

# SUSTAINABILITY REPORT 2022 HIGHLIGHTS

READ THE FULL REPORT

#### DEAR READER,

It is our passion to create beautiful and innovative products to help people slow down and rediscover happiness in the smallest of things. At the same time, it is our vision to ensure that luxury and sustainability go hand in hand. We all want to leave the world a better and happier place for our children, compared to how we found it. That's why we are just as serious about environmental wellbeing as we are about the personal wellbeing of our customers, employees and wider communities. This is a journey that never stops, and we are far from finished. In this document, you'll find a summary of Rituals' Sustainability Report 2022, highlighting our five main topics on the right.

We are proud to be a **Certified B Corporation**<sup>™</sup>. Achieving this means we meet high standards of social and environmental impact and are committed to accountability, transparency and continuous improvement.

Certified



In line with the UNFCCC Paris Agreement and the Science-Based Targets initiative, we commit to reducing our greenhouse gas emissions by 50% in intensity by 2030, versus our 2021 figures\*. We are on our way to achieving Net-Zero by 2050, for the wellbeing of people and planet.

In 2022, 802,587 kg in materials and **19,3** million litres of water were saved thanks to our customers embracing refills. Plus, **5 million** trees are to be planted, protected and restored in India, Kenya & Colombia as part of our Buy 1 refill = Grow 1 tree initiative.

< ·>90%

80% of our in-scope personal care formulas contain at least **90%** natural origin ingredients. Our next step is to transition the remaining 20%.



739,240 beach bags co-designed with Tiny Miracles were given out with purchases, generating life-changing income for hundreds of women in India.

## PROUD TO BE B CORP<sup>TM</sup>

Rituals has now been a Certified B Corporation<sup>™</sup> for a year. This means that we are a company that uses business as a force for good! B Corp is one of the most respected – and toughest to gain - certifications when it comes to sustainability (and so much more). Achieving this means we meet high standards of social and environmental performance, transparency, and accountability. The B Corp assessment is split up into five categories. Here are some of the key focus areas for our certification:

# GOVERNANCE

We are publishing an annual sustainability report to ensure transparency around our social and environmental impact.

Company bylaws enshrine consideration for people and planet in business decisions.

Our code of conduct and whistleblower policy is communicated to all employees in a dedicated training module.



We measure our carbon footprint and have committed to reduce our carbon emissions by 50% in intensity by 2030.

Next to our large existing refill assortment, we have now also introduced a new range of eco-chic refill options that save on materials for our skincare serums.

We have increased 80% of our personal care formulations to be >90% natural origin.

# COMMUNITY

With our Karma Day, all head office and Benelux office employees can volunteer for charity.

Our Diversity & Inclusion board and Ambassador Group supports and sets up programmes to support our culture.

We proudly support the Tiny Miracles Foundation, War Child & the Super Chill Foundation.

# EMPLOYEES

We measure employee satisfaction and engagement on a regular basis via our People Pulse Survey.

We have been awarded for four wellbeing programme, employee review process and career development journey.

We have a solid healthcare and retirement programme worldwide for employees at our shops and offices.

# CUSTOMERS

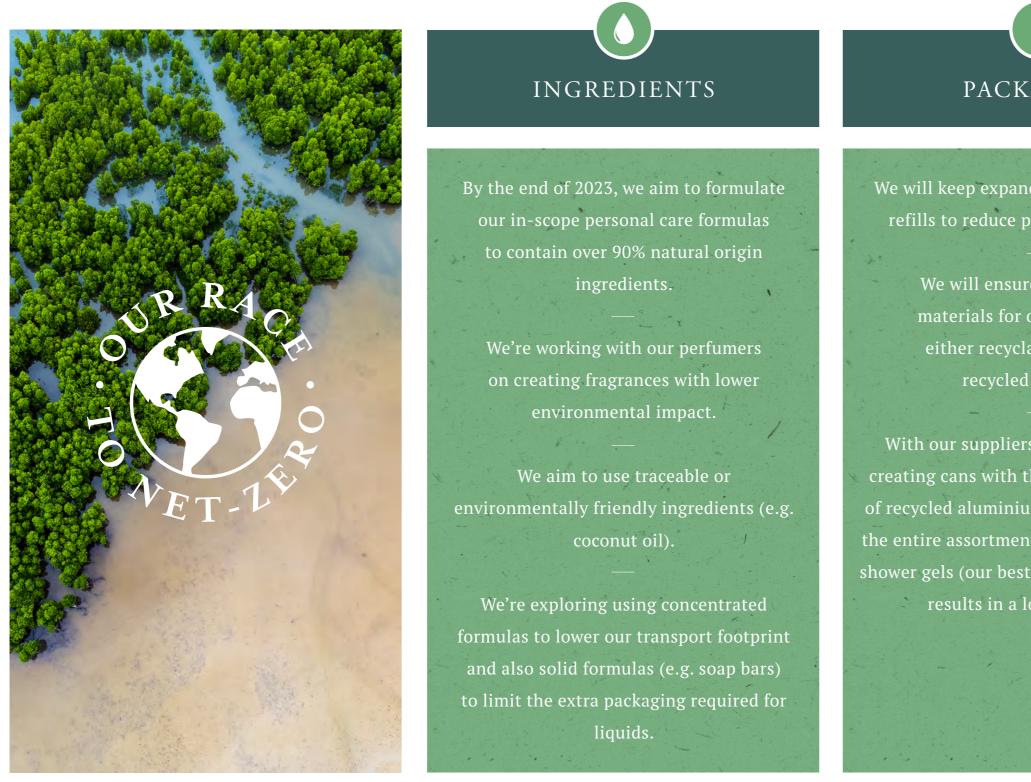
We treat our customer data respectfully and are GDPR compliant.

