



Aēsop®

Impact Report 2021

Life, interconnected

The interconnectedness of all life on earth was exposed in 2021. Epitomised by the continuation of the global pandemic, its impacts and the subsequent vaccine roll out, the need to work together was amplified.

It was a year that brought life into sharp focus, reminding us that all nature, ecosystems, industry and people are linked and rely on each other to thrive.

Aesop, Seongsu, Korea

Acknowledgement to country

We acknowledge the traditional owners of the lands on which Aesop is located and where we conduct our business. We pay our respects to ancestors and elders past, present and future. Sovereignty has never been ceded. Aesop is committed to acknowledging and honouring all First Nation peoples’ unique cultural and spiritual relationships to the land, waters and seas and their rich contribution to our society.



Contents

This report covers January to December 2021—a particularly turbulent year for the world, which saw more disruption from the global pandemic, the Capitol riots in the USA, the fall of Kabul and the second worst wildfires ever seen in Europe, but one during which our teams have shown continual dedication to making a positive impact.

Acknowledgement to country

An introduction

A message from Michael O’Keefe..... 3

For our planet

Thinking circular 5
The journey to net zero 9
The future of store design..... 11

Our value chain

From source to shelf..... 13

Nurturing communities and Individuals

Diversity, equity and inclusion16
Queer Libraries19
Volunteering spotlight 20
The Aesop Foundation21

Business as a force for good

Proud to be B Corp 24

Natura &Co: our community

Avon, Natura, The Body Shop and Aesop; each unique in mission and spirit, yet all purpose-driven at heart. We share a commitment to sustainable and ethical business practices, united in the belief that we can nurture beauty and relationships for a better way of living and doing business. Proud to be the world’s largest B-Corp, we are a global ecosystem with phenomenal potential to drive change.



Letter from our CEO

If something was made clear to us in 2021, it's the undeniable interconnectedness of our world and its inhabitants. From vaccine rollouts, political division and upheaval, to the ever-present need to unite against the climate crisis, now more than ever, it is clear that the path toward a just and sustainable future requires meaningful innovation, collaboration and systemic change.

That's why our report is entitled, 'Life, Interconnected' in acknowledgement that while we need to improve our own business practices, we also have a responsibility to look outward to the wider pressures facing the environment and global citizens. It is apparent that planetary health and human wellbeing are intricately interconnected.

2021 also marked the second year of Natura &Co's Sustainability Vision, Commitment to Life—to address the Climate Crisis and Protect the Amazon, to Defend Human Rights and be Human-Kind, and to embrace Circularity and Regeneration. These commitments are undertaken by all Natura &Co brands and guide our business transformation. During 2020, it was important to build strong foundations for our 10-year goals, but in 2021 we focused on adding the capabilities needed to deliver our priorities.

During 2021, circularity, D,E, & I and climate were strategic focus areas. We set emissions intensity and circularity targets tied to remuneration which were met and exceeded. We made good progress against our circularity roadmap including surpassing our 2030 goal for 50% of all plastic used to be of recycled content and the introduction of refill

trials. We developed and launched our Diversity, Equity and Inclusion strategy, which included welcoming our first Head of Culture, Diversity, Equity and Inclusion.

This report covers the year of January to December 2021. Within that time our business has grown; we opened 45 new stores and counters, and our headcount grew by over 18% across our global teams¹. We have learned a lot within this year, particularly that we need to embrace a test and learn approach in order to find the solutions needed for our customers and the future of our planet.

Aesop is proud of the steps it is taking on our journey to become a business that is good for the world. But there is much more road to travel, and we intend to get there with defiant optimism and sustained commitment.

Michael O'Keeffe
CEO Aesop

¹ Data covers January to December 2021

Understanding our impact

Our approach to sustainable impact starts with making sure that, even though we are merchants, each decision we make keeps people and the planet front-of-mind. Furthermore, as a B Corp, we seek to use our voice to amplify the processes, conversations and connections that may nourish the world around us.

Commitment to life

As part of the Natura &Co Group, Aesop is working towards the 2030 goals set out in Commitment to Life.

The principle behind Natura &Co's Sustainability Vision, Commitment to Life is to provide business solutions for the main socio-environmental problems the world is facing, generating positive impact. This approach calls for an all-encompassing business model that seeks to give back more than it takes.

Like our sister brands within the Natura &Co group—The Body Shop, Avon and Natura—Commitment to Life guides our focus for impact on the issues affecting our people and planet.

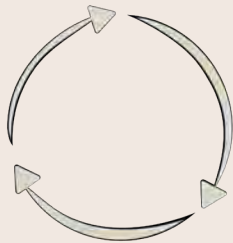
To address the **Climate Crisis** and protect the **Amazon**.



To defend **Human Rights** and be **Human-Kind**.



To embrace **Circularity** and **Regeneration**.



For our planet

At Aesop, we see the climate and nature crisis as the defining challenge of our time.

As a business that creates a product, we understand our considerable responsibility to preserve the planet we share, and ultimately, help it thrive. The danger the world is facing is grave.

In response to this, we are on the journey to transform our business model from one that is linear and degenerative to one that is circular - benefiting our people, our customers and our planet.

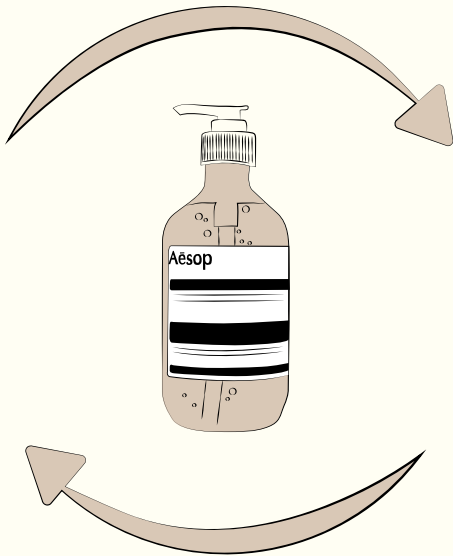
Through key areas, we are working to ensure that Aesop reduces negative impacts from its operations, while exploring ways that we can have a positive impact on the natural world. These areas include; introducing circular principles across our packaging, stores, and ingredients, making significant changes to reach net zero by 2030, and innovating sustainable store design solutions. These actions impact each other and are interlinked across our value chain and the wider world.

Thinking circular

Our circularity approach

We are evolving our approach to design, applying circular principles to transform our products, packaging and operations. As we embark on this transformation we will strive for progress over perfection, ensuring we test and learn to establish long-term solutions for our business and our customers. We will partner with our customers on this journey, encouraging participation in our Rinse and Return and refill programmes.

Our work to date has included several Rinse and Return programmes across our stores in Asia, and we are trialling refill solutions in Australia—but we have big ambitions. It is our vision that Aesop adopts circular and regenerative principles across every area of our business.



It is no secret that the beauty industry has a waste problem, and despite so much innovation in packaging, our world is still too linear—including here at Aesop.

According to a report from the OECD published in February 2022, the world is producing twice as much plastic waste as two decades ago, with the bulk of it ending up in landfill, incinerated or where it has ongoing consequences for the environment ².

We have met our 2030 goal for 50% of all plastic used to be of post-consumer recycled content early, and we have made good strides to improve recyclability. At the same time, we acknowledge that the recycling system is flawed with only 9% of plastic globally recycled. This demonstrates the need for more solutions than recycling alone. We have made advances in our recycled content and recyclability, but our work continues in earnest to ensure that we are exploring the multiple solutions needed to tackle the impact of waste.

Our goal is for all our packaging to be reusable, recyclable or compostable by 2025.

This is why we have introduced successful Rinse and Return programmes in Hong Kong, Taiwan and Singapore. An initial 2020 refill trial was launched in Adelaide, followed by a full in-store refill trial in our South Yarra store.

Beyond this, we are heavily investing in circular innovation as we are clear that businesses need to adopt a new model—one that aims to reduce packaging where possible, reuse materials to give them a longer life and recycle as a final resort.

² OECD, (2022), Global Plastics Outlook.

Packaging materials in focus

Glass

We favour glass for some of our products as it is inert and does not interfere with ingredients.

In our skin care range, our cleansers and toners use a glass bottle with minimum 60% recycled content.

Plastic

Over 50% of the plastic purchased by weight in 2021 came from post-consumer recycled content.

Our plastic 500ml, 100ml are made from at least 97% post-consumer recycled polyethylene terephthalate (PET) inputs.

Altogether, 89% of the PET used across our packaging range is recycled polyethylene terephthalate (rPET).

We choose plastic over glass in some cases due to its lighter weight, and therefore lower carbon footprint.

