

Aēsop.

Sustainability Report 2019



Aesop Marina Bay Sands, Singapore

'The idealists and visionaries, foolish enough to throw caution to the winds... have advanced mankind and have enriched the world.' **Emma Goldman**



A message from Michael

Since its origins, Aesop has made a commitment to supporting our communities; taken a functional, minimal and sustainable approach to our products and packaging; and invested in respectful, long-term relationships with our suppliers.

In 2019, Aesop started the journey to becoming a true triple bottom line business. We have already changed our corporate and individual goal-setting and, over time, we will transform our business into a truly regenerative model. This ensures that we continue to set a balance of Profit-, People- and Planet-related targets as a business, and further embeds a sustainability mindset across all levels of the organisation.

Over the past year we've made progress in several areas of the business, including increased community volunteering hours, greater development opportunities for our staff, ethical sourcing of materials, circular design of our products, and measuring and offsetting of carbon emissions. We've also made significant inroads in ensuring all our colleagues have access to a living wage to reduce income disparity and inequality.

The events of 2020 so far are a stark reminder of the critical role that businesses play in not just maintaining, but also improving, the health of our society and the environment. I believe that the sustainability-focused path that Aesop has set remains correct—but it requires greater speed and more ambitious targets to reflect our changing global context. Aesop remains on course to transform into a global omnichannel business, with sustainability at the heart of what we do.

Michael O'Keeffe
CEO Aesop

Sustainability at Aesop

For more than thirty years Aesop has built a reputation for high-quality products, distinctive service, outstanding retail design and a quietly non-conformist sensibility. Our purpose is to nourish through intelligent interactions, through our products, stores, people and community. Our approach to sustainability is no different. As a company founded on steadfast ethics, our intention has always been to tread lightly, with an unwavering commitment to quality, excellence and sustainability across ideas and formulations.

Aesop is part of the **Natura &Co Group**, which has a longstanding commitment to protecting the natural environment and supporting the communities with whom we engage. We are committed to achieving our sustainability goals in keeping with the group Sustainability Vision 2030—A Commitment to Life.

Our employees are the heart of Aesop. We focus on initiatives that help nurture an inclusive, engaged culture, where all staff are empowered to contribute to strategy, develop and thrive.

In recognising the importance of making a positive contribution to the communities in which we establish ourselves, we aim to create a network of partners who share our values.

We are on a journey of ever lightening our tread on a planet that generously sustains us, while continuing to formulate products of the highest quality and efficacy. Our approach to design continues to evolve, along with our ethical and sustainable sourcing of materials, and our circular principles. By 2030, we ambitiously aim for net zero greenhouse gas emissions.

This report has been developed to provide transparency on our sustainability progress. As we learn and as our business evolves, we will continue to improve our transparency of our reporting. For future reports, we will be seeking independent audit of our data.

We are committed to continuously improving our practices with honesty and sincerity.



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Introduction











- Our sustainability commitments and the United Nations Sustainable Development Goals
- Our 2019 achievements

‘There are two ways of exerting one’s strength: one is pushing down, the other is pulling up.’ **Booker T Washington**

Our sustainability commitments and the United Nations Sustainable Development Goals

Our sustainability commitments are guided by areas where we believe we can have the greatest social and environmental impact in ways that matter most to our colleagues, customers and communities.

In 2015 the Sustainable Development Goals (SDGs), along with the Paris Agreement on Climate Change, were adopted by all United Nations member states. The seventeen Sustainable Development Goals provide a blueprint for ending all forms of poverty, fighting inequality and tackling climate change. Each goal is important, and all are interlinked; however, we have chosen six goals as areas in which we believe we can effect the greatest environmental and social impact. These goals include: decent work and economic growth, reduced inequalities, partnerships for the goals, responsible consumption and production, life on land and climate action.

