. Finally, the products have undergone extensive testing under dermatological control on sensitive skin.



Socially responsible products

MAKING A DIFFERENCE

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

Sourcing natural mica responsibly

Mica is a group of minerals used in a large variety of industries and consumer goods. At Oriflame, we predominantly use natural mica as a pearlescent pigment in cosmetics 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 (RMI) in 2017 and continued our proactive engagement in 2021. The aim of the RMI is to eradicate child labour and unacceptable working conditions in the Indian mica supply chain by working collaboratively with companies from different industries and with

valuable support of local NGOs. The strategy for the organisation recognises three areas to be worked on to improve the overall conditions for the people working in the Indian mica supply chain:

1. Responsible workplace standards

The goal is to enable 100% of mica supply chain participants in Bihar and Jharkhand to comply with globally recognised workplace employment, occupational health and safety, and environmental standards that include prohibition on the use of child labour. In 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.

2. Community empowerment

The goal is to enable 100% of the communities in mica collection areas in Bihar and Jharkhand to be reached



by inclusive empowerment programmes that provide improved standards of living, 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.

3. Legal framework

The goal is to enable 100% of the mica pickers, owners and operators of companies participating in the mica sector in Bihar and Jharkhand to operate under a clear legal framework and associated control systems. 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.

Helping Hand Soap Bar

In 2020, 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. The soap bar has a mild and gentle formula that is dermatologically tested and specially developed for children's skin. It also has a fun shape and a fruity, juicy fragrance.





Goals and commitments



Employee experience

Goal/commitment	Deadline	SDG	Result	Comment	Status
1. Ensure equal opportunities for women and men by having the minority gender representing no less than 40 % in key governing bodies and management teams.	Year on year	5 GENDER EQUALITY 	45%/55%	In 2021, there were 45% women in the Global Management Team (+2 pp vs 2020) and 45% women in the Group Management (+5 pp vs 2020).	 Achieved



Human rights

Goal/commitment	Deadline	SDG	Result	Comment	Status
2. Conduct a human rights risk assessment for all new markets as part of our due diligence process.	Year on year	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	N/A	No new markets were entered in 2021.	 On track
3. Terminating existing business relationship with any supplier or discontinuing the approval process of a new supplier, in case of systematic human rights breaches or systematic cases of corruption and/or bribery.	Year on year	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	N/A	Zero relationships have been terminated in 2021.	 On track



Consumer safety

Goal/commitment	Deadline	SDG	Result	Comment	Status
4. All our Cosmetic and Wellness products undergo continuous assessment post launch, from monitoring of ingredients to receiving and analysing consumer feedback, ensuring we continuously improve the safety of our products for our consumers.	Year on year	3 GOOD HEALTH AND WELL-BEING 	Achieved for 2021	No deviations from this statement in 2021.	 Achieved
5. Avoiding the use of CMR ingredients in our products. We do this by continuously monitoring the latest scientific data on our ingredients and by taking early action on any ingredient which may fall into this class.	Year on year	3 GOOD HEALTH AND WELL-BEING 	Achieved for 2021	No deviations from this statement in 2021.	 Achieved
6. Monitoring developments on endocrine disruptors and ensure we do not permit their use or remove them from our products if the scientific data confirms an ingredient's endocrine disrupting effect.	Year on year	3 GOOD HEALTH AND WELL-BEING 	Achieved for 2021	We are continuing to monitor the developments on endocrine disruptors. No deviations from this statement in 2021.	 Achieved
7. Taking extra measures to ensure the safety of children who use our products. For this reason, we ensure that any fragrance used in children's products is free from any of the known fragrance allergens.	Year on year	3 GOOD HEALTH AND WELL-BEING 	Achieved for 2021	No deviations from this statement in 2021.	 Achieved



Employee experience

Human rights

Consumer safety

Socially responsible products

Goals and commitments

Goal/commitment	Deadline	SDG	Result	Comment	Status
8. Only use nanomaterials which have been assessed by the independent scientific body that advises the European Commission and that have been proven to be safe.	Year on year		Achieved for 2021	We have not permitted any new nanomaterials into product development since 2018.	 Achieved
9. 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 through the product development process to ensure that all materials meet our very high standards.	Year on year		Achieved for 2021	No deviations from this statement in 2021.	 Achieved



Socially responsible products

Goal/commitment	Deadline	SDG	Result	Comment	Status
10. Develop new and grow sales of existing products with a social purpose*.	Year on year		Achieved for 2021	We are working on new product developments with a social purpose. In 2020, we launched the Helping Hand Soap Bar, with the mission to help parents encourage their children to wash their hands. The soap bar is still available in the product portfolio.	 Achieved

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



Communicate and engage

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

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

Communicating sustainability

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

Our brand positioning: 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 brand 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 live, feel and act.

Brand activation

In 2021, we provided all Oriflame regions with updated material in our brand activation toolbox on sustainability.

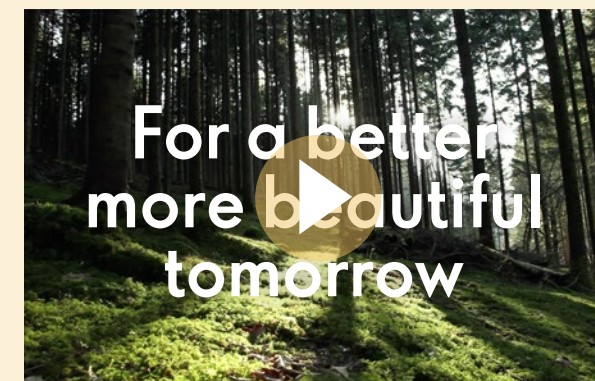
The aim with our sustainability toolboxes is to make sustainability an integral part of our brand communication – and long term, to educate and inspire Brand Partners and consumers about Oriflame's sustainability initiatives and encourage them to make more sustainable lifestyle choices. As there are very different levels of awareness of sustainability issues among Brand Partners, we want to deliver easy-to-understand communication among Brand Partners around the world to raise awareness of the topics.

Sustainability perception among our Brand Partners

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

Sustainability Ambassadors

In each Oriflame region we have at least one Sustainability Ambassador with the purpose to drive change. The global sustainability team meet the



For a better, more beautiful tomorrow

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

ambassadors regularly to share sustainability information, receive feedback on communications material, share best practice between the regions and provide opportunities for discussions and questions.

Regional sustainability initiatives



During the year various sustainability initiatives took place in our regions.

Beautanicals range selected as product of the year in Portugal

In Portugal, the entire Beautanicals range won the Sustainable Cosmetics category in the 2021 Product of the Year Award due to its innovative concept, packaging and formulations. The award was selected based on a research study with more than 2,000 consumers that were carried out by an independent research company. The product that obtained the highest score in both the study and the test in each category was awarded with the Product of the Year Award.