Pumps

The majority of our 500mL hand and body care cleansing products feature a screw-cap in place of a pump, and are available globally. When customers are replenishing a product, reusing a pump results in a 22% reduction in packaging weight.

Aluminium

We often select aluminium for its versatility, and its environmental credentials—it is a readily and infinitely recyclable packaging material.

In 2021 Aesop transitioned Blue Chamomile Facial Hydrating Masque and In Two Minds Facial Hydrator from glass bottles with a pump to aluminium tubes, ensuring the packaging could be separated for recycling and opting for a mono-material flip-top cap, which reduces our use of pumps.

Cardboard

Our seasonal Gift Kits have been reimagined to ensure that all elements of the kit packaging can be readily recycled within existing municipal systems. The packaging is made from 100% recycled moulded pulp while the sleeve is made from 100% recycled and Forest Stewardship Council (FSC) certified material.

Aesop chose to move away from stitched fabric cases to ensure that these products did not end up in landfill.



The Adventurer Roll-Up

The joint endeavor between Aesop and RÆBURN, the London-based responsible fashion upcycling pioneer, is a portable pouch for on-the-go hand care. Handcrafted from pre-consumer recycled cotton, the sack features three purpose-fit pockets to house a trio of Aesop products: Resurrection Rinse-Free Hand Wash, Resurrection Aromatique Hand Balm, and the new Resurrection Rinse-Free Hand Mist.



Our first in-store refill trial

Following a successful off-site refill trail in Adelaide, Australia, in 2021, we launched our first in store refill trial in our South Yarra store in Melbourne. Customers were invited to partake by purchasing a selection of favoured formulations in reusable glass bottles—initially available were Resurrection Aromatique Hand Wash, Geranium Leaf Body Cleanser and Parsley Seed Facial Cleanser. Once these products had been enjoyed, the depleted vessels were able to be returned to store and traded for a refilled replacement.

The purchase and reuse of packaging helps to lessen an individual’s carbon footprint over time. The trial celebrated the durable nature of our signature amber glass, without compromising the efficacy of the products housed within. Alongside the environmental and design benefits, Aesop customers also paid a reduced cost overall, after the initial investment in their reusable glass bottle.

What went well

The local community was keen to be part of a trial.

We saw a trend towards a higher percentage of customers opting for our refill solution over our rPET alternative. In fact, throughout the trial, Resurrection Handwash Refill was one of our best-selling products.

The refill rate was over 40%.³

What we learnt

We are learning to adopt a ‘test and learn’ approach as we journey towards becoming a circular business.

The performance of a refill pump system can be heavily dependent on the product formulation, so work continues with our machine engineers to find a solution compatible with various product viscosities.

By taking a science-based approach, we learned how many times our refillable vessels will need to be refilled in order to break-even with our rPET alternative.

³ Refill rate was recorded across the trail from November 2021 to July 2022

As we know, refillable vessels are only good if you reuse them. In 2021, Aesop embarked on a science-based approach to compare the carbon and other environmental impacts of its proposed circular packaging and distribution offerings, with the conventional ‘purchase-in-store’ model. This type of insight is driving our circularity trials and future packaging choices.

Reusable vessels are only better for the environment if they are reused. In the case of refilling a glass vessel in store, it would need to be reused at least five times for it to be better than continuing to use plastic once.



Aesop, South Yarra, Australia.

The Life Cycle Assessment (LCA)⁴, found there were several circular options, including the ‘refill-in-store glass bottle’ which had lower environmental impact on a per-use basis than the one-off or conventional ‘purchase-in-store’ model. The LCA also highlighted the importance of facilitating the retention and return of the bottles for refilling, without which it will be difficult to realise the environmental benefits of a circular model.

From the LCA we concluded that using glass would be the best option given its recyclability but also to offer an additional option to our customers alongside our rPET bottles.

‘At Aesop, we are rethinking how we design, source, reuse, and recycle packaging. This circular initiative at Aesop South Yarra is a small but important step in realising our ambitions towards 100% of our packaging being recyclable, reusable or compostable. We are seeking to understand how best to make refill solutions available to all of our customers to reduce our plastic footprint and climate impact.’

Suzanne Santos, Chief Customer Officer



Aesop, South Yarra, Australia.

⁴ Our Life Cycle Assessment was performed in accordance with ISO 14040 and 14044 standards.

The journey to net zero

We are at a crossroads in human history. The climate crisis and its damaging impacts on nature represent a profound threat to our future survival and the beauty industry contributes through the use and disposal of ingredients and materials, as well as the manufacture and movement of goods.

When addressing the climate crisis, incremental ‘do less harm’ responses will not deliver the pace or scale of change needed for people, our business and the planet to thrive. In tackling climate change, we believe in an approach that interconnects climate, biodiversity and justice into action to end the related climate and nature crises.

As devastating weather events unfolded with increasing frequency and worsening severity in 2021, it is clearer than ever that business investment in tackling the climate crisis must align with the scale of the challenge. We cannot delay and still hope to contain global warming within safe limits. We understand our responsibility in tackling the climate crisis and are investing what is needed in order to decarbonise our business and supply chain in line with climate science.



Image from Guanaré’ Forest Plantations, provided by South Pole.

Aesop and climate action

In 2020, Natura &Co committed the Group to the ambitious aim of reaching net zero emissions by 2030 and to setting science-based targets to guide our progress towards this goal in line with climate science.

In 2021, we began to lay the foundations to radically decarbonise our business. We commenced work on identifying the priority interventions across all areas of our company that can put us on the path to net zero by 2030. While this work progressed, we focused our immediate emission reduction activities on our freight and travel activities, as well as driving improvements in our packaging. We set and surpassed our 7% intensity reduction target in this area, tying this to the remuneration of senior leadership to drive progress towards the goal.

With many of our emissions coming from our supply chain rather than direct operations, we recognise that collaborative engagement with our suppliers will be key to decarbonising our business. Therefore, in 2021 we prioritised bringing dedicated resource and expertise into the business to understand the opportunities to improve and deepen our supplier engagement in support of our net zero ambitions.

Going forwards, we will work in partnership with our suppliers to improve their sustainability performance and identify opportunities to invest in adaptation and mitigation projects which deliver against carbon reduction and climate resilience aims.

Work is now underway to finalise our net zero decarbonisation pathway and wider Climate Action Plan by the end of 2022. It will guide us not only in reducing our emissions but in taking steps to preserve and restore nature, including building the resilience of landscapes and communities to adapt to climate change.

We recognise that vulnerable and marginalised communities are facing disproportionate impacts from climate change and will seek to prioritise supporting just and equitable solutions to the climate crisis that build resilience for these communities.

Our Vision

By 2030 our climate approach will enable us to remove more carbon from the atmosphere than we emit, restore nature and contribute to climate resilience

01



Decarbonisation

Urgently reduce emissions from our operations and supply chain and invest in permanent removal of residual emissions to achieve net zero by 2030

02



Regeneration

Pioneer Climate Positive ingredients to restore nature and protect critical ecosystems

03



Resilience

Understand our climate risk and invest in building resilience so our business is able to adapt to a range of possible climate futures

04



Action & Justice

Support wider systematic climate action. Advocate for and invest in just and equitable solutions to the climate crisis

Our footprint

We measured, and offset all direct greenhouse gas emissions (scope 1 and scope 2) and part of our indirect (scope 3) emissions across our global operations, including corporate travel and freight. These account for the main greenhouse gases, expressed as carbon dioxide equivalents.

The vast majority of our emissions come from our supply chain rather than our direct operations. Excluding consumer use of our products, over one third of our supply chain emissions arise from transport of our products. Production of our products, from the raw materials through the manufacturing and packaging account for a further quarter.

Strong sales growth coupled with the easing of coronavirus (COVID-19) restrictions and a greater return to business as normal saw our absolute emissions rise by 26% in 2021. We are hopeful that the foundations we laid in 2021 to set us on our journey to net zero will result in reductions in our carbon intensity starting to be realised in 2022.

Carbon neutrality

In 2020 we reached carbon neutrality across our global business, obtaining South Pole's Climate Neutral Company label.

Since 2018, both our Australian and New Zealand operations have been certified carbon-neutral under the Australian Government's Climate Active scheme.