Our commitments	SDG	Our contribution to the SDGs	
	<p>To nurture an inclusive, engaged culture, where all employees are empowered to contribute to strategy, develop and thrive.</p>	<p>8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES</p> 	<p>We provide generous benefits to our staff around the world and aim to ensure all our staff receive an individual living wage or above by the end of 2020. We seek to foster a diverse and inclusive workforce.</p>
	<p>To be outstanding corporate citizens in all communities in which we operate.</p>	<p>8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES 17 PARTNERSHIPS FOR THE GOALS</p> 	<p>The Aesop Foundation provides support to not-for-profit organisations in order to strengthen literacy for communities in need, and to support them to tell their stories.</p>
	<p>To build a network of ethical and sustainable partnerships with those who share our values.</p>	<p>8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES 17 PARTNERSHIPS FOR THE GOALS</p> 	<p>Aesop's rigorous Ethical Sourcing Programme aims to ensure that all our suppliers use environmentally responsible processes; and safe working conditions, with all workers treated with dignity and human rights held paramount throughout the supply chain.</p>
	<p>To advance our approach to design by applying sustainable and circular principles to transform our products, packaging and operations.</p>	<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION 15 LIFE ON LAND</p> 	<p>Our packaging ethos has always been utilitarian: vessels must be functional, modest and have minimal environmental impact. We are focused on increasing the circularity of our packaging.</p>
	<p>To take climate action and influence positive social and environmental change using our network.</p>	<p>13 CLIMATE ACTION 17 PARTNERSHIPS FOR THE GOALS</p> 	<p>Our global climate action programme includes measurement and independent verification of our operational emissions including energy, global freight and corporate travel. It prioritises reduction activities across our value chain and remaining emissions are offset through global social and environmental projects.</p>

Our 2019 achievements

Introduced **unconscious bias training to people managers**. It is now available to all employees.

Launched a **dedicated health and wellbeing programme**, Aesop Life.

20,000 hours in staff volunteering time with local community organisations.



Aesop Leaders' Programme launched for senior leaders globally.

Launched our **global parental leave policy**.

Over A\$400,000 RRP of product donated to support charitable causes by retail stores.

The Aesop Foundation committed over **A\$1.5 million to our charity partners**, supporting the development of literacy in marginalised communities.



Elimination of 560,000 single-use wooden tester sticks from retail stores, replaced with reusable steel tester sticks.

Achieved **Climate Active Carbon Neutral Certification** for 2018 and 2019 global operations in Australia.

Removed plastic bubble wrap and replaced it with recyclable, fibre-based cushion paper in our stores.



Introduction of a screw-cap alternative for five products in our 500 mL range, promoting the re-use of pumps—a 12g saving of material per product.

Removed single-use plastic wrap from our Body Cleansing Slab and plastic laminate on our City and Gift Kit sleeves.

Over **70% of Aesop PET plastic bottles transitioned to a minimum of 97% recycled PET**.

95% of our direct suppliers by spend are active members of Supplier Ethical Data Exchange (Sedex), strengthening our Ethical Sourcing Programme.



90% of direct tier 1 suppliers by count have signed the Code of Conduct and implemented our Ethical Sourcing Policy.



An inclusive and engaged culture

- Our progress to date
- Our 2030 commitments
- Diversity and inclusion at Aesop
- Aesop on health and wellbeing
- A focus on learning and development

‘Every great dream begins with a dreamer.’ **Harriet Tubman**



An inclusive and engaged culture

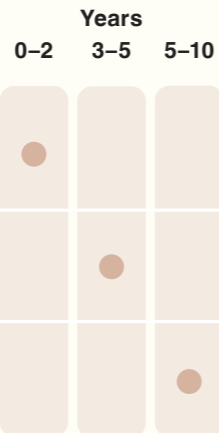
We are deeply proud of the intelligent, accomplished individuals who support our offices and stores across the globe.

We aim to nurture a culture in which employees are empowered to develop and thrive. We value respect, creativity, integrity, passion, and excellence. Our company cultivates a work environment in which our employees are fostered to be their best.

Our progress to date

- The global parental leave and flexible work policies were launched.
- An individual living wage was paid to over 90% of employees in certified living-wage markets. We aim to reach 100% by the end of 2020.
- Aesop Life, a dedicated health and wellbeing programme, was launched.
- Unconscious bias training was provided to people managers in six languages.

Our 2030 commitments



8 DECENT WORK AND ECONOMIC GROWTH



10 REDUCED INEQUALITIES



An inclusive and engaged culture

Diversity and inclusion at Aesop

We believe in listening to the perspectives of others, increasing our knowledge and enlarging our worldview. With employees in over twenty-four countries, we are committed to ensuring our internal community reflects the diversity of the populations in which we are located, and that we offer employment benefits that are most relevant to each site.

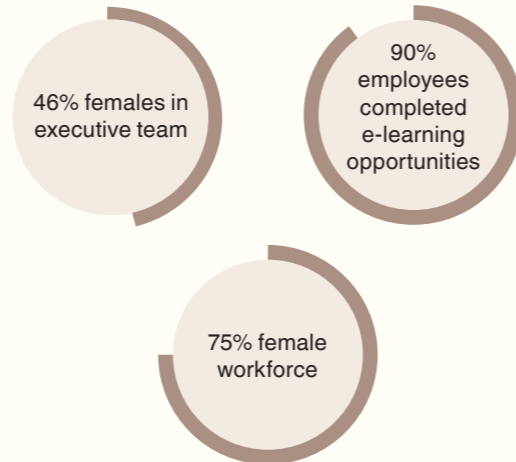
It is our aim that all employees have opportunities for development and growth that support their personal ambitions.