Started to plant an Oriflame forest in Turkey

During 2021, Oriflame Brand Partners and employees in Turkey were supporting the Aegean Forest Foundation by competing in fitness against each other via the Pacer app. All steps collected were later converted into planted trees. The Aegean Forest Foundation is creating new forest areas, protecting forests, and spreading green consciousness among society. Planted saplings are protected until they grow and become a





natural part of the forests. As a result from the collaboration, an Oriflame forest started to grow with 3,000 saplings planted. In addition, another 10,000 saplings were planted by Oriflame Turkey to support resilience against the forest fires that took place in Turkey during the summer of 2021.

Oriflame India is now a certified Great Place to Work®

In 2021, Oriflame India was recognised as a Great Place to Work®-certified company. 429 employees participated from Sales, Head office, Factory and six Regional Distribution Centres. Great Place to Work® is the global authority on workplace culture. It has conducted pioneering research on the characteristics of great workplaces for over three decades with more than 100 million employees in over 60 countries.



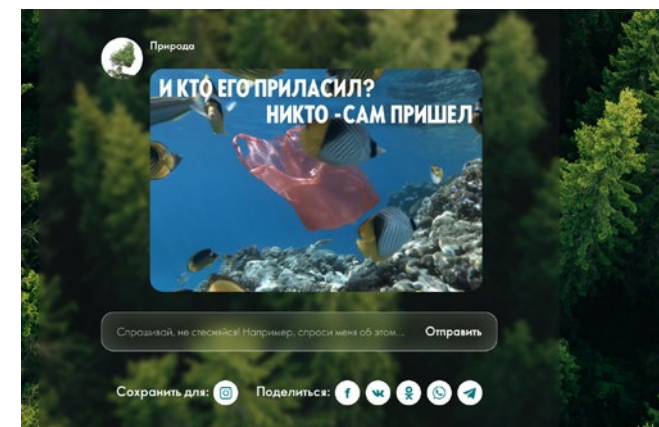
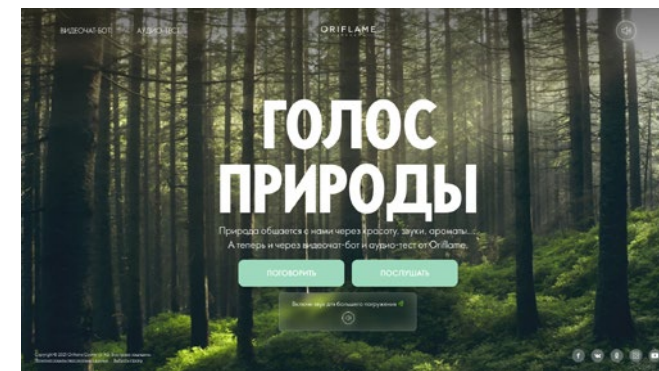
Boosting recycling in India

Oriflame India also enabled recycling and safe processing of 450 tonnes of plastic through its waste management partner. By recycling plastic, we save resources and according to reports submitted by our suppliers, we saved enough energy to power over 1,800 households in India.

Reforestation efforts in Sri Lanka and Pakistan

15 members of Oriflame Sri Lanka participated in a tree-planting project in April 2021, at Nelumdeniya in Kegalle District. They planted 130 saplings which were carefully selected to protect the surrounding nature of the newly built lake, which will provide water for paddy fields in the area.

Oriflame Pakistan too participated in the “10 billion trees tsunami project” which was kicked off by the Prime Minister in 2018 with an aim to plant 10 billion trees in Pakistan by 2023.



Voice of Nature in CIS

In the CIS region, a digital communications project was launched during 2021 called the Voice of Nature. The Voice of Nature consisted of a chat bot for users to learn more about sustainability and inspire them to act and an ASMR section for users to listen to nature. The project was very well received in several CIS countries, with over 30,000 users in Russia alone.



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 2021, the total amount of money raised to charity in Oriflame markets was €0.92 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

Regional charity initiatives

During the year various charity initiatives took place in our regions.



Oriflame India provided critical oxygen supply during Covid-19 pandemic

Oriflame India partnered with PHD Chamber of Commerce to build four oxygen generator plants by contributing more than €75,000 in funds. The plants were used to supply oxygen to Government hospitals and charitable hospitals during crucial times of the Covid-19 pandemic in India.

Oriflame Spain sent hygiene products during La Palma volcano eruption

La Palma is an island that belongs to the Canary Islands and has a population of around 85,000 citizens. During 2021, the longest volcano eruption in the island's history occurred with 1,200 hectares of land covered in lava. Up to 7,000 people were evacuated and 2,300 people lost their homes. Oriflame Spain mobilised to help during the first days of the eruption by sending hygiene

products, toiletries and necessities valued at €55,000. The shipment was sent via our partnering transport company to an official collection centre.

Oriflame Scandinavia raised almost €100,000 to fight breast cancer

In October, also known as breast cancer awareness month, Brand Partners in Norway and Sweden raised money to fight breast cancer. The money was raised via sales of two "pink sets" – one for women and one for men. In total, almost €100,000 was donated to our partners Kreftforeningen in Norway and Bröstcancerförbundet in Sweden.

Oriflame Russia donated over €100,000 to the foundation Life with Cerebral Palsy

The foundation Life with Cerebral Palsy support disabled children with infantile cerebral palsy and traumatic brain injury and works by providing targeted aid to families, offering children treatment and rehabilitation courses at rehabilitation centres and providing information support. More than €100,000 was donated to the foundation by Oriflame Russia and its Brand Partners. The money was collected via sales of charity products in catalogues. As a result, more than 60 children received support and got the opportunity to join extra rehabilitation courses for free.



Oriflame Georgia supported children with disabilities with artwork sales exhibition

In Georgia, we partnered with a day care centre where children with disabilities undergo therapy. 199 items of artwork, eg drawings and handmade products, were created by the children and presented at a sales exhibition during the Oriflame Georgian Directors' meeting at the Museum of Contemporary Art in Tbilisi. The artworks were sold to Oriflame leaders, and the money raised was doubled by Oriflame Georgia. Around 300 posts were shared in social media about the campaign.

Clothes sale in Stockholm for students in East Africa

In autumn of 2021, the Group Support Office in Stockholm's photo team organised a successful sale of their stock of clothes used for photo shoots. Since the photo department constantly buys clothes for shoots,

they tend to pile up in storage and need to be put to better use. Selling these clothes to employees has become a fun activity at the office and a way to collect money for charity. The sale in 2021 raised around €5,500, a sum that was then matched by the Oriflame Foundation for a total of almost €11,000. The money raised was donated to the Help to Help Foundation and will provide full university school fees for five students in Tanzania and Uganda.