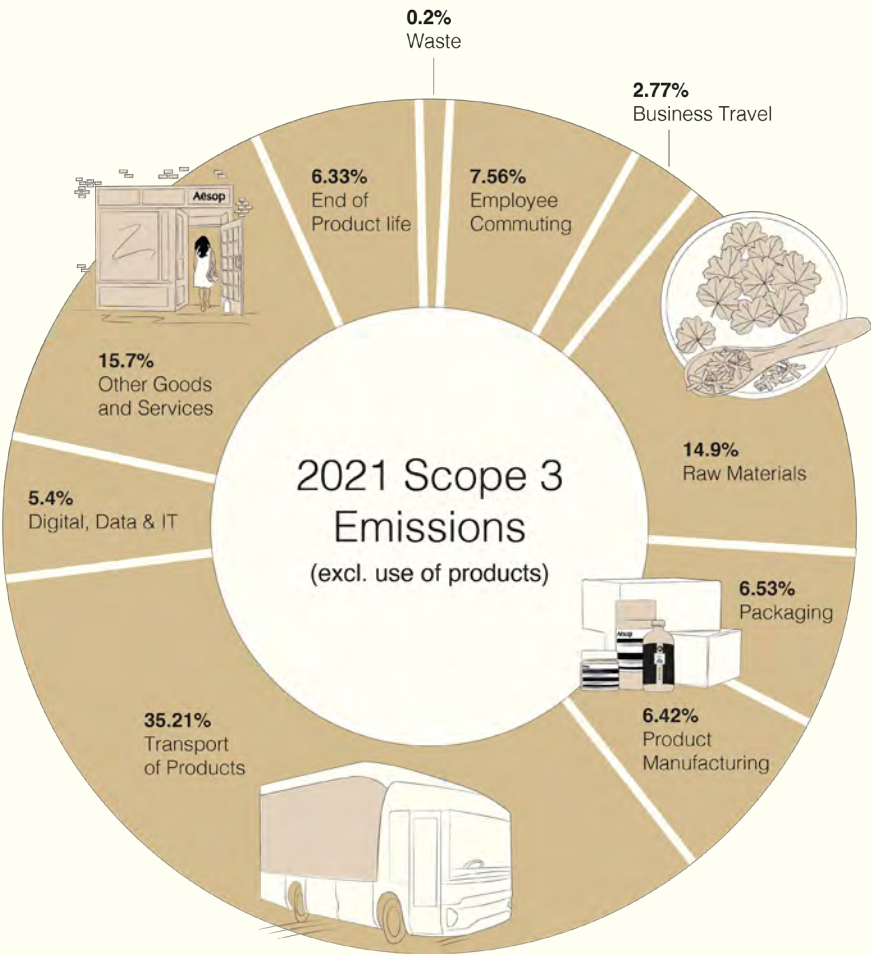
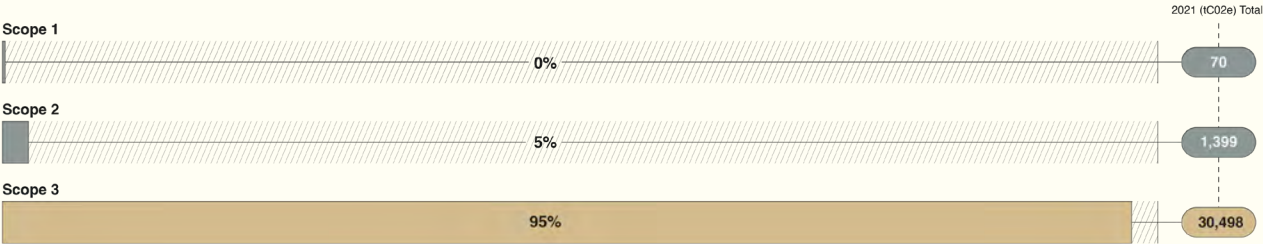
Through our partner South Pole, we buy carbon credits which offset our carbon by providing funds to projects that protect the environment and generate Renewable Energy. Our offsetting strategy prioritises supporting projects that also generate environmental and social benefits, recognising the inequalities of climate change. In 2021, we funded Kariba REDD+, EcoAustralia – Mount Sandy, and Guanaré. Our Climate Action Plan will drive action to radically reduce our emissions from our own operations and supply chain however, as those efforts ramp up, we believe that as a responsible business, there remains a role for making investments in climate mitigation outside of our value chain through offsetting, especially where the projects generate additional co-benefits for people, nature and biodiversity.

Renewable energy

Applicable to our scope 2 electricity consumption for all global Aesop operated properties including, offices, stores, and shopping centre locations.

Where possible, we source 100% renewable energy directly with from our electricity suppliers. Where we are unable to purchase energy directly—for example in embedded networks or where energy costs are included in leasing arrangements—we have sought to purchase renewable energy certificates for remaining grid consumption.

CY21 total emissions (excl. use of products)



The future of store design

We believe unequivocally that well-considered design improves lives.

A sincere interest in intelligent and sustainable design extends to every aspect of Aesop’s workings. Just as meticulous research is integral to the formulation of each product, our utilitarian containers are created with the utmost care to ensure they are functional and aesthetically pleasing.

In seeking new store locations, our first consideration is to work with what already exists. It is our intention to weave ourselves into the fabric of place and add something of merit rather than impose a discordant presence, and our consistent practice to use a locally relevant design vocabulary.

A blueprint for store design

In a world where humans have irreparably damaged ecosystems, depleted natural resources, and catalysed the impending climate crisis, it is no longer enough to ‘tread lightly’ or minimise harm.

We believe in a future direction for store design that fosters connection between people and nature, utilises regenerative materials and practices and ultimately contributes to flourishing neighbourhoods. At Aesop, we consider how we can adopt regenerative principles across the materials we use and how we design using more circular solutions. We also consider how transport affects this, how we use energy and how stores and their design impact the local community.



Aesop, Seongsu, Korea.

The sustainability scorecard

In 2019, we developed a Sustainability Scorecard for our stores to measure social and environmental impact, from construction through to decommission. The objective is to develop strategies to improve our design process, practices and delivery of projects. Each of our architects completes a ‘Concept Scorecard’ and our project manager completes an ‘As built scorecard’. This allows us to precisely understand the sustainability score of our original intentions and what we were able or not able to implement at a construction phase. Because our Scorecard model is detailed and takes a vast number of factors into consideration (manufacturer location, end of life assessment, whether a material is able to be repurposed / reused, material certification) we can precisely measure the impact of all small decisions related to a project that can make an important impact.

The sustainability scale ranges from 0 to 100, and the overall score is the average of the stores that have completed the Scorecard analysis in the relevant calendar year.

The actions and elements analysed include:

Materials (composition, re-use and end of life)
Circular design
Transport
Embodied energy
Social procurement

Our objective is to design stores with reductions in energy consumption, waste and encourage regenerative initiatives that address the impacts of building and construction in the retail sector. For each new store, we continue our research and development and ask our architects to take responsibility for the impact of their designs.



⁵ Sustainability scorecard result shared as an average across all store developments in 2021.



Aesop, Seongsu, Korea.

Sustainable design in practice

At the end of 2021, we opened our store in Seoul’s vibrant district of Seongsu-dong to serve as a pilot and inspiration for more sustainably focused stores in the future within the region. The store design team spent 12 weeks developing the design concept and sourcing low-impact materials for the construction.

As a pilot store, Aesop Seongsu served as an experiment for us explore how much we can stretch our sustainability principles within store design. Hence, the team worked to investigate various aspects such as materials, systems and behaviours to achieve this.

Key design features of Aesop Seongsu:

- Aesop Seongsu used **64% less energy per sqm** than our Garosguil store, and **59% less** than our Samcheong store.
- The drainage system in the open courtyard **waters soil naturally**. We introduced a rainwater reuse system which collects the day’s precipitation for use in the garden and the store.
- Timber was **locally sourced and salvaged** from buildings that were no longer standing, and bricks running along the façade were reused.
- We installed insulation constructed from **reclaimed paper and denim**.
- We worked closely with **local artisans** and experts in building traditional Korean Hanok houses, making use of natural clay mixed with boiled rice, straw and water to build the walls—a method proven to be very durable.

Our value chain

Across our supply chain, from source to shelf, all things are interconnected —this includes the suppliers we partner with, the people they employ, and the quality and provenance of the ingredients we use. An awareness of this interconnectedness is important so that we can improve and maintain standards across each step of the journey. This in turn ensures that we offer a higher quality of product on the shelf, and that the product reaches our customers in exceptional ways.

Throughout 2021 we worked hard on firming up our policies and practices, implementing a baseline for the traceability/certification critical materials and, through Natura &Co, the development of a Human Rights Statement.

From source to shelf

Collaboration and partnership for an ethical supply chain

Aesop is committed to investing in long-term partnerships with shared values. Aesop’s Ethical Sourcing Programme aims to rigorously ensure that all its suppliers use environmentally responsible processes, provide safe working conditions, treat all workers with dignity and human rights are held paramount throughout the supply chain. Our ethical sourcing programme is central to addressing how modern slavery risks, including Aesop’s Material Risks (general agriculture and farming in the provision of essential oils, nut oils and derivatives, palm oil, cotton, manufacturing). Aesop is committed to investing in long-term partnerships with shared values. Aesop’s Ethical Sourcing Programme is central to addressing how modern slavery risks are managed and mitigated among Direct Suppliers in our global supply chain.