To support our efforts to be a more inclusive organisation, we have rolled out unconscious bias training to people managers, and provided Diversity and Inclusion sessions to HR leaders. We will offer this training more widely and on a regular basis as part of our educational programme.

In Australia, Aesop has worked with local non-profit organisations to provide employment opportunities to minority groups. We continue to nurture these relationships and are committed to providing similar opportunities in other markets that we operate in. We also offer paid volunteering time for all employees to work with local communities. We aim to be outstanding global citizens in each of the markets in which we operate.

We know that we have more work to do to educate our teams and be a truly inclusive workplace. In 2020, as a priority, we are working with experts and consulting with our employees from underrepresented groups to design a strategy to ensure our hiring and development into leadership roles actively supports these groups.

We remain committed to deepening our understanding of the different cultures and beliefs of our employees globally and establishing enduring relationships with them.



Global Headcount: 2,200+ employees worldwide in 20 countries



An inclusive and engaged culture

Aesop on health and wellbeing

Aesop Life is our employee wellbeing programme, launched in July 2019. Every other month, a specific focus is shared, aimed at promoting health and wellbeing. In 2019, topics included balanced eating, stretching and mental health. Aesop Life offers employees complimentary access to Headspace, a mindfulness app, with 18,912 meditations completed by Aesop employees in 2019.

A focus on learning and development

2019 saw a focus on developing our people managers and leaders.

We introduced the first stage of the Aesop Leaders' Programme for C-2 leaders. Seventy participants gathered in their respective regions, undertaking the first instalment of a three-stage leadership development programme. The intensive session included 360-degree feedback, one-on-one coaching and a series of workshops, fostering collegiality and development of our key leaders—as well as a strong succession pipeline.

In addition, since the introduction of People Matter in 2018, over 300 of our retail people managers globally have participated in the two-day programme aimed at building capability and confidence. We also rolled out training to people managers globally on facilitating effective Career Conversations and Performance Conversations, and provided goal-setting training, available in six languages, to all employees.



Community engagement and support

- [Our progress to date](#)
- [Our 2030 commitments](#)
- [Volunteering](#)
- [The Aesop Foundation](#)

‘Think lightly of yourself and deeply of the world.’ **Miyamoto Musashi**



Community engagement and support

Aesop has an enduring history of supporting the communities in which we operate. From modest gestures of generosity to our local communities through our stores, to more substantial donations to social causes, our commitments extend beyond pecuniary support to provide the benefits of long-term partnerships.

Our progress to date

- Staff undertook 20,000 hours of volunteering with local community organisations.
- Over A\$400,000 RRP of product was donated to support charitable causes by retail stores.
- Over A\$1.5 million was committed by The Aesop Foundation to our charity partners, supporting the development of literacy in marginalised communities.

Our 2030 commitments

	Years			
	0-2	3-5	5-10	
All staff will commit 1% of their time to charitable causes. By 2030, Aesop aims to contribute 80,000+ volunteering days annually.			●	8 DECENT WORK AND ECONOMIC GROWTH
Through donations from our signature stores, we will contribute over AUD\$14 million RRP in product to support charitable causes.			●	10 REDUCED INEQUALITIES
The Aesop Foundation will continue to support literacy and storytelling in marginalised communities with over A\$40 million in donations globally over the next ten years.			●	17 PARTNERSHIPS FOR THE GOALS

Volunteering

As part of our community engagement, Aesop staff are encouraged to volunteer 1% of their time to local charitable organisations. For example, in Hong Kong our team—together with a group of school children—helped collect and sort unwanted and unsellable fruit and vegetables from wet market vendors. The food was distributed to low-income homes, local families and the elderly.

‘We wanted to give support to the local community. There are many resources that Hong Kong wastes on a daily basis. This activity not only helps us to clean the wet market area, but also to help those low-income families and the elderly.’

Serena Song,
Brand Marketing Manager, Asia



Aesop Hong Kong staff volunteering day



Community engagement and support

the Aesop Foundation

The Aesop Foundation's focus on storytelling and literacy recognises that stories offer the opportunity to share our experiences and help us to gain an insight into the lives of others. Literacy broadens horizons, fosters individual agency and enables communication—both within and beyond our immediate communities. Viewing literacy in the broadest possible sense, the Aesop Foundation fosters cultural richness and, in turn, empowers people to share their stories in their own words and their own ways. When establishing partnerships, our Foundation staff, Committee members and Directors engage in respectful conduct characterised by:

Openness and transparency

Encouraging honest conversation in the spirit of collaboration. In turn, we are transparent regarding our intentions, processes and timelines.