Covid-19 equipment donation worth €80,000 from Oriflame Indonesia

In November, Oriflame Indonesia collaborated with the Ministry of Health and donated 6,000 units of oximeters, one truck and three units of High Flow Nasal Cannula (HFNC) to accelerate the handling of the Covid-19 pandemic. The total donation was valued at more than €80,000.



Oriflame Kazakhstan raised more than €32,000 for charity

In Kazakhstan, International Charity Day and International Beauty Day were celebrated in September with a Week of Kindness and Beauty. Funds were raised through sales of charity products in catalogues. In social media, the Country Director opened the week with a video on the importance of charity work and how Oriflame is working with charity. We also made a live broadcast with the top leader of Kazakhstan and highlighted the charity products in catalogues. Both videos had almost 5,000 views. In total, Oriflame Kazakhstan raised more than €32,000 during 2021, which was shared between a children's hospice, the charity fond Ayala and the organisation House of Moms. Ayala helps children's hospitals and orphanages, and House of Moms supports women with difficult life situations.



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.

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

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



Communicating sustainability

Regional sustainability initiatives

Oriflame Foundation

Regional charity initiatives

Stakeholder engagement

Stakeholders	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 globally to ask the CEO any questions (four times in 2021). In 2021, one session featured the VP Sustainability who presented and answered questions from employees. Continuous training and feedback eg the Oriflame way (regularly) Dialogue and sharing through Oriflame's intranet and internal social media (regularly) Sustainability 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 Sustainable packaging Animal welfare Climate action
Brand Partners	<ul style="list-style-type: none"> Brand Partner NPS (quarterly) Brand Tracking (annually) Business meetings, training, conferences and events (regularly) 	<ul style="list-style-type: none"> Job creation/recruitment and benefits Charity Transparency and communication Product ingredients and safety Sustainable packaging Animal welfare
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"> Governance Working conditions Health and safety Equal opportunities Environmental action (climate, water, waste, energy etc.) Relations with external stakeholders Creating positive change for Brand Partners
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) 	<ul style="list-style-type: none"> Product ingredients and safety Customer engagement Sustainable sourcing Animal welfare
Suppliers	<ul style="list-style-type: none"> Meetings/site visits with Oriflame teams regarding purchasing, packaging, etc. (regularly) Sustainability audits (regularly) Supplier self-assessment tool EcoVadis (regularly) 	<ul style="list-style-type: none"> Sustainable product development Supply chain Climate action Sustainable sourcing
NGOs	<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 and strategic support (annually) 	<ul style="list-style-type: none"> Sustainable sourcing Transparency and communication Product ingredients and safety
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

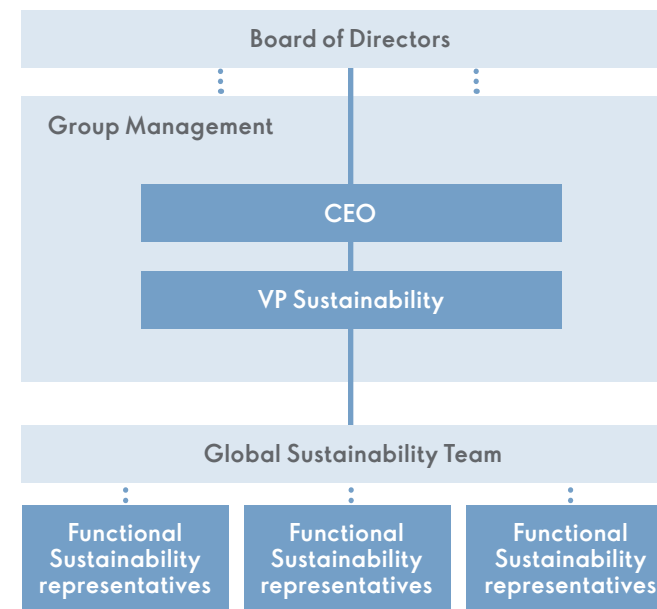
To make sure our sustainability strategy is successful, we need to give it the same kind of attention, respect and level of organisation as our other business strategies. This is why our CEO and the Board of Directors oversee our sustainability strategy.

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 Ambassadors to engage and learn about the sustainability strategy and topics.
- We communicate sustainability topics to our employees via meetings, conferences, training sessions and the intranet.
- 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.

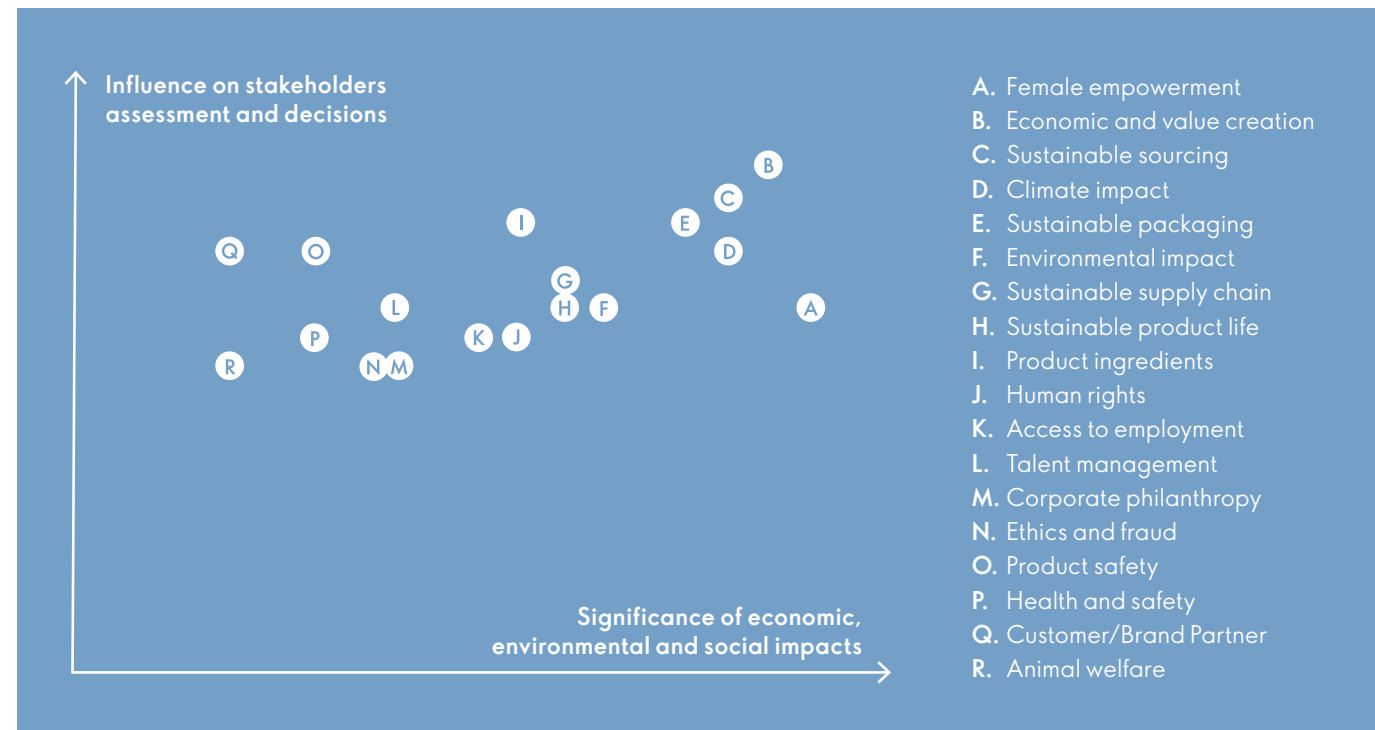
In addition to conducting an in-depth analysis, we are continuously monitoring and evaluating relevant areas to make sure we focus on the right issues.