We file Modern Slavery Statements for both the UK and Australia—detailing our progress for a just and ethical supply chain. These can be viewed on our website.

Human rights

In 2021, the Natura &Co Group Human Rights Statement was developed. This statement outlines the values we stand for and further reinforces our Commitment to Life objective to Defend Human Rights, as defined by the UN Guiding Principles on Business and Human Rights.

This statement has a specific focus on supporting the equality of people who are potentially politically, economically and/or socially disadvantaged, including all underrepresented groups: racial and ethnic, of all sexual diversities and gender identities (LGBTQIA+), all socioeconomically disadvantaged people and those with physical or mental disabilities. The statement also outlines stakeholder engagement and grievance mechanisms, our priority human rights and detail on how we are taking action.

Critical materials

As part of Natura &Co’s ‘Commitment to Life’, six supply chains across the Natura &Co group were identified as high risk for potential labour and environmental exploitation (palm oil, cotton, mica, soy, paper and ethanol). In 2021, we established a baseline, started to develop group-wide procurement policies and to work towards full traceability and / or certification for these materials (with the exception of mica, as this is not used in Aesop products).

Collaboration is essential in the palm derivatives supply chain. Through Natura &Co, we are members of Action for Sustainable Derivatives, a collaborative initiative driven by derivatives users to transform their supply chains by increasing transparency, monitoring risks, engaging the sector and generating on-the-ground impacts.

In 2021 we established traceability to mills for almost 90% of our palm oil volume for 2021. This work will help us accelerate towards our goal of full palm oil certification by 2025.

Reviewing what goes inside the jar

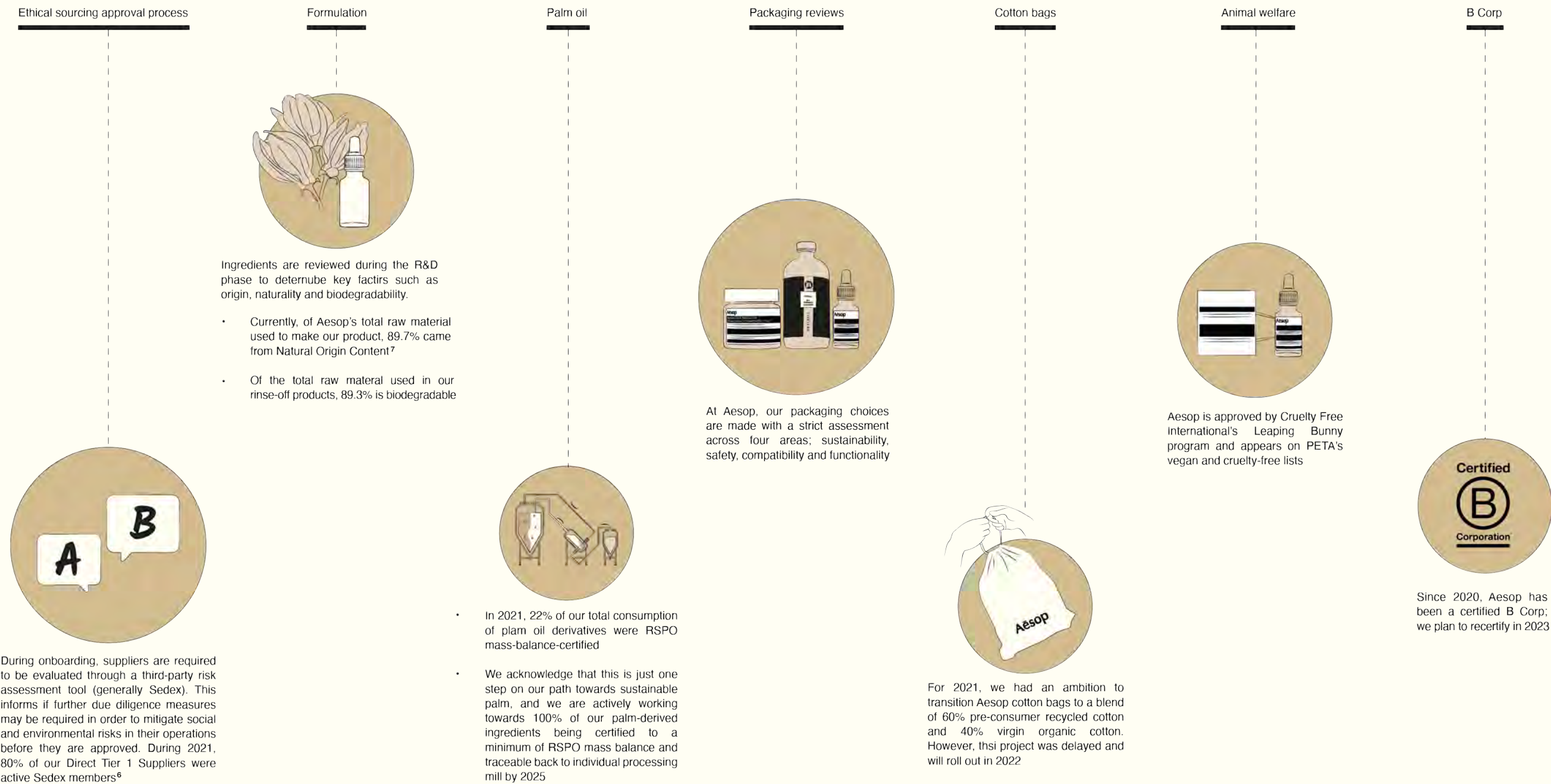
All ingredients, whether new or existing, are thoroughly reviewed by our Research & Development team before use. They are researched extensively for safety and efficacy, and for their regulatory status across global markets, ensuring that their use is aligned with the most stringent of requirements. We also collect and review information on the ethical and environmental impact, as well as the traceability of the ingredients. This includes reviewing the country of origin, botanical origin, and vetting any past animal testing. We have also begun to collect data on land use, energy use and water scarcity in region. As technology develops, our team continues to look for innovative and more sustainable alternatives.

Aesop ingredient spotlight: sandalwood

Dutjahn Sandalwood Oils (DSO) is a sandalwood oil distillation company located in Kalgoorlie in Western Australia, supplying Aesop’s sandalwood. Aesop first partnered with Dutjahn in 2018 after an extensive search for ethically sourced sandalwood oil which meet our scent profile requirements. DSO is a 50% Indigenous owned enterprise that provides a blended sandalwood oil from new plantation trees and old growth wild desert trees which are sustainably harvested by the custodians of the land. Western Australia is known to have some of the highest quality sandalwood oil in the world. The company works with traditional custodians of the land on which the sandalwood grows, the Martu and Wongi people. Sandalwood has been revered for generations by the Martu and Wongi for its medicinal properties, smoking and cultural ceremonies, and for spiritual practices. Aesop has worked with Dutjahn ensuring alignment with our supplier code of conduct and to build supply chain transparency by understanding the social, ethical and environmental risks. Sedex members, have been assessed as a low-risk supplier and have previously won the Sedex award for ‘best collaborative effort’ for promoting Indigenous communities in business and for sustainability practices.



From source to shelf



⁶ These suppliers were active for at least 4.5 months of 2021 according to the data received from Sedex. ⁷ According to the ISO standard.

Nurturing communities and individuals

Aesop is proud to be a B Corporation. It demonstrates that we adhere to the highest standards of verified social and environmental performance, public transparency and legal accountability to balance profit and purpose. In short, we seek to be a business that is a force for good. But businesses themselves are not inherently ‘good’—they are made ‘good’ by the values exhibited by the people in them.

Our community at Aesop is committed to making a meaningful difference to nurturing communities and individuals. Whether that is by ensuring we have the robust internal practices that allow all employees to feel a sense of belonging and empowerment, or generating positive impact through volunteering, civic giving or activism for an issue they are personally passionate about.

Diversity, equity and inclusion

Aesop is dedicated to supporting the communities in which we operate both internally and externally and giving back in meaningful ways that create greater opportunities for historically excluded groups.

However, it has been overdue that we formalise our approach to improvement in this area, and the events of early 2020—which further exposed the inequities faced by marginalised groups around the world and was amplified by the work of the Black Lives Matter movement—challenged Aesop to look inward and take intentional and focused steps to building a more diverse, inclusive and equitable culture and work environment.