A long-term perspective

Exercising patience, recognising that outcomes and impact can extend beyond the terms of the formal partnership.

Reciprocal learning

Learning with and from partners, and striving for continuous improvement.

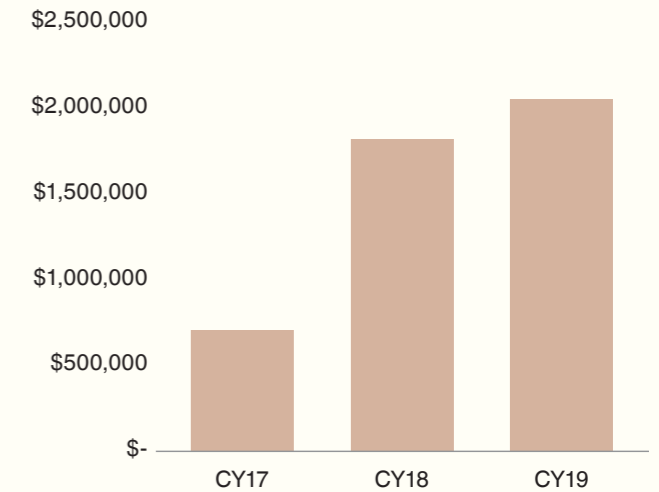
Understatement

Respectfully recognising our partners as the experts in their fields.

Generous intent

Offering gestures of support beyond funding to provide the greatest benefit to our partners. This may include facilitating collaboration and leveraging our own in-house expertise.

Donations to the Aesop Foundation (A\$)



Community engagement and support

Foundation partner: The Wheeler Centre

The Wheeler Centre is the world's first dedicated hub for books, writing and ideas. Writers, publishers and audiences of Melbourne, Australia engage with more than 200 events at the centre each year. We are proud to be a long-term supporter and friend of the organisation.

The Aesop Foundation has committed A\$900,000 to support The Wheeler Centre's Next Chapter project.

The Next Chapter supports thirty writers across three years, giving voice to those who may not otherwise have a platform for expression. The project provides targeted opportunities for under-represented voices to be part of the literary landscape. Through engaged programming with existing and new audiences, this project will support a new generation of Australian writers.



Ara Sarafian. Photo by Jon Tjhia

'Each year, we pick ten outstanding writers and give them \$15,000 each to develop their work. We match them with a mentor, and work closely with them on bringing their writing to life, connecting them with other writers, publishers, booksellers and readers—and guiding and training them through that experience. And we follow and support them and their work through their career, with initiatives that help publishers, booksellers and readers alike to join us in supporting these Australian stories.'

This is for the stories that aren't being told, the voices we're not hearing, and the ideas that need patience, care and work to introduce to the world.'

The Wheeler Centre

Foundation partner: Karrkad Kanjdji Trust

The Karrkad Kanjdji Trust works with communities in the **Warddeken Indigenous Protected Area** in Arnhem Land, a remote region of Australia's north. The Aesop Foundation provided A\$100,000 to support the development of an Indigenous Language and Culture curriculum.

The curriculum fulfils the Warddeken community's vision to create a vibrant and thriving celebration of language and culture that can be passed down through generations. This honours a 50,000-year legacy of stories and connection to the land. The Karrkad Kanjdji Trust has developed bilingual literacy resources in both printed and digital form, as well a digital app to capture vital language and cultural knowledge.



Nawarddeken Academy student Miles with a seasonal calendar from a neighbouring area. Photo by Rowand Taylor

'Everything is all connected with language and song...because that's how we learn. That's really important because we want our kids to have that.'

**Terrah Guymala,
Land Management Ranger,
Manmoyi Outstation, remote Australia**

Ethical and sustainable sourcing

- Our progress to date
- Our 2030 commitments
- Dutjahn Sandalwood Oils

‘Nature forever puts a premium on reality.’ **Ralph Waldo Emerson**



Ethical and sustainable sourcing

Our rigorous ethical sourcing programme aims to ensure that all our suppliers use environmentally responsible processes; and safe working conditions, with all workers treated with dignity and human rights paramount throughout the supply chain.

We work to uphold this through our supplier code of conduct; ethical sourcing policy; regular supplier visits; and risk assessments of our suppliers using Supplier Ethical Data Exchange (SEDEX) and SEDEX Members Ethical Trade Audits (SMETA 4-pillars audit) for medium- and high-risk suppliers.