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 discharge during the manufacturing process.	<ul style="list-style-type: none">• All of our own manufacturing sites have effluent treatment plants.• Water efficiency targets in place for 2030 at our own manufacturing sites.
Water – impact of Oriflame products on water resources	Some Oriflame products require water during consumer usage and contain ingredients or by-products that may be harmful to the environment.	<ul style="list-style-type: none">• All new Skin Care and Personal Care rinse-off products are formulated to be biodegradable.• Oriflame only use natural origin exfoliants (no plastic microbeads or plastic glitter).
Forest – impact of Oriflame products on forest resources	Oriflame uses large quantities of forest-related raw materials, such as catalogue paper and paper and board packaging, derivatives of palm oil and palm kernel oil, that could contribute to deforestation.	<ul style="list-style-type: none">• Paper-based products: we aim to have all our paper-based products from credible certified sources or recycled materials.• Palm oil: we are a member of the RSPO and we aim to source 100% Mass Balance certified palm oil for the raw materials used in our own manufacturing sites. If Mass Balance certified palm oil is not available, we cover it by RSPO Book & Claim Credits.
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), which is contributing to climate change.	<ul style="list-style-type: none">• We have set Science-Based Targets for 2030 to reduce our GHG emissions as consistent with the levels required to meet the goals of the Paris Agreement.• Since 2018, we have purchased traceable renewable electricity for all Oriflame operated sites (offices, manufacturing sites and warehouses).• Since 2019, we have compensated annually for parts of the GHG emissions we cannot reduce (Scope 1, Scope 2 and parts of Scope 3).
Corruption and bribery	Oriflame operates in countries where the risk of corruption is higher.	<ul style="list-style-type: none">• Oriflame has a zero-tolerance policy towards active or passive corruption. The Company has developed an Employee Code of Conduct and Supplier Code of Conduct as well as a compliance-breach reporting mechanism for employees.• Our top management take an annual compliance pledge, confirming their compliance with the Oriflame Code of Conduct for the past year and committing to compliance for the following year.



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.	<ul style="list-style-type: none"> • Health & Safety Management System in place: <ul style="list-style-type: none"> • Training for employees • Audits • Accident reporting and investigation • Ad-hoc risk-reduction initiatives
Human rights of employees	Oriflame has around 5,200 employees worldwide, which entails risks of human rights-related risks.	<ul style="list-style-type: none"> • Oriflame has a zero-tolerance policy towards any form of harassment and any form of discrimination. The Company has an Employee Code of Conduct as well as a compliance-breach reporting mechanism for employees. • We are committed to respect human rights throughout our own operations, and it is summarised in our internal Human Rights Commitment approved by the Group Management and incorporated into our Group-level policies. • When entering a new market, we conduct a human rights impact assessment.
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"> • We have a Supplier Code of Conduct which outlines our requirements regarding working conditions, health and safety, discrimination and human rights, among others. The Code applies primarily to all our first-tier direct suppliers, though we expect our suppliers to implement the Oriflame Supplier Code of Conduct in their own value chain. • Direct suppliers are invited to EcoVadis to assess sustainability performance, including human rights. • Sustainability audits are carried out to confirm compliance against Oriflame Supplier Code of Conduct and sustainability minimum requirements. • We are terminating existing business relationships with suppliers in case of systematic human rights breaches or systematic cases of corruption.
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"> • Oriflame conducts a thorough evaluation of all raw materials. • We measure safe concentration levels. • We test our final formulations for skin compatibility on healthy human volunteers in independent laboratories, and also use 'in vitro' (non-animal) tests to further confirm the safety of our products. • Post-launch, we proactively collect feedback from consumers and data about any unwanted effects to further improve the safety of our products.



Appendix

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

SDG Index

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



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

Reducing environmental impact in the areas of water, air and waste [pp. 26-65](#)

Protecting employee health and safety [pp. 67-73](#)

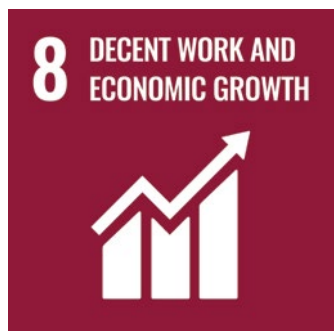
Making sure every ingredient we use and every product we sell meets our high quality and safety standards [pp. 78-80](#)



Achieve gender equality and empower all women and girls

Providing Brand Partners, mainly women, an opportunity to grow, develop and network. [pp. 17-25](#)

Creating a diverse global workforce at all management levels [pp. 67-73](#)



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

Maintaining a global workforce of approximately 5,200 employees in more than 60 countries with 72 nationalities [pp. 67-73](#)

Providing Brand Partners an opportunity to have an additional income [pp. 17-25](#)

Creating a diverse global workforce at all management levels [pp. 67-73](#)



Ensure sustainable consumption and production patterns

Increasing the use of recycled materials and renewable materials in product packaging [pp. 47-52](#)

Reviewing all new raw materials based on naturalness, environmental impact, ethicalness and traceability [pp. 53-58](#)

Innovating in formulation developments [pp. 53-58](#)



Take urgent action to combat climate change and its impacts

Reducing greenhouse gas emissions in our own operations and value chain [pp. 37-46](#)

Improving energy efficiency at our manufacturing sites [pp. 37-46](#)

Sourcing renewable electricity at all Oriflame operated sites [pp. 37-46](#)

Installing solar panels at our manufacturing sites in India and Poland [pp. 37-46](#)



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. 27–32](#)

Prohibiting the use of plastic microbeads and plastic glitter in our products [pp. 27–32](#)

Improving water efficiency at our manufacturing sites [pp. 27–32](#)



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

Sourcing paper and board, catalogues, wood and palm oil from responsibly sources [pp. 33–36](#)

Avoiding the use of materials derived from protected or endangered flora and fauna [pp. 53–58](#)