Throughout 2020, we listened deeply and intently to our colleagues to understand their experiences, challenges,

barriers and opportunities through global ‘culture conversations’. In 2021, we reflected on what we had learned and began to take action.

Following the decision to establish Diversity, Equity and Inclusion (D, E & I) as one of Aesop’s strategic business priorities, we appointed our first Head of Culture, Diversity, Equity and Inclusion and launched a formal D, E & I strategy designed to provide greater vision, structure and clarity to move forward on our journey at Aesop. The strategy focuses on creating a strong foundation that will aid the delivery of collective Natura &Co Commitment ‘to defend Human Rights and be Human-Kind’ goals and ambitions, detailed below:

Natura &Co’s Sustainability Vision, Commitment to Life:
To Defend **Human Rights** and **Be Human Kind**

Metrics and targets	Aesop 2021 progress
Gender balance: 50% women on board/senior team by 2023.	40%
Work towards 30% inclusion, in management, of under-represented groups – racial or ethnic, sexual diversity and gender identity (LGBTQIA+), socio economically disadvantaged, physical or mental disability by 2030.	Throughout 2021 we reviewed various solutions to assess D, E & I data as we faced data privacy and legislative issues in many of the markets in which Natura &Co operates. With the support of an external consultancy, an online survey tool will be used to anonymously gather data from our employees to support the establishment of our baseline.
Equitable pay, closing the gender gap by 2023.	-1%
Living wage (or above) for all by 2023.	1A – 98% ⁸
	2A2C – 85% ⁹

⁸ 1A is one adult. ⁹ 2A2C is two adults, two children.



Aesop, Coal Drops Yard, UK.

The Aesop D, E & I strategy

Building a **diverse workforce** that allows all colleagues to develop to their full potential.

Establishing strong foundations to inclusive Talent Management—the way we hire, develop and nurture talent at Aesop—is an important step on our D, E & I journey. The launch of our **Inclusive Hiring Principles** plays an important role in promoting inclusive mindsets, instilling objectivity and de-biasing our practices in how we hire talent at Aesop.

To support all colleagues with their understanding, awareness and embedding of D, E & I into our culture, we designed a global **D, E & I learning and development programme**, which saw over 1,400 Aesop colleagues participating in a series of immersive learning opportunities centred on our global learning priorities of inclusion, psychological safety, unconscious bias and inclusive customer experiences.

Looking into 2022 and beyond, we will continue to embed inclusive hiring within our everyday recruitment practices, diversify our talent sources and build on the momentum from our demographic data collection programme to enable us to become more data and insight led.

Creating a **safe and inclusive workplace** where colleagues are empowered and feel like they belong.

Establishing Aesop's Employee Resource Group (ERG) programme has helped strengthen inclusion and belonging at Aesop through fostering safe spaces for colleagues with shared lived experiences, support historically and systemically excluded communities, acknowledge and celebrate key cultural and religious moments in the year and drive awareness and improvement about important issues and topics.

Recognising the important role that Aesop's leaders play as cultural stewards, inclusion role models and ambassadors, over 80 leaders across the organisation took part in **immersive psychological safety, intercultural and inclusive leadership coaching sessions**.

Gathering insights to **understand the experiences** of our people and how we need to transform.

We recognise that listening to our colleagues—whether that's through our D, E & I culture conversations, focus group discussions or twice-yearly engagement surveys—is critical to driving inclusion innovation, understanding the barriers to overcome and opportunities to explore.

Colleague sentiment gathered in our Employee Engagement surveys has highlighted improved experiences in Inclusion and Belonging, with notable increases when it comes to experiences of **Inclusion** (Diverse perspectives are valued), **Speak My Mind** (I am free to speak my mind without fear of negative consequences) and **Belonging**.

In 2021, we launched Phase 1 of the D, E & I demographic data collection programme to help us understand the baseline of where we are at today in relation to diversity representation at Aesop and against our Commitment to Life goals. In 2022, we will continue to progress with the programme, extending an invitation to our colleagues from more of our global markets. While we are in the analysis phase of the programme, early observations from the insights show us that the progress we are making across the D, E & I priorities is critical and continues to be a relevant and impactful way to drive equal opportunities, inclusion and belonging at Aesop.

Demonstrating that **Diversity, Equity and Inclusion** is at the core of how we show up with our customers, communities and the marketplace.

As part of our commitment to creating more inclusive experiences for Aesop's diverse customers, a dedicated learning experience was designed for retail colleagues around the world focused on creating **inclusive experiences for customers** with diverse needs who enter our spaces. Aesop also partnered and consulted with a D, E & I product specialists to do an extensive review of our products to identify opportunities for a more inclusive approach.

As of 2021, Aesop has three formal ERGs all formed and led by colleagues from around the world and with a combined membership of over 400 globally. The ERGs are:

Anti-Racism Committee

Established in 2020, the Anti-Racism Committee envisions a diverse Aesop, onethat upholds equity and wellbeing for all, dismantling prejudice and bias and amplifying the voices of all who are under-represented.

Aesop Women

The aim of the group is to cultivate an environment that supports and encourages women to advance their skills, personal growth and leadership potential through connection, mentorship, collaboration and discussion.

Prism

Prism is an ERG that aims to raise the voices of Aesop's diverse global LGBTQIA+ community by promoting awareness through education and engagement.

Pay equity at Aesop

Alongside Natura &Co, Aesop has been conducting reviews into gender pay equity reviews since 2020.¹⁰ We have decided to not only report but explore the explained and unexplained pay gaps across our global workforce. Explained gaps reflect the differences that we could expect to see due to countries having different rates of pay and cost of living, or certain functions commanding a higher salary. The unexplained gap reflects the residual pay gap that cannot be explained by legitimate factors and may be due to pay inequities by gender. In Aesop's second Gender Pay Equity Study from October 2021, focusing on base pay, we found the raw gap between men and women's pay is 26.4%, while the unexplained gap stands at -1%.¹¹

In 2021, Natura &Co have refined the Living Wage analysis and concluded on the 'Living Wage' reference we will use going forward. Our ambition is to achieve the recognised / accepted living wage where available. The entrance benchmark is to target 1 Adult rate (1A) as a minimum, and we are reviewing our demographic data to determine the long-term targets beyond 1A rate. As of April 2022, we have achieved over 98% of our direct workforce in Aesop above 1A rate as per our living wage reference, and we are continuing working towards delivering our commitment to pay living wage (or above) for all by 2023.

¹⁰ The Natura &Co reviews on pay equity followed Mercer methodology. ¹¹ According to Mercer, a pay gap of 1% or less represents that a business has achieved equitable pay.



‘Diversity, Equity and Inclusion is not a project, it’s a way of being. Therefore, it requires intent and purpose’

Nelson Derry, Global Head of Culture, Diversity, Equity & Inclusion

While 2021 was the year we established the foundations of our D, E & I journey, we recognise that change and embedding D, E & I into the fabric of our culture and organisation requires time. We know we still have a long road ahead on our D, E & I journey, but we are energised by the progress we have made and the momentum we are building.

Aesop Queer Library

Our employee community is proud to develop initiatives that demonstrate the values we stand for as a business. In 2021, Aesop’s Queer Libraries were launched to create awareness of queer experiences across the globe through meaningful, non-profit driven installations of literary works by LGBTQIA+ authors and allies. Our relationship with literature has been integral to the development of Aesop; it has fuelled us for over 35 years. While our primary business is skin care, we draw constant inspiration from literature as an avenue to connect with communities and customers.

In partnership with Penguin Books and local independent queer bookstores located near each Queer Library, we selected a diverse selection of works that replaced the products in our stores. Each customer was invited to collect a complimentary book, with no purchase necessary. The initiative is guided by our long-held belief in the transformative power of storytelling—its ability to broaden understanding and provide a catalyst for change.

Why are the Queer Libraries so important to Aesop?

- They have an ability to broaden minds, embolden individuals and unite the community and its allies.
- They transform our spaces into platforms for conversations that we and our customers care about.

Aesop Queer Libraries in 2022

After launching nine Queer Libraries across five countries and giving away over 35,000 books to visitors in its first year, the second iteration will see 12 Queer Libraries appear across eight countries, allowing us to share more stories from the community, as well as providing new opportunities to explore queer creativity in its various forms, from a wide range of voices.



Ayishat A. Akanbi at The Aesop Queer Library, London 2021.
Photograph courtesy of Ollie Tomlinson.



‘I’ve always known, deeply and quietly, that I work for a company that embraces all of who I am, but it’s affirming to see Aesop express its support for the queer community in more visible and meaningful ways. The Queer Libraries, to me, are emblematic of the beliefs and values we have always carried as a company but expressed with boldness and integrity to our customers and colleagues alike.’