Definitions:

Direct suppliers: Suppliers who provide a good or service directly involved with, or included in, our products. For example, the providers of our essential oils are considered direct suppliers.

Tier 1 suppliers: Suppliers from whom we buy directly.

Our progress to date

- 95% of our direct suppliers by spend are active members of Supplier Ethical Data Exchange (Sedex), strengthening our Ethical Sourcing Programme.
- 90% of direct tier 1 suppliers by count have signed the Code of Conduct and implemented our Ethical Sourcing Policy.
- We complete SMETA audits of certain high-risk suppliers as part of our supplier assurance programme.

Dutjahn Sandalwood Oils

Dutjahn Sandalwood Oils (DSO) is an oil distillation company located in Kalgoorlie, Western Australia, supplying our sandalwood. We first partnered with the business in 2018, after an extensive search for ethically sourced sandalwood oil that meets our aroma profile and quality requirements.

DSO is a 50% Indigenous-owned enterprise that produces 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. To ensure culturally appropriate sandalwood harvesting, DSO works with the Martu and Wongi people, the traditional custodians of the land on which the sandalwood grows. Sandalwood has been revered for generations by the Martu and Wongi for its medicinal properties, and used in smoking and cultural ceremonies and for spiritual practices.

Aesop has worked with DSO, ensuring alignment with our supplier code of conduct, and to build supply chain transparency, by understanding the social, ethical and environmental risks involved in their practice. They are active Sedex members and have been assessed as a low-risk supplier. DSO has demonstrated leadership in promoting Indigenous voices, employing sustainable business practices, and raising awareness of the impact of local climate change. In 2018 DSO won the Emerging Export Awards. Last year, the company was the first Australian recipient of the prestigious Equator Prize from the United Nations and the Sedex award for Best Collaborative Effort.



Clinton Farmer and Darren Farmer, Directors and Owners.
Photo by Jody D'Arcy

Our 2030 commitments

Years
0-2 3-5 5-10

All partners will be assessed against Aesop's social and environmental selection criteria.		●	
We will ensure traceability and certification (where applicable) of critical supply-chain ingredients (essential oils, palm oil, soy, cotton, paper, alcohol, corn).		●	
All significant and high-risk partners will be independently reviewed or audited.		●	
We will invest in long-term partnerships with shared values.		●	

8 DECENT WORK AND ECONOMIC GROWTH



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17 PARTNERSHIPS FOR THE GOALS



Sustainable design

Product development

- Our progress to date
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- A commitment to protecting biodiversity
- Certified sustainable palm oil
- Responsible forest stewardship

Packaging

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- Transition to recycled PET
- Packaging return programme
- Closing the loop on our packaging

Operations

- Our progress to date
- Our 2030 commitments
- Retail Design
- Visual Merchandising

‘Any great change must expect opposition, because it shakes the very foundation of privilege.’ **Lucretia Mott**



Sustainable design: product development

Since our inception, we've maintained a fiercely independent approach to product research and development. Our team of skilled scientists works out of our Melbourne, Australia head office in a utilitarian, custom-built laboratory conceptualising product ideas, researching blends and creating prototypes. We source ingredients from the most reputable suppliers across the globe, then marry contemporary technology with long-established scientific practices. We launch new products only in response to genuine needs expressed by our clients, and only after extensive research delivers formulations of the highest safety, quality and efficacy.

Our progress to date

- No Aesop product—or ingredient used in our formulations—is tested on animals. Aesop has never conducted nor commissioned animal testing for any product.
- We are included in PETA's Cruelty-Free and Vegan lists.
- All Aesop cleansing products have been tested to comply with the 'ultimate biodegradability' status of the EU Detergents Directive.
- We collect information from our raw material suppliers on their environmental performance including energy, water, land use and biodegradability.

Our 2030 commitments

	Years		
	0-2	3-5	5-10
Our formulations will remain vegan and will not be tested on animals.	●		
We will collect and review information on the social and environmental impact of all ingredients.		●	
We will ensure traceability and certification (where applicable) of critical supply-chain ingredients (essential oils, palm oil, soy, cotton, paper, alcohol, corn).		●	





Sustainable design

A commitment to protecting biodiversity

We are committed to protecting biodiversity and supporting conservation efforts. These are critical considerations in our ingredient and packaging selection process, as well as in projects that we support through our emissions offsetting.

We are focused on improving the traceability of our raw materials. Our Research & Development team consider country of origin, crop cultivation, type of plant, land use, the perspectives and knowledge of First Nations populations, water scarcity in the region, and sustainable alternatives for all raw materials. As technology develops, our team continues to look for innovative and more sustainable alternatives.