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

Respecting human rights for employees and suppliers via Employee Code of Conduct and Supplier Code of Conduct [pp. 74–77](#)

Conducting human rights risk assessment when entering a new market [pp. 74–77](#)

Having a compliance-breach reporting mechanism for employees [pp. 74–77](#)

Terminating existing business relationships with suppliers in case of systematic human rights breaches or systematic cases of corruption [pp. 74–77](#)



Performance summary

Oriflame		2019	2020	2021	Unit
Sales		1,258.3	1,156.9	1,016.5	€m
Manufacturing sites		6	6	6	No. of facilities
Production distribution	Oriflame manufacturing sites	60	60	72	%
	Finished Goods suppliers	40	40	28	%
Orders placed online		96	98	98	%

Environmental performance

Water		2019	2020	2021	Unit
Products developed with natural origin exfoliants (zero plastic microbeads)		100	100	100	%
New Skin Care and Personal Care rinse-off developments formulated to be biodegradable		100	100	100	%
Total water withdrawn	All facilities	406	322	336	Megalitres
	Manufacturing sites	268	255	258	
	Offices and warehouses	139	67	78	
Total water consumed	All facilities	188	169	194	Megalitres
	Manufacturing sites	161	155	151	
	Offices and warehouses	27	14	43	
Total water discharged	All facilities	218	153	142	Megalitres
	Manufacturing sites	107	99	106	
	Offices and warehouses	112	54	36	



Forest		2019	2020	2021	Unit
Amount of product packaging*		2,730	1,360	5,884	Tonne
Amount of catalogue paper*		17,840	9,960	12,813	Tonne
Catalogues from credible certified sources or recycled materials		100	99	99	%
Product packaging	From FSC™ certified sources	60	96	99	%
	From recycled materials	39	0	<1	%
	From virgin non-certified sources	1	4	<1	%
Amount of certified sustainable derivatives of palm oil and palm kernel oil in our raw materials	Mass Balance	597	806	1,245	Tonne
	RSPO Book & Claim Credits	517	636	233	Tonne
Amount of certified sustainable derivatives of palm oil and palm kernel oil in our subcontracted soap bars	Mass Balance	1,914	1,894	1,691	Tonne
	RSPO Book & Claim Credits	287	312	229	Tonne
Share of certified sustainable derivatives of palm oil and palm kernel oil in our raw materials	Mass Balance	54	56	84	%
	RSPO Book & Claim Credits	46	44	16	%
Share of certified sustainable derivatives of palm oil and palm kernel oil in our subcontracted soap bars	Mass Balance	87	86	88	%
	RSPO Book & Claim Credits	13	14	12	%
Share of derivatives of palm oil and palm kernel oil in our raw materials	Palm oil	N/A	18	18	%
	Palm kernel oil	N/A	82	82	%

*Data from supplier questionnaires. Response rate of 86%.



Forest		2019	2020	2021	Unit
Share of derivatives of palm oil and palm kernel oil in our subcontracted soap bars	Palm oil	N/A	80	80	%
	Palm kernel oil	N/A	20	20	%
CDP Score	Forest – Timber	C	A-	B	Score (A-D)
	Forest – Palm Oil	C	B	B	Score (A-D)

Climate		2019	2020	2021	Unit
Absolute Scope 1 and 2 GHG emissions		6,931	5,143 (-26% vs 2019)	5,402 (-22% vs 2019)	Tonne CO ₂ e
Scope 3 GHG emissions per unit sold		788.0	665.4 (-16% vs 2019)	600.9 (-24% vs 2019)	Tonne CO ₂ e per unit sold
Scope 1 GHG emissions	Total Scope 1	5,242*	3,471	3,796	Tonne CO ₂ e
	Fuel combustion	2,598	2,323	2,442	Tonne CO ₂ e
	Oriflame-owned vehicles	988*	552	621	Tonne CO ₂ e
	Refill of refrigerants	1,656	597	733	Tonne CO ₂ e
Scope 2 GHG emissions	Total Scope 2 (Market-based)	1,689	1,672	1,606	Tonne CO ₂ e
	Total Scope 2 (Location-based)	18,647	15,596	15,064	Tonne CO ₂ e
Scope 3 GHG emissions**	Total Scope 3	316,334	247,901	206,674	Tonne CO ₂ e
	Purchased goods and services	185,245	138,390	92,493	Tonne CO ₂ e
	Upstream transportation and distribution	15,095	8,374	10,769	Tonne CO ₂ e
	Waste generated in operations	3,047	2,055	724	Tonne CO ₂ e
	Business travel	8,401	3,418	4,335	Tonne CO ₂ e
	Downstream transportation and distribution	53,330	47,886	50,891	Tonne CO ₂ e
	Use of sold products***	4,321	4,538	3,943	Tonne CO ₂ e
	Downstream leased assets	46,895	43,240	43,519	Tonne CO ₂ e
CDP Score – Climate		B	A-	B	Score (A-D)

*The figure was re-calculated in 2021.

**Scope 3 GHG emissions in scope for our approved Science-Based Targets. CDP Climate figures for 2021 may differ as they include emission sources that were excluded from our Science-Based Targets.

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



Electricity consumption	2019	2020	2021	Unit
Renewable electricity at Oriflame operated sites (offices, warehouses, manufacturing sites)	100	100	100	%

Energy consumption at all sites (offices, warehouses, manufacturing sites)*		2019	2020	2021	Unit
Energy consumption from renewable sources		32,000	26,200	25,320	MWh
Energy consumption from non-renewable sources		23,400	22,090	22,330	MWh
Energy consumption by source (within the organisation)	Total energy consumption	55,400	48,290	47,650	MWh
	Renewable electricity	30,520	26,150	25,250	MWh
	Natural gas	12,810	11,560	11,870	MWh
	District heating	9,670	9,750	9,400	MWh
	District cooling	1,440	50	60	MWh
	Diesel	830	690	810	MWh
	Burning oil	130	90	260	MWh
Energy consumption ratio (within the organisation)		44	42	47	MWh per €m sales

* Numbers rounded to the nearest 10.