James, PRISM committee member

Aesop, Soho, UK.

Our volunteering programme

We are proud to have such a passionate, and conscious group of employees working with us. We believe in the strength of the Aesop community and its ability to have a positive impact on the world. Our intent has always been to extend support beyond monetary means and nurture enduring relationships. As such, all employees are encouraged to donate 1% of their time to volunteer with a local organisation.

Aesop covers all volunteering costs and endeavours to form long-term partnerships. Our volunteering activities are guided by a global policy to ensure meaningful activities are undertaken in a safe and respectful manner. As much as possible, we endeavour to match the talents of our employees with unmet needs in the local communities.

In 2021, due to the Covid-19 epidemic and the difficulty of in-person volunteering, we identified virtual volunteering opportunities for our employees to undertake.

In 2021, our staff volunteered **22,663 hours**¹²



Image of Aesop team in Hong Kong Macau taking part in volunteering.

Macau

Beginning in 2021, the Aesop team in Hong Kong Macau has been running a successful volunteering programme. We have cooperated with different local organisations and arranged frequent volunteering activities for the retail and office team. In Macau, we worked with Macau Waste Reduction Organization on a monthly basis. The volunteering duties include waste recycling, and engaging with the community on waste reduction and ways that waste can be sorted into recycling and non-recycling.

Aesop volunteering: looking forwards

To increase year on year the number of hours of meaningful volunteering, focusing on how best we can match time and talent of employees with local charitable organisations.

Although not all regions are yet free of COVID-19 restrictions, we are moving back towards in-person volunteering, using lessons learnt from remote volunteering during 2021.

Refinement of our volunteering strategy guided by a global policy which contains safeguarding guidance and endeavours to deepen our connectedness to local communities.

London

Through working with refugees and displaced communities in London and Calais over the last five years, our London-based colleague, Jesse has increasingly focused her volunteering on education around basic human rights-food, water, sanitation and hygiene. She has undertaken this work with Refugee Rights Project, Care4Calis, Refugee Community Kitchen, Host Nation, Whitechapel Mission and the Legacy of War Foundation. Her volunteering was particularly effective because she found a way to utilise her personal skillset to create positive impact.



Image by french journalist 07/11/21: Jesse volunteering in the Refugee Community Kitchen in Calais, France; preparing food for daily service of up to 2,000 servings.

‘We are very proud of our people, who have given their time and efforts so generously to their communities, and supported organisations raising awareness on education, employment, environment, human rights and animal welfare.’

Stefan Verreson,
Head of Business Development,
Chair of the Asia Philanthropy Committe

¹² Recorded volunteer hours by Aesop employees in 2021.

The Aesop Foundation

At Aesop, we understand and take seriously our responsibility to support the communities in which we work. The Aesop Foundation Australia was established in 2017, and for its first five years, the Foundation focused on literacy, literature and storytelling nationally. Following the success of this programme, the Foundation transitioned to a global grant-maker in late 2021. Our global strategy enables us to be more public and purposeful with our philanthropy and social impact agenda than ever before.

The Aesop Foundation now has the capacity and capability to fund charitable organisations globally. In addition to its new global status, in November 2021, the Aesop Foundation purpose expanded from literacy and storytelling to include education, employment, the environment and emergency response in order to better meet the needs of all our communities.

To enable our new global remit, the Aesop Foundation is escalating the efficiency and scope of its social commitments by 20% annually. This starts internally with increased staff involvement—and externally by identifying further partners to work with around the world.

‘Aesop is proud to have launched a global social impact programme which is underpinned by our ambition to grow our philanthropy in line with the growth of the business. We will continue to expand our portfolio of talented partners working to deliver a fairer more just world.’

Jules Chalmers, Head of Aesop Foundation

We are on track to deliver our goal to grant **AUD \$40 million** by 2030

The Aesop Foundation is funded by **2.5% EBITDA**¹³ from Aesop. As the business grows, so too will the Foundation

‘The value of our programme is transformational and not always measured in the short-term... Aesop understood that the impact on people’s lives and careers is long-term.’

Asylum Seeker Resource Centre

Our grant-making in 2021

As 2021 was a year of transition for The Aesop Foundation, our partnerships were divided across our existing and valued organisations based in Australia, as well as new organisations that have joined us through the Foundation’s global grant-making programme. The Foundation’s global partners were supported by our active and engaged employee philanthropy committees across each of our four business regions. Aesop’s philanthropy strategy guides the work of each Committee and provides an overall framework which is locally informed and globally aligned.

Additionally, 2021 saw \$2.5mn AUD in product donations to organisations including women’s centres, hospitals, and COVID-19 support. All product donations were local and

Through our global grant-making we are proud to partner with:

Voice of Witness Advances human rights by amplifying the voices of people impacted by—and fighting against—injustice
Photographers without Borders Where storytelling inspires action and drives meaningful change towards a decolonized, united world.
Pan Intercultural Arts Supporting refugee young people through creative arts and storytelling.
CREATE supporting young people at STEM schools through creative arts and storytelling.
The Asia Foundation Supporting refugees with access to meaningful employment.

delivered through a combination of store donations and strategic partnerships. Each of our signature stores can gift products to support charitable causes. This expression of generosity is intended to directly benefit the local communities in which Aesop stores are based.

Our 2021 Australia-based partners:

The Wheeler Centre Support for underrepresented writers of the future.
Story Factory Support for core activities during the COVID-19 pandemic.
100 Story Building Support for story hubs and COVID-19 additional support.
Stars Foundation Supports Indigenous girls and young women to attend and remain engaged at school.
Karrkad Kanjdji Trust Support for traditional land conservation techniques and indigenous education.
Melbourne Fringe Support during the COVID-19 pandemic.
Arts Project Australia Support during the COVID-19 pandemic.
Asylum Seeker Resource Centre Support for refugee education programmes and COVID-19 pandemic.

¹³ EBITDA stands for Earnings Before Interest, Taxes, Depreciation, and Amortization

Indigenous Language and Culture Curriculum: Saving a threatened language and raising first and second language literacy in West Arnhem Land

Aesop partner, The Karrkad Kanjdji Trust (KKT) was established to protect, restore and enhance the natural environment of West and Central Arnhem Land. It supports Indigenous-owned land management organisations as they implement environmental and cultural projects that reflect the priorities and values of Traditional Owners.

The Nawarddeken Academy school is a remote indigenous primary school that blends western knowledge with Indigenous language and culture to achieve approximately double the attendance rates and learning outcomes compared to local benchmarks. The school is a true

community success story, but it has an important task to complete—recording and teaching local indigenous language and cultural knowledge so that it is not lost within this generation. The Aesop funding supported the creation of an Indigenous Language and Culture Curriculum, with bilingual learning materials and an interactive bilingual literacy app representing a unique opportunity to preserve the language, knowledge and culture.

The curriculum and the associated materials will be shared with an additional three remote schools, Manmoyi, Mamdarwerre and Marlkawo in the region bringing the total number of children targeted to 50 and 60 adults. Following that, it will be shared with Gunbalanya School which has approximately 400 students. The Indigenous language and culture curriculum has the ability to reach over 2000 Kunwinjku speaking people (approximately 600 children).

Foundation funding across 2021



Rowand Taylor, photo courtesy of the Nawarddeken Academy.

‘The Aesop Foundation has helped us increase our accessibility locally, nationally and internationally and this is such a difficult thing to achieve.’

Arts Project Australia

Emergency response

In 2021, **Aesop's Anti-Racism Committee in America pledged \$USD 100,000 in support of five organisations working to Stop Asian Hate**. It also launched a Programme designed to take a proactive and intentional approach to ensuring all relevant potential suppliers have a fair and equal opportunity to compete for business with Aesop.

Prompted by concerned employees following the overthrow of the democratic government in Afghanistan, The Aesop Foundation also made its first humanitarian grant outside of Australia to Medicines Sans Frontières—supporting the ongoing crisis in Afghanistan and standing in solidarity with its people.



An MSF staff member inspects equipment in a ward for women to receive care following c-sections, Khost maternity hospital, Afghanistan. Photo courtesy oOriane Zerah.

Looking forward to 2022

Our next chapter will see the Aesop Foundation bring together a legacy of partnerships in Australia, while building impactful partnerships across the Americas, Asia and Europe.

The Aesop Foundation transition from a national to a global grant-maker. This means we will bring together a legacy of partnerships in Australia, while building impactful partnerships across the Americas, Asia and Europe.

The Foundation will prepare to scale up with efficiency and increased impact. We will continue to have the capability and resources to respond to world events as and when the need arises with speed and agility as well as supporting existing partners.