Certified sustainable palm oil

We recognise the complex ethical, social and environmental issues associated with the production and consumption of Palm Oil and the significant impacts on biodiversity. Though it may seem that the best solution is to replace palm oil with other types of vegetable oil, this would lead to further social and environmental implications. We support and use Roundtable on Sustainable Palm Oil (RSPO)-certified ingredients in our formulations because we are acutely aware that switching to an alternate source would result in greater land being consumed.

At Aesop we use certified sustainable (mass balance) ingredients where they are available. We offset our remaining palm oil and palm-derived ingredient consumption through the Palm Trace scheme run by RSPO. These certificates give money back to growers who produce sustainable palm oil to reward and encourage their efforts.

We are working towards sourcing only certified sustainable materials from segregated supply chains as demand for these ingredients within the cosmetic industry increases.

Responsible forest stewardship

Globally, two systems—Program for the Endorsement of Forest Certification (PEFC) and Forest Stewardship Council® (FSC®)—promote sustainable forest management through certification against requirements developed through their respective standard setting processes.

As part of our ongoing commitment to improving our sustainability practices, all paper and cardboard materials used for product packaging will be certified by FSC®.

We are updating product artwork to include the FSC® trademarked symbol on our retail packaging, and expect this to be completed in 2022.

Our wrapping paper is certified under PEFC.



Sustainable design: packaging

Our packaging codes have remained largely unchanged over the years. Our ethos has always been utilitarian: vessels must be functional, modest and have minimal environmental impact. Guided by these uncompromising principles, we must also ensure formulation compatibility, adherence to global compliance regulations, and functional simplicity for our customers. We are committed to demonstrating leadership in packaging sustainability, and to ensuring that our customers' experience reflects our commitments to both quality and the environment.

We recognise that considerable work remains to minimise the environmental impact of our packaging, and we are working to improve our practices as a matter of priority.

Our progress to date

- Over 70% of our PET plastic bottles have been transitioned to a minimum of 97% recycled PET.
- Plastic bubble wrap has been replaced with recyclable, fibre-based cushion paper in our stores.
- Forest Stewardship Council® (FSC®) or Program for the Endorsement of Forest Certification (PEFC) is sourced for all paper and cardboard used for product packaging and shippers.
- A screw-cap alternative has been introduced for five products in our 500 mL range, promoting the re-use of pumps—a 12 g saving of material per product.

Transition to recycled PET

At the start of 2019, we began to transition our PET bottles to a minimum of 97% post-consumer Recycled Polyethylene Terephthalate (recycled PET) materiality.

Recycled PET provides a lightweight, durable and safe material in which to house our formulations. In partnering with our suppliers, we've helped to create demand and value for material that could otherwise be going to landfill, which in turn helps to create circular systems. Compared to virgin PET material, recycled PET provides an overall reduction in greenhouse gas emissions. During this project, bottles were also re-designed and rendered more lightweight to decrease the total amount of material consumed per unit, thereby further reducing our impact.

Packaging return programme

As part of our commitment to closing the loop of our packaging and improving customer access to recycling services where these are limited, we partnered with HK Recycles to deliver Rinse & Return Hong Kong in late 2018. This initiative invited Hong Kong customers to return used Aesop product packaging (which could not be recycled at home due to limited household services) to a store or counter for recycling. In 2019, a total of at least 3,573.4 kg of material was diverted from landfill. We will continue to evaluate similar packaging recycling programmes in our other markets to further reduce our impact.

Closing the loop on our packaging

In 2019, we took the first step towards our refill solution—a screw-cap variant of our 500 mL Hand and Body Cleansers. This packaging format offers a 12 g plastic saving per unit through the re-use of pumps. Pumps can be used up to six times with the same formulation. In the year of its launch, this initiative reduced our consumption of plastic material by 430 kg. Our Innovation and Packaging teams are developing additional steps towards circularity in 2020.



Our 2030 commitments

	Years		
	0-2	3-5	5-10
All packaging will be reusable, recyclable or compostable.		●	
We will aim to use an average of 50% recycled content across our packaging range.		●	
We will deliver a refill or closed-loop solution for 50% of our packaging range.			●





Sustainable design: operations

As we enhance our operations, we remain thoughtful in both our consumption and disposal of materials, and how these impact the planet. We continue to improve our measurement of water consumption and waste production, moving towards zero-waste operations and reduced water consumption.

Aligning with Natura &Co's 2030 commitments to reducing the environmental impacts of our products, we also seek to minimise our environmental impact across our value chain, especially waste generation and water consumption. This involves examining, in detail, the impacts of our retail, digital and head office operations. Where possible, our preference is to remove and reduce unnecessary elements, while increasing the recyclability of the materials we use.