Waste at own manufacturing sites*	2019	2020	2021	Unit
Share of recycled waste (excluding hazardous waste)	N/A	N/A	68	%
Share of waste sent to landfill	<1	1	<1	%

Manufacturing* waste diverted from disposal		2019	2020	2021	2019	2020	2021	Unit
	Waste composition	Composted			Recycled			
Non-hazardous waste	Glass	N/A	N/A	0	N/A	N/A	23	Tonne
	Metal	N/A	N/A	0	N/A	N/A	69	Tonne
	Organic waste	N/A	N/A	0	N/A	N/A	0	Tonne
	Paper and board	N/A	N/A	0	N/A	N/A	925	Tonne
	Plastic	N/A	N/A	0	N/A	N/A	148	Tonne
	Wood	N/A	N/A	0	N/A	N/A	291	Tonne
	Other (non-hazardous waste from manufacturing)	N/A	N/A	127	N/A	N/A	0	Tonne
Hazardous waste	Electronic	N/A	N/A	0	N/A	N/A	<1	Tonne
	Raw materials (consumables and packaging)	N/A	N/A	0	N/A	N/A	85	Tonne
Total		124	147	127	1,778	1,718	1,541	Tonne

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



Manufacturing* waste directed to disposal		2019	2020	2021	2019	2020	2021	Unit
	Waste composition	Incinerated			Landfilled			
Non-hazardous waste	Glass	N/A	N/A	0	N/A	N/A	0	Tonne
	Metal	N/A	N/A	0	N/A	N/A	0	Tonne
	Organic waste	N/A	N/A	0	N/A	N/A	0	Tonne
	Paper and board	N/A	N/A	12	N/A	N/A	0	Tonne
	Plastic	N/A	N/A	25	N/A	N/A	0	Tonne
	Wood	N/A	N/A	11	N/A	N/A	0	Tonne
	Other (non-hazardous waste from manufacturing)	N/A	N/A	496	N/A	N/A	6	Tonne
Hazardous waste	Electronic	N/A	N/A	<1	N/A	N/A	0	Tonne
	Raw materials (consumables and packaging)	N/A	N/A	143	N/A	N/A	<1	Tonne
Total		210	265	687	<1	3	7	Tonne

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



Waste from offices and warehouses diverted from disposal		2019	2020	2021	2019	2020	2021	Unit
	Waste composition	Composted			Recycled			
Non-hazardous waste	Glass	N/A	N/A	0	N/A	N/A	7	Tonne
	Metal	N/A	N/A	0	N/A	N/A	<1	Tonne
	Organic waste	N/A	N/A	38	N/A	N/A	0	Tonne
	Paper and board	N/A	N/A	8	N/A	N/A	1,344	Tonne
	Plastic	N/A	N/A	1	N/A	N/A	43	Tonne
	Wood	N/A	N/A	0	N/A	N/A	343	Tonne
	Office waste (other than those mentioned above)	N/A	N/A	0	N/A	N/A	5	Tonne
Hazardous waste	Electronic	N/A	N/A	0	N/A	N/A	<1	Tonne
	Raw materials (consumables and packaging)	N/A	N/A	0	N/A	N/A	52	Tonne
Total		69	289	48	1,380	2,604	1,794	Tonne



Waste from offices and warehouses diverted from disposal		2019	2020	2021	2019	2020	2021	Unit
	Waste composition	Incinerated			Landfilled			
Non-hazardous waste	Glass	N/A	N/A	0	N/A	N/A	28	Tonne
	Metal	N/A	N/A	0	N/A	N/A	5	Tonne
	Organic waste	N/A	N/A	70	N/A	N/A	<1	Tonne
	Paper and board	N/A	N/A	3	N/A	N/A	42	Tonne
	Plastic	N/A	N/A	1	N/A	N/A	20	Tonne
	Wood	N/A	N/A	0	N/A	N/A	6	Tonne
	Office waste (other than those mentioned above)	N/A	N/A	41	N/A	N/A	840	Tonne
Hazardous waste	Electronic	N/A	N/A	<1	N/A	N/A	0	Tonne
	Raw materials (consumables and packaging)	N/A	N/A	3	N/A	N/A	1	Tonne
Total		57	37	118	2,877	1,444	942	Tonne

Formulations	2019	2020	2021	Unit
New Cosmetic and Wellness raw materials screened in our Ingredient Material Rationale process	100	100	100	%
Natural origin alcohols in Oriflame products	100	100	100	%
Revenue originating from products containing ingredients on the REACH SVHC candidate list*	N/A	N/A	222	€m
Share of revenue originating from products containing ingredients on the REACH SVHC candidate list*	N/A	16	22	%

*Candidate list February 2021.



Social performance

Creating opportunities for Brand Partners	2019	2020	2021	Unit
Brand Partner bonus and performance discounts	350	315	249	€m
Markets with our e-learning platform	50	50	51	No. of markets

Oriflame Global Brand Tracking	2019	2020	2021*	Unit
Brand Partners consider Oriflame as a good opportunity to earn an additional income	N/A	84	84	%
Brand Partners consider Oriflame has improved their business and sales skills	N/A	74	74	%
Brand Partners consider Oriflame has improved their self-esteem and confidence	N/A	76	76	%
Brand Partners consider Oriflame enables them to meet new people	N/A	81	81	%

*Data from the Oriflame Global Brand Tracking 2020. Some of these figures will be updated in 2022.



Employment		2019*	2020**	2021**	Unit
Total employees		6,152	5,660	5,205	No. of persons
Employees by employment contract	Permanent	NA	5,229	4,671	No. of persons
	Temporary	NA	431	534	No. of persons
Employees by employment type	Full-time	6,015	5,570	5,157	No. of persons
	Part-time	137	90	48	No. of persons
Employees by age group	<30 years	NA	1,054	1,009	No. of persons
	30-39 years	NA	2,559	2,205	No. of persons
	40-49 years	NA	1,539	1,448	No. of persons
	50-59 years	NA	454	480	No. of persons
	>59 years	NA	54	63	No. of persons
Employees by region	Latin America	NA	572	400	No. of persons
	Europe	NA	1,008	1,239	No. of persons
	CIS	NA	1,373	1,126	No. of persons
	Asia	NA	1,379	1,041	No. of persons
	Turkey & Africa	NA	572	414	No. of persons
	Corporate offices & GSOs	NA	756	985	No. of persons
Employees by job position	Global Management Team	241	198	223	No. of persons
	Managing Directors	38	33	27	No. of persons
	Regional Directors	13	10	14	No. of persons
	Group Management	10	10	11	No. of persons
	Board of Directors	8	5***	5***	No. of persons

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



Employment		2019	2020**	2021**	Unit
Employees with permanent contract by region	Latin America	NA	572	369	No. of persons
	Europe	NA	923	1,095	No. of persons
	CIS	NA	1,352	1,077	No. of persons
	Asia	NA	1,113	831	No. of persons
	Turkey & Africa	NA	567	399	No. of persons
	Corporate offices & GSOs	NA	702	885	No. of persons
Employees with temporary contract by region	Latin America	NA	0	26	No. of persons
	Europe	NA	85	125	No. of persons
	CIS	NA	21	33	No. of persons
	Asia	NA	266	195	No. of persons
	Turkey & Africa	NA	5	9	No. of persons
	Corporate offices & GSOs	NA	54	85	No. of persons
Global new employee hires rate*		16	9	11	%
New employees hire rate* by age group	<30 years	39	20	29	%
	30–39 years	13	8	10	%
	40–49 years	7	4	6	%
	50–59 years	5	3	4	%
	>59 years	7	4	4	%