We will also continue to ensure that our grantmaking is diverse, equitable and inclusive as we seek to build new partnerships with those working alongside systematically excluded communities. We will launch a new website dedicated to the work of the Foundation and publish all of our grants and learning. In support of our global philanthropy, all employee charitable giving will be matched dollar for dollar.

Business as a force for good

At Aesop, we believe our business can and should be a force for good in the world. We've made efforts to embed this thinking in several ways. We've set long term targets through our Commitment to Life, we've aligned these to our employee and executive pay and as a part of our B Corp certification requirements, and we have taken the step to change our legal articles to declare that our decisions as a business will consider all stakeholders—employees, communities, customers, suppliers, and the environment—not just shareholders.

However, it is not only in these single acts, but in ensuring we change our mindset and dedicate ourselves to upholding our values in each decision we make, material we purchase, and conversation we have with our customers. This appreciation of the interconnection of all these acts will allow us to create real positive impact.

At Aesop, and more broadly at Natura &Co, pay performance targets, including long term executive pay performance targets, are aligned to key environmental and social impact measures alongside financial measures. For any given year, short and long-term targets are used to incentivise our people to drive performance on priority areas. For 2021, the focus was on climate, circularity and employee engagement.

Proud to be B-Corp

Aesop is proud to be B Corp certified and we are pleased to sit alongside more than 3500 other likeminded B Corp businesses spanning over 70 countries. These include our fellow Natura &Co sister brands, Natura and The Body Shop. Certified B Corporations are businesses that meet the highest standards of verified social and environmental performance, public transparency, and legal accountability to balance profit and purpose.

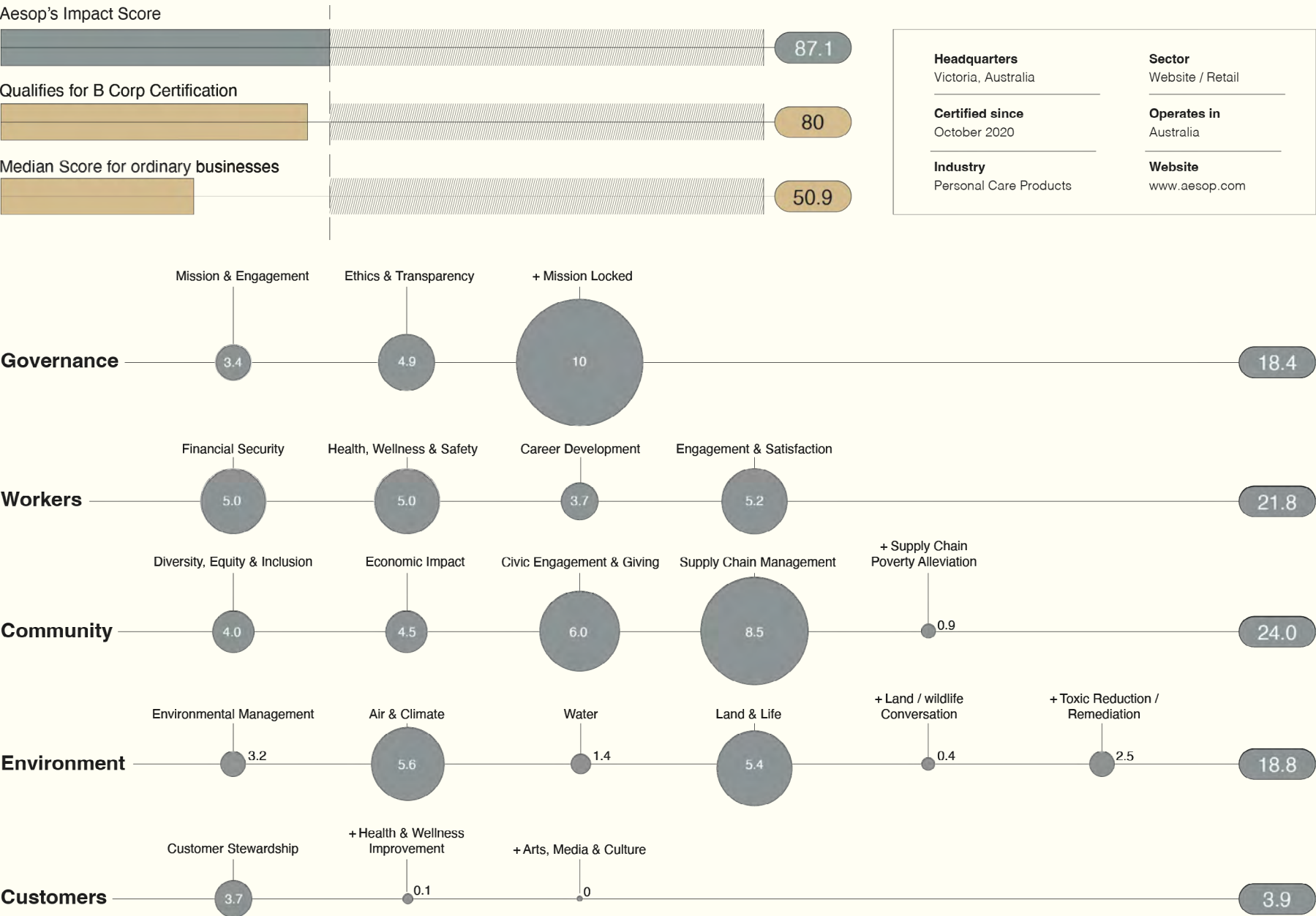
We took our own first steps towards becoming a B Corp in 2018 and achieved certification in October 2020.

Becoming a Certified B Corporation is the result of steadfast determination from many Aesop employees across the business—from General Managers to Retail Consultants, Digital Designers to Marketers.

Whilst we are proud of having achieved B Corp certification in 2020, we acknowledge that this is but a milestone on our journey to adopt regenerative principles and operate as a triple bottom line company with a strong commitment to continuous improvement. Our re-certification is forecast for 2023.



Our B Corp Impact Score



Natura &Co business structure



Aesop, Samcheong, Korea.

Commitment to life 2021 status update

Commitment to Life	Goal	Metric	Target Timeline	2020	2021
To address the Climate Crisis and protect the Amazon .	Net zero GHG emission	Become Net Zero, delivering 1.5°C 20 years ahead of UN Commitment.	2030	Reduced scope 2 market based emissions to zero through selecting renewable energy tariffs and purchase of renewable electricity credits (RECs). Obtained global carbon neutrality with Climate Active certification for ANZ operations and South Pole Climate Neutral label.	In 2021, our greenhouse gas emissions were 32,157 tonnes of carbon (tC02e) across Scope 1, 2 and 3. Obtained global carbon neutrality with Climate Active certification for ANZ operations and South Pole Climate Neutral label.
		Science Based Targets initiative (SBTi) for all companies, scopes 1, 2 and 3.	2022	Work in progress through Natura &Co.	As part of Natura &Co, we are in the process of submitting our science-based targets to SBTi and we expect to receive their approval in the coming months.
	Biodiversity	Help create targets with a network of partnerships (UEBT, SBTN, BfN, WEF).	2025	Work in progress through Natura &Co.	As part of Natura &Co we are part of the corporate engagement for Science Based Target Network (SBTN). To help the construction of the SBTN methodology, we are piloting the methodology with our Natura Ekos line and fulfilled Step 1 of 5.
To defend Human Rights and be Human-Kind .	Our people	Gender balance: 50% women onboard / senior team by 2023.	2023	46% women on senior team at Aesop.	40% women on senior team at Aesop.
		Equitable pay, closing the gender gap by 2023.	2023	Natura &Co gender pay gap analysis complete. A 0.9% pay gap remains unexplained at the group level.	The gender pay gap at Aesop has been identified as -1%.
		Work towards 30% inclusion, in management, of under-represented groups.	2030	Capability for demographic baseline testing being assessed.	As part of Natura &Co, we reviewed we reviewed various solutions to assess D&I data as we faced data privacy and legislative issues in many of the markets in which Natura &Co operates. With the support of an external consultancy, an online survey tool will be used to anonymously gather data from our employees to support the establishment of our baseline.
		Living wage (or above) for all by 2023.	2023	Living Wage Methodology approved to identify gaps globally.	1A - 98% 2A2C - 85%

