



Sustainability

As an inseparable part of its future success, Oriflame is integrating sustainability throughout its operational framework and business strategies. Oriflame's comprehensive sustainability strategy constitutes of a broad set of commitments covering product development, social issues and environmentally focused targets. The strategy is based on a materiality assessment and focuses on areas with the greatest relevance for Oriflame, and where initiatives can have the largest impact. For each of the three key areas, Oriflame has set a range of commitments and time-bound targets designed to improve performance and move the company closer to its long-term vision of becoming sustainable.

1. Successful people

A cornerstone in Oriflame's operations is, and has always been, to create opportunities to improve people's lives – for Consultants, employees and suppliers, but also in a broader sense through its community involvement and support for social causes.

2. Great products

Continuously improving the sustainability profile of product ranges is part of Oriflame's strategy to bring beauty and well-being in a responsible way. Oriflame's goal is to continue developing products that meet the highest social, ethical and environmental standards.

3. Thriving planet

Driving environmental sustainability, not only across Oriflame's own activities but throughout the value chain, is a key long-term goal. Focus areas include the sourcing of renewable and sustainable materials whenever possible, cutting emissions to air and water, and reducing the amount of waste produced.

Sustainability has a permanent place on the management agenda, where targets and commitments are regularly followed up and reviewed. While progress is being made, Oriflame recognises that this is a continuous journey – there is still much more to be done and new challenges lie ahead.



Examples of sustainability achievements

Oriflame's sustainability work continued to progress in 2017.

People

- Oriflame distributed almost €390m (€350m) directly to its Consultants during 2017 through bonuses and other forms of recognition. This is in addition to the approximately 20% earnings Consultants can earn by selling products.
- Beyond income, Oriflame Consultants also benefit from access to coaching and training. In 2017, approximately 300,000 Consultants participated in Oriflame's Business and Beauty Academy training programmes, learning business skills as well as product-specific information through e-learning courses and video sessions.
- Through sales of the fragrance Tenderly Promise, Oriflame continued to support the World Childhood Foundation. During 2017, the goal to raise €1m over a three-year period was achieved.
- The five-step supplier evaluation programme was further rolled out to global suppliers, representing 97% of Oriflame's finished goods suppliers. For high-risk suppliers, Oriflame conducted sustainability audits during the year covering approximately 20% of the global direct and second tier suppliers.
- Oriflame has a good gender balance in its overall workforce with slightly more women (60%) than men (40%), and more than 75 nationalities represented. Of its top 120 managers, women currently represent 43%. Oriflame continues to work with diversity and gender balance through all levels of the organisation.

Products

- Oriflame stringently reviews and profiles all raw materials for their sustainability attributes, including naturalness, transparent sourcing, and social and environmental impact. The safety evaluation process applies to 100% of the company's cosmetic and wellness products.
- In 2017, Oriflame launched its new Love Nature rinse-off range, with biodegradable formulations, in an effort to further strengthen its water stewardship. Additionally, the formulations contained natural extracts and natural origin scrub particles. Oriflame carried out independent testing to ensure that all products passed the OECD testing protocol for biodegradability.
- Oriflame continued to use only natural origin scrubs – such as almond shell, fruit seeds and silica – in all its exfoliating products. The company no longer manufactures older products with plastic microbeads or uses plastic glitter in its rinse-off products.
- As in previous years, no products were launched during 2017 that breached the company's commitment to respect animal welfare by never using cosmetic ingredients derived from dead animals or which cause harm or suffering to animals.
- During 2017, Oriflame became a member of the Responsible Mica Initiative, a cross-sector association which aims to eradicate child labour and unacceptable working conditions in the Indian mica supply chain by joining forces across industries and civil society organisations.

Planet

- The company continued to take steps to support the production and use of sustainable palm oil. In 2017, over 8% of palm oil used in finished goods was certified by Mass Balance. The remainder was covered by RSPO credits. In the WWF palm oil scorecard for 2016, Oriflame scored 9/9, among the best in the industry.
- Paper and board remains a key focus area. In 2017, 97% of Oriflame's catalogue paper came from credibly certified sources and 99% of display packaging cartons and leaflets were sourced from FSC™ certified forests.
- Oriflame achieved a score of B Management for timber and palm oil in the CDP's forests programme, a recognition of Oriflame's actions to responsibly source forest-based products.
- In the CDP 2017 climate change evaluation, Oriflame was awarded a score B-, reflecting the company's actions to reduce carbon emissions and mitigate the business risks of climate change.
- Waste is an area of significant impact for Oriflame's business. In 2017, approximately 99% of all waste produced at Oriflame's factories avoided ending up in landfill. Since 2015, the waste produced in factories per unit has decreased by 17%. In absolute terms this represents a decrease of 10%.
- Water consumption per unit in Oriflame's factories has decreased by 12% since 2015, while absolute consumption has increased by 13%.