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

**Average FTE



Employment		2019	2020	2021	Unit
New employees hire rate* by region	Latin America	N/A	7	12	%
	Europe	N/A	13	12	%
	CIS	N/A	11	16	%
	Asia	N/A	6	7	%
	Turkey & Africa	N/A	9	12	%
	Corporate offices & GSOs	N/A	N/A	8	%
Global turnover rate**		11	26	20	%
Turnover rate** by age group	<30 years	17	31	35	%
	30–39 years	11	24	21	%
	40–49 years	8	24	14	%
	50–59 years	6	26	9	%
	>59 years	14	96	27	%
Turnover rate** by region	Latin America	14	26	24	%
	Europe	N/A	18	17	%
	CIS	13	17	23	%
	Asia	N/A	16	22	%
	Turkey & Africa	N/A	17	28	%
	Corporate offices & GSOs	N/A	N/A	15	%
Global average tenure		6.5	6.7	7.9	Years
Global average age		37	37	39	Years

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

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



Training and education	2019	2020	2021	Unit
Active LinkedIn learning licenses (out of 1000 purchased)	993	993	970	No. of licenses
Average LinkedIn learning training per employee	4.5	3.3	3.1	Hours per learner

Diversity and equal opportunity		2019	2020	2021	Unit
Total employees by gender	Female	58	59	58	%
	Male	42	41	42	%
Global Management Team by gender	Female	43	42	45	%
	Male	57	57	55	%
Managing Directors by gender	Female	42	42	41	%
	Male	58	58	59	%
Regional Directors by gender	Female	54	40	21	%
	Male	46	60	79	%
Group Management by gender	Female	30	40	45	%
	Male	70	60	55	%
Board of Directors by gender	Female	38	40*	40*	%
	Male	62	60*	60*	%
Total employees by age group	<30 years	21	19	17	%
	30–39 years	43	45	41	%
	40–49 years	26	27	30	%
	50–59 years	8	8	10	%
	>59 years	2	1	2	%

*Oriflame Holding Ltd



Diversity and equal opportunity		2019	2020	2021	Unit
Global Management Team by age group	<30 years	0	0	0	%
	30–39 years	21	18	11	%
	40–49 years	61	61	59	%
	50–59 years	17	21	29	%
	>59 years	1	0	1	%
Managing Directors by age group	<30 years	3	3	0	%
	30–39 years	38	24	11	%
	40–49 years	43	61	63	%
	50–59 years	11	12	22	%
	>59 years	5	0	4	%
Regional Directors by age group	<30 years	8	0	0	%
	30–39 years	15	0	0	%
	40–49 years	62	70	42	%
	50–59 years	15	30	57	%
	>59 years	0	0	0	%
Group Management by age group	<30 years	0	0	0	%
	30–39 years	10	0	0	%
	40–49 years	50	40	38	%
	50–59 years	40	60	62	%
	>59 years	0	0	0	%



Diversity and equal opportunity		2019	2020	2021	Unit
Board of Directors by age group	<30 years	0	0*	0*	%
	30–39 years	13	0*	0*	%
	40–49 years	25	60*	20*	%
	50–59 years	25	20*	60*	%
	>59 years	38	20*	20*	%
Employees with permanent contract by gender	Female	N/A	3,033	2,673	No. of persons
	Male	N/A	2,196	2,013	No. of persons
Employees with temporary contract by gender	Female	N/A	290	303	No. of persons
	Male	N/A	141	176	No. of persons
Employees working full-time by gender	Female	N/A	3,252	2,909	No. of persons
	Male	N/A	2,318	2,169	No. of persons
Employees working part-time by gender	Female	N/A	70	67	No. of persons
	Male	N/A	20	20	No. of persons
Total number of nationalities		76	71	72	No. of nationalities
Nationalities in the six Global Support Offices (GSOs)		44	43	45	No. of nationalities

*Oriflame Holding Ltd

Labor/management relations	2019	2020	2021	Unit
Global average minimum notice periods regarding operational changes	N/A	5	5	Weeks



Market presence	2019	2020	2021	Unit
Senior management at significant locations hired from the local community*	62	52	74	%

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

Occupational health and safety		2019	2020	2021	Unit
Occupational injuries (rate of all recordable work-related injuries)	Oriflame all	3.5	2.3	1.1	Injuries per million hours worked**
	Manufacturing	3.2	3.1	0.6	Injuries per million hours worked**
	Non-manufacturing	3.5	2.2	1.2	Injuries per million hours worked**
Lost-time injury frequency rate	Oriflame all	1.5	1.4	0.7	Injuries per million hours worked**
	Manufacturing	1.9	3.1	0.7	Injuries per million hours worked**
	Non-manufacturing	1.5	1.3	0.7	Injuries per million hours worked**
Fatalities as a result of work-related injury	Oriflame all	0	0	0	No. of fatalities
	Contractors/suppliers working on Oriflame premises or on behalf of Oriflame	0	0	0	No. of fatalities
High-consequence work-related injuries (excluding fatalities)	Oriflame all	0	0	0	No. of fatalities
	Contractors/suppliers working on Oriflame premises or on behalf of Oriflame	0	0	0	No. of injuries
Lost-time work-related injuries	Oriflame all	17	14	7	No. of injuries
	Manufacturing	3	3	1	No. of injuries
	Non-manufacturing	14	11	6	No. of injuries
	Contractors/suppliers working on Oriflame premises or on behalf of Oriflame	1	1	0	No. of injuries

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



Occupational health and safety		2019	2020	2021	Unit
Recordable work-related injuries	Oriflame all	39	22	11	No. of injuries
	Manufacturing	5	3	1	No. of injuries
	Non-manufacturing	34	19	10	No. of injuries
	Contractors/suppliers working on Oriflame premises or on behalf of Oriflame	4	4	0	No. of injuries
Hours worked	Oriflame all	11,158,469	9,705,000	10,138,500	No. of hours
	Manufacturing	1,546,123	984,336	1,619,289	No. of hours
	Non-manufacturing	9,611,346	8,720,689	8,519,210	No. of hours
	Contractors/suppliers working on Oriflame premises or on behalf of Oriflame	N/A	N/A	N/A	No. of hours
Work-related ill-health	Oriflame all	1	0	6	No. of recordable cases
	Contractors/suppliers working on Oriflame premises or on behalf of Oriflame	0	0	0	No. of recordable cases
Absenteeism rate*	Oriflame all	4.4	3.7	2.6	%

*Number of days of absence per number of working days

Sustainable suppliers		2019	2020	2021	Unit
Remote and on-site audits	On-site audits	100	77	93	%
	Remote audits**	0	23	7	%

**Implemented due to the Covid-19 pandemic.



Sustainable suppliers		2019	2020	2021	Unit
Sustainability audit score results	A – Excellent	0	0	0	%
	B – Good	42	42	55	%
	C – Acceptable	29	50	24	%
	D – Weak/Poor	15	4	21	%
	E – Unacceptable	15	4	0	%

Human Rights	2019	2020	2021	Unit
Human rights assessments conducted for new markets	1	N/A	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	2019	2020	2021	Unit
Employees conducted Code of Conduct e-learning	N/A	409	1,262	No. of persons
Managers submitted the Annual Compliance Pledge	184	253	262	No. of persons

Oriflame Foundation	2019	2020	2021	Unit
Total amount raised for charity	1.30	1.18	0.92	€m



SASB Index

For 2021 we are partially aligned with the Sustainability Accounting Standards Board (SASB) standard on Household & Personal Products within the Consumer Goods sector (version 2018-10).