We remain committed to innovative solutions to achieve this, including systems that support closed-loop solutions.

Our progress to date

- Global retail and office waste audits helped to identify reduction opportunities.
- Organics recovery collections have been implemented in our Australian and UK head offices.
- Plastic bubble wrap has been replaced with recyclable, fibre-based cushion paper in our stores
- 560,000 single-use wooden tester sticks were eliminated from retail stores and replaced with reusable steel tester sticks.

Our 2030 commitments

	Years		
	0-2	3-5	5-10
We will continue to measure and understand the impact of our waste generation and water use across our value chain.	●		
We will establish waste and water reduction strategy and targets by 2021.	●		
We will work towards zero waste, implementing reduction and recycling initiatives where possible (such as increasing organics recovery across direct operations).			●



Aesop Bondi Beach, Australia

Sustainable design

Retail Design

Our retail design is stimulated by unexpected affinities, the result of establishing contextually relevant, aesthetically inspiring stores.

It is always our intention to be grounded by an approach of architectural restraint and modesty. Our design has a domestic quality and aesthetic, favouring quality over opulence. Restraint is demonstrated through a robust and modest selection of materials which are used in intelligent and unexpected ways—a marriage of wit, ergonomics and aesthetics.

In 2019, we commenced a project with external consultants to develop a sustainability scorecard for our stores to measure social and environmental impact from construction through to decommission. The objective was to develop strategies to improve our design process, practices and delivery of projects. Within the next three years we have committed to improving our sustainability scores by thirty points through actions linked to Aesop's strategic pillars across the following key measures:

- i. Materials (composition, re-use and end of life)
- ii. Circular design
- iii. Transport
- iv. Embodied energy
- v. Social procurement

The scorecard will be used to ensure more sustainable retail design in the future and implement quantifiable change.



Aesop Bath, United Kingdom

Visual Merchandising

Our Visual Merchandising department plays a key role in orchestrating the environment in our stores around the world, engaging with the public both physically and philosophically. This work is guided by two key factors: design principles and our sustainability objectives. Our visual merchandising seeks to provoke sensory pleasure and surprise, intellectual and emotional engagement, and aesthetic impact—with minimal environmental detriment. With this in mind, our generous displays are created with meticulous consideration and a commitment to working with materials that are reusable, recyclable or compostable.

Throughout 2019, several global campaigns demonstrated this approach. One example was the Skin Care+ campaign, in which mixed laboratory glassware was purchased. These items are now stored in the Aesop VM prop library to be used for future displays across various locations and campaigns.



Aesop Century City, USA

Climate action

- Our progress to date
- Our 2030 commitments
- Climate Active Certification:
Australia and New Zealand certified carbon neutral
- Carbon-offsetting project:
Kariba REDD+ and Chikova School Garden

‘Give to every human being the right that you claim for yourself.’ **Robert Green Ingersoll**



Climate action

Our commitment to climate action is driven by our historic values and desire to lighten our environmental footprint. We are continuing to improve our operations, reducing emissions intensity and working with our partners to have a positive impact.

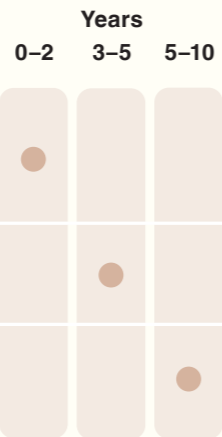
We have made strong progress towards the goal of achieving net zero emissions by 2030, with reduction initiatives focused on our largest sources of emissions including freight, corporate travel and energy. Additional reduction initiatives have been established in our packaging, raw material sourcing, waste and e-commerce.

Following these activities, our subsequent impact is offset through a range of certified projects that deliver social, environmental and economic benefits to our communities. The projects that we support mitigate future greenhouse gases and abate historical emissions. Our Australia and New Zealand operations are certified carbon neutral under the Australian government scheme Climate Active.