Commitment to Life	Goal	Metric	Target Timeline	2020	2021
To defend Human Rights and be Human-Kind .	Our wider network	Measurable gains for consultants / representatives and sourcing communities' earnings, education, health, and digital inclusion.	2030	Work in progress through Natura &Co.	In 2021, Natura &Co completed an initial pilot project to measure the socio-economic impact that our direct selling companies have on the lives of consultants / representatives in our network.
		Increase investments in key causes by 20% to U\$ 600 million.	2030	The Aesop Foundation committed A\$1.6 million to the Australian Red Cross (for Australian bushfire relief) and our existing network of partners to help them continue their work during COVID. Aesop donated A\$4.3 million of product to communities, medical staff and services supporting family violence survivors.	A\$ 5.8 million
		Promote our trusted and reliable model for the future of direct sales.	2030	Work in progress through Natura &Co.	As the Chair of the WFDSA Ethics Committee, Natura is leading activities to promote ethics beyond compliance, continuously raising WFDSA and DSAs' self-regulatory standards ("The Code") above local legislation / regulation.
	Human rights	Full traceability and / or certification by 202 2025 – Palm Oil, Mica 6, Paper, Alcohol, Soy, Cotton.	2025	32% of palm oil and derivatives obtained from Roundtable for Sustainable Palm Oil (RSPO) certified source, a further 18% is offset through purchases of Independent Smallholder RSPO palm oil credits from Riau Provence in Indonesia. Work in progress on Mica (Mica is not used in Aesop products), Alcohol, Soy and Cotton in partnership with Natura &Co.	Palm Oil – 22% ¹⁴ Mica 6 – N/A Paper – 71% Alcohol – 0% Soy – 15.6% Cotton – 1%
		Adopt robust Human Rights policy in line with UN Guiding Principles.	2023	>90% of Direct Suppliers signed Code of Conduct. >95% of Direct suppliers on SEDEX. Produced UK and Australian Modern Slavery Statements. Human Rights Policy & Due Diligence check in development with Natura &Co.	Natura &Co's new Human Rights statement was unanimously approved by its board of directors in 2021.

¹⁴ 22% of palm oil and derivatives obtained from Roundtable for Sustainable Palm Oil (RSPO) certified source, the remaining 78% is offset through purchases of Independent Smallholder RSPO palm oil credits from Koperasi Unit Desa (KUD) Pemura and KUD Marga Jaya-mi in Indonesia and Phanom Land Settlement Cooperative and Smothong Sustainable Oil Palm Production Community Enterprise Group in Thailand.

27

Commitment to Life	Goal	Metric	Target Timeline	2020	2021
Embrace Circularity and Regeneration	Packaging circularity	20% (or more) less packaging material (in weight).	2030		3% reduction in overall Aesop packaging material, achieved through recycled PET lightweighting and screw-cap offering.
		50% of all plastic used to be of recycled content (in weight).	2030	49% of all Aesop plastic packaging manufactured was made from recycled content.	50.8% of all Aesop plastic packaging manufactured was made from recycled content.
		100% of all packaging material: reusable or recyclable or compostable.	2030	>83% of Aesop packaging material is reusable or recyclable.	82.7% of Aesop packaging material is reusable or recyclable.
		Offset through collection and reuse programs to reach 100% responsible disposal where recycling infrastructure not available.	2030	A Rinse and Return program has been in place in Hong Kong since late 2018 and launched in Taiwan in 2020. Total Aesop packaging collected and diverted from landfill: 4.59 tonnes.	0.6%
	Formula circularity	95%+ renewable or natural ingredients.	2030	86.69% of Aesop's ingredients, according to ISO16128 standard, a globally harmonised standard providing guidelines on definitions and criteria for natural-origin ingredients.	89.7% of Aesop's ingredients, according to ISO16128 standard, a globally harmonised standard providing guidelines on definitions and criteria for natural-origin ingredients.
		95%+ biodegradable formulas.	2030	89% biodegradability of rinse-off formulations.	89.3% biodegradability of rinse-off formulations.
		100% of new formulas will have lower environmental footprint, measured by life cycle analysis.	2030	23 formulations completed in 2020.	As part of Natura &Co, a team with components from all the companies of the Group was defined, a consulting firm was hired (Quantis), and the scope of the tool construction was defined in line with the EcoBeautyScore Consortium.

Enviromemental impact

Metric			2020	2021
Packaging	Glass	Total weight of glass packaging.	479	760
		Percentage of glass packaging that is from recycled and/or certified material (% of total weight of all glass packaging). ¹⁵		13.7%
	Metal	Total weight of metal fiber packaging (tons).	48	87
	Wood / paper fibre	Total weight of wood paper fiber packaging (tons).	56	43
		Percentage of wood / paper fiber that is from recycled and/or certified material.		6.7%
	Plastic	Total weight of all plastic packaging (tons).	350	468
		Percentage of recyclable plastic packaging (% of the total weight of all plastic packaging).	59.83%	61.6%
		Percentage of recycled content within plastic packaging (as a % of the total weight of all plastic packaging).	49.72%	50.8%
Energy consumption		Energy consumed from nonrenewable fuels (MWh).	47	78
		Energy consumed from nonrenewable electricity purchased (MWh).	2416	3,134
		Total nonrenewable energy consumption (electricity and heating & cooling) MWh.	2463	3,212
		Total renewable energy (wind, solar, biomass, hydroelectric, geothermal, etc.) purchased or generated (MWh).	594	597
		Percentage of renewable energy (as % of total energy consumed).	19%	16%

¹⁵ Recycled content data has been collated throughout Q3 and Q4 of 2021.

		Metric	2020	2021
Waste		Total waste generated.		462.08
		Total waste used / recycled / sold.		262.28
		Total waste disposed.		199.80
Total emissions per category (Tons CO2e)	Scope 1		69	70
	Scope 2	Net Electricity market based.		0
		Net Electricity location based.	1310	1,589
	Scope 3	Purchased goods and services (product and non product).	10482	14,243
		Fuel and energy related activities.	253	366
		Upstream transportation and distribution.	9,560	10,344
		Waste generated in operations.	141	61
		Business travel.	1019	845
		Employee commuting.	887	2,307
		Downstream transportation and distribution.	235	395
		Use of sold products.	38,937	61,896
		End of life products.	1,356	1,932
		Total excluding use of sold products.	25,522	32,157
		Total including use of sold products.	64,460	94,054
Store design		Sustainable Store Design Scorecard result.		62

Social impact

		Metric	2021
New hires	Gender	Total number of new employee hires	1,501
		Total number of new employee hires - men	188
		Total number of new employee hires - women	646
		Total number of new hires- prefer not to say	14
	Management level	Total number of new employee hires - leadership	8
		Total number of new employee hires - junior management	81
		Total number of new employee hires - total	89
Voluntary turnover rate	Gender ¹⁷	Voluntary employee turnover rate ¹⁶	27%
		Voluntary employee turnover - men	25%
		Voluntary employee turnover - women	24%
	Management Level	Voluntary employee turnover - leadership	15%
		Voluntary employee turnover - junior management	31%
Total employee turnover rate	Gender	Total employee turnover rate ¹⁸	29%
		Total employee turnover - men	29%
		Total employee turnover - women	26%
	Management level	Total employee turnover - leadership	15%
		Total employee turnover - junior management	31%

¹⁶ This refers to the proportion of employees who choose to leave an organization (such as resignation, retirement, early retirement etc.) over a set period (often a year), expressed as a percentage of the total employees.

¹⁷ The breakdown by gender consider the self-declatation of each employee. ¹⁸ This refers to the proportion of employees who leave an organisation over a set period of time (often a year), expressed as a percentage of the total employees.

Social impact

	Metric	2021
Share of women in the worforce	Share of women in total workforce (as % of total workforce)	61%
	Share of women in all management positions including junior, middle, and top management (as % of total management positions)	54%
	Share of women in junior management positions (as % of total junior management positions) ¹⁹	57%
	Share of women in top management positions (as % of total top management positions) ²⁰	40%

Governance and ethics

	Metric	2020	2021
Code of Conduct	Number of breaches to Codes of Conduct, specifically relating to serious and significant investigations carried out by Ethics and Compliance.	1	3
Discrimination incidents disclosure	Number of incidents of discrimination and harassment ²¹	1	1

¹⁹ This metric refers to first-line managers, junior managers and the lowest level of management within a company's management hierarchy. These individuals are typically responsible for directing and executing the day-to-day operational objectives of organizations, conveying the directions of higher level officials and managers to subordinate personnel. ²⁰ This refers to management positions with a reporting line at most two levels away from the CEO. They include individuals who plan, direct, and formulate policies, set strategy, and provide the overall direction of enterprises / organizations for the development and delivery of products or services, within the parameters approved by boards of directors or other governing bodies. ²¹ Incidents of harassment or discrimination on grounds of race, color, sex, religion, political opinion, national extraction, or social origin as defined by the ILO, or other relevant forms of discrimination involving internal and/or external stakeholders across operations in the reporting period.



For more information on our sustainability practices, please contact us at sustainability@aesop.com