Sustainability Disclosure Topics & Accounting Metrics

Code	Topic	Accounting metric	Location
CG-HP-140a.1	Water management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Water pp. 27-32 Performance summary pp. 105-123
CG-HP-140a.2	Water management	Description of water management risks and discussion of strategies and practices to mitigate those risks	Water pp. 27-32
CG-HP-250a.1	Product environmental, health, and safety performance	Revenue from products that contain REACH substances of very high concern (SVHC)	Respect for Nature – Goals and commitments p. 59
CG-HP-250a.3	Product environmental, health, and safety performance	Discussion of process to identify and manage emerging materials and chemicals of concern	Formulations pp. 53-58
CG-HP-410a.2	Packaging lifecycle management	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	Packaging pp. 47-52
CG-HP-430a.1	Environmental and social impacts of palm oil supply chain	Amount of palm oil sourced, percentage certified through the Roundtable on Sustainable Palm Oil (RSPO) supply chains as (a) Identity Preserved, (b) Segregated, (c) Mass Balance, or (d) Book & Claim	Forest pp. 33-36 Performance summary pp. 105-123

Activity metrics

Code	Accounting metric	Location
CG-HP-000.B	Number of manufacturing facilities	Geographical footprint pp. 13-14



GRI Index

GRI 102: General Disclosures (2016)

Code	Title	Location	Comments
Organisational profile			
102-1	Name of the organisation	About this report, p. 134	
102-2	Activities, brands, products and services	This is Oriflame, p. 12	
102-3	Location of headquarters	Geographical footprint pp. 13-14	
102-4	Location of operations	Geographical footprint pp. 13-14	
102-5	Ownership and legal form	2021 Annual Report	
102-6	Markets served	2021 Annual Report	
102-7	Scale of the organisation	2021 Annual Report	
102-8	Information on employees and other workers	Employee Experience, pp. 67-73 Performance summary pp. 105-123 Additional income, pp. 18-19	
102-9	Supply chain	2021 Annual Report Human Rights, pp. 74-77	
102-10	Significant changes to the organisation and its supply chain	2021 Annual Report	
102-11	Precautionary principle or approach	Sustainability risks, pp. 98-100	
102-12	External initiatives	Stakeholder engagement, pp. 93-94	

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

Code	Title	Location	Comments
102-13	Membership of associations	Stakeholder engagement, pp. 93–94	
Strategy			
102-14	Statement from senior decision-maker	CEO Statement, pp. 10–11	
Ethics and integrity			
102-16	Values, principles, standards and norms of behaviour	2021 Annual Report This is Oriflame, p. 12 Human Rights, pp. 74–77	
Governance			
102-18	Governance structure	2021 Annual Report Organising for improvements, p. 96	
Stakeholder engagement			
102-40	List of stakeholder groups	Stakeholder engagement, pp. 93–94	
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. 93–94	
102-43	Approach to stakeholder engagement	Stakeholder engagement, pp. 93–94	
102-44	Key topics and concerns raised	Stakeholder engagement, pp. 93–94 Materiality, p. 97	
Reporting practice			
102-45	Entities included in the consolidated financial statements	2021 Annual Report	
102-46	Defining report content and topic Boundaries	Materiality, p. 97	
102-47	List of material topics	Materiality, p. 97	
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. 134	
102-50	Reporting period	About this report, p. 134	
102-51	Date of most recent report	–	April 17, 2020
102-52	Reporting cycle	About this report, p. 134	
102-53	Contact point for questions regarding the report	About this report, p. 134	
102-54	Claims of reporting in accordance with the GRI Standards	About this report, p. 134	
102-55	GRI content index	GRI Index, pp. 125–133	
102-56	External assurance	About this report, p. 134	

**GRI 200: Economic Standards**

Code	Title	Location	Comments
GRI 201: Economic performance (2016)			
103-1/2/3	Management approach 201	2021 Annual Report	
201-1	Direct economic value generated and distributed	2021 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. 105–123	
GRI 205: Anti-corruption (2016)			
103-1/2/3	Management approach 205	Human Rights, pp. 74–77	
205-2	Communication and training about anti-corruption policies and procedures	Human Rights, pp. 74–77	

GRI 300: Environmental Standards

Code	Title	Location	Comments
GRI 301: Materials (2016)			
103-1/2/3	Management approach 301	Forest pp. 33–36 Packaging, pp. 47–52 Respect for Nature – Goals and commitments, pp. 59–65	
301-1	Materials used by weight or volume	Forest, pp. 33–36	
301-2	Recycled input materials used	Forest, pp. 33–36 Packaging, pp. 47–52 Performance summary pp. 105–123	

**GRI 300: Environmental Standards**

Code	Title	Location	Comments
GRI 302: Energy (2016)			
103-1/2/3	Management approach 302	Climate, pp. 37-46 Respect for Nature – Goals and commitments, pp. 59-66	
302-1	Energy consumption within the organisation	Climate, pp. 37-46 Performance summary pp. 105-123	
302-2	Energy consumption outside of the organisation	Climate, pp. 37-46 Performance summary pp. 105-123	
302-3	Energy intensity	Climate, pp. 37-46 Performance summary pp. 105-123	
302-4	Reduction of energy consumption	Climate, pp. 37-46 Performance summary pp. 105-123	
GRI 303: Water and effluents (2018)			
103-1/2/3	Management approach 303	Water pp. 27-32 Respect for Nature – Goals and commitments, pp. 59-66	
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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, 2021, unless stated otherwise. Franchise operations are not covered in this report. This report was published on Oriflame's website, oriflame.com, on April 21, 2022, 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 operations, references are made to the Oriflame Annual Report for the fiscal year 2021. Unless otherwise specified, all data concerning suppliers and suppliers' factories includes all suppliers and factories that were

active and approved for production during the reporting period. Our greenhouse gas emission calculations and reporting are aligned with the Greenhouse Gas Protocol Standard.

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



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