Our progress to date

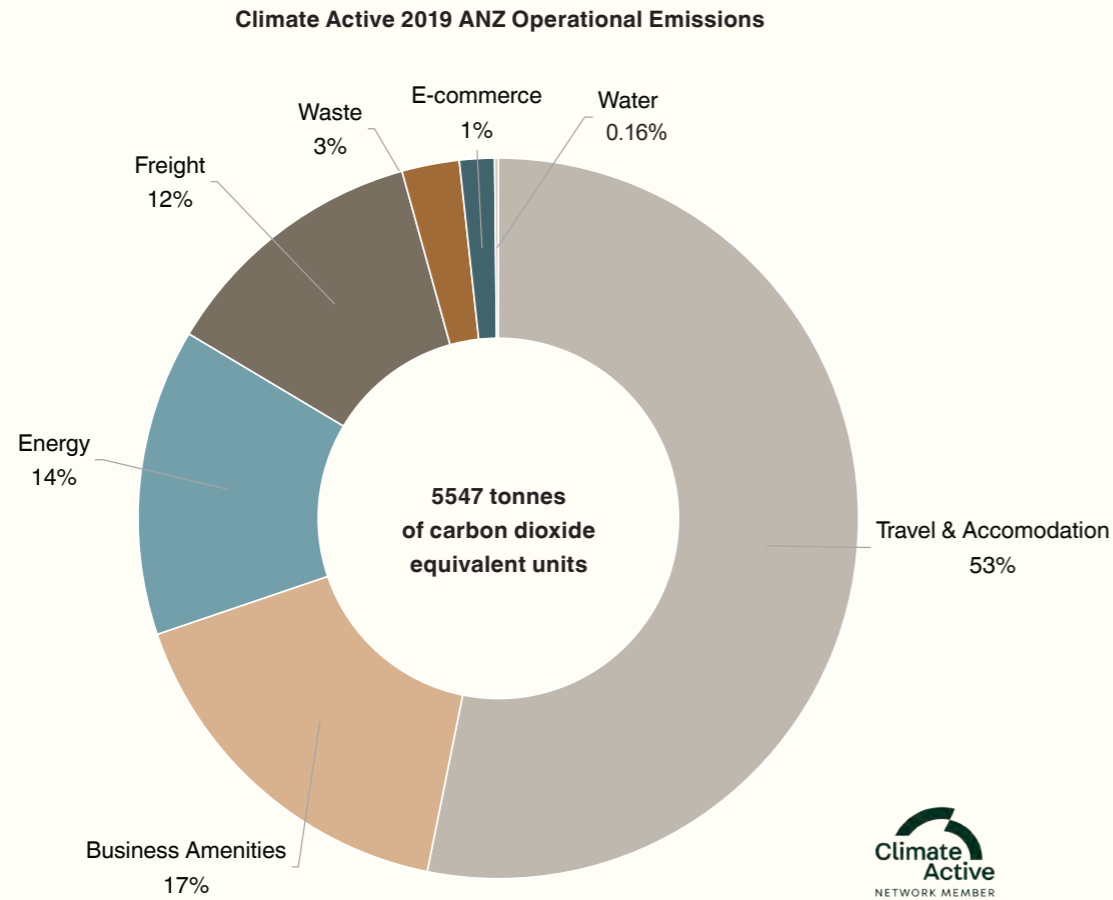
- We currently measure, reduce and offset all direct greenhouse gas emissions (scope 1 and scope 2) and part of our indirect (scope 3) emissions across our global operations. We continue to expand our measurement and understanding of scope 3 emissions.
- Over 19% of our global energy consumption comes from renewable sources.
- The equivalent of 10,550 tonnes of carbon dioxide credits were purchased to offset our 2018 operations, protecting 12,936 square metres of Australian biodiversity.
- Our 2018 and 2019 Australian operations have been certified carbon neutral under Climate Active.

Our 2030 commitments



Climate Active Certification: Australia and New Zealand certified carbon neutral

To advance our journey towards net zero we have achieved carbon neutral certification for all of our Australia and New Zealand retail and head office operations under the Australian government's Climate Active certification. This rigorous third-party credential requires all operational emissions to be recorded and offset, and, importantly, requires that year-on-year reductions be demonstrated. We chose this certification precisely because it is one of the most stringent global standards.



Carbon-offsetting project: Kariba REDD+ and Chikova School Garden

We have supported the Kariba REDD+ project, located in Northern Zimbabwe near the Zambian border, since 2017. The project supports vulnerable and endangered species by connecting national parks in the region and protecting land from deforestation and degradation. In addition to biodiversity benefits, the project supports regional sustainable development and the independence and wellbeing of local communities.

As part of this project we support the **Chikova School Garden Project**, an initiative in Northern Zimbabwe, providing opportunities for economic empowerment and knowledge-sharing. Vegetables grown in the garden are taken home by teachers and students; surplus vegetables are sold at the local market, generating income for the community. Supporting the project since 2017 has allowed us to witness significant development over time and the benefits of sustained engagement.



Photo by South Pole

'To be what we are, and to become what we are capable of becoming, is the only end of life.' **Robert Louis Stevenson**



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

Illustrations by Ruby Martin and Katie Scott