At Rituals we have a data security officer & cyber security team.

We actively involve customer feedback in our product development.

## OUR RACE TO NET-ZERO

In 2022, we started the process of setting carbon reduction targets in line with the goals of the Paris Agreement which resulted in our Net-Zero commitment. This commitment is based on the Net-Zero standard developed by the Science Based Targets Initiative (SBTi): a 50% GHG emissions intensity reduction by 2030, versus our 2021 figures, and achieving Net-Zero by 2050. Here is how we are going to get there:



# PACKAGING

We will keep expanding our collection of refills to reduce packaging materials.

We will ensure the packaging materials for our products are either recyclable or made of recycled materials.

With our suppliers, we are working on creating cans with the highest percentage of recycled aluminium content possible for the entire assortment of our iconic foaming shower gels (our bestselling product), which results in a lower footprint.

#### OPERATIONS

Our stores run on green electricity and have energy-saving appliances (like LED lights) and we will continue to ensure this for every new store opening. We are also looking into improving our store design to maximise energy efficiency.

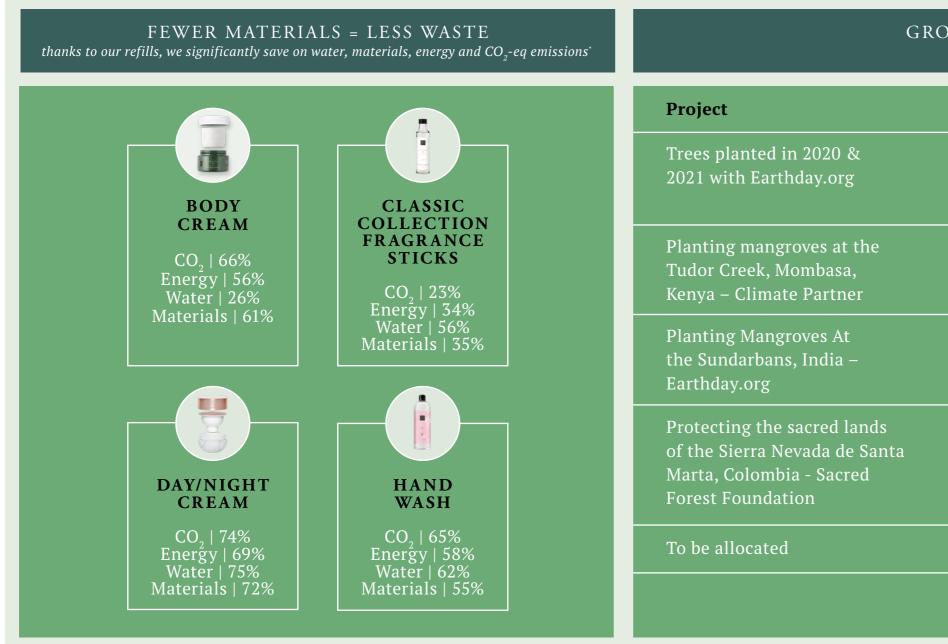
For new store designs, we are increasing the amount of recycled and environmentally certified materials.

We aim to decrease the amount of store deliveries needed by making them more efficient.

We are working with our logistics suppliers to ensure low-impact shipments.

#### BE THE CHANGE buy 1 refill = grow 1 tree

Thanks to our customers embracing the refill concept, we are using less of the planet's resources. In 2022 alone, we saved 802,587 kg in materials, 32,871 GJ-eq in energy, 1,766 tons of  $CO_2$ -eq, and 19.3M litres of water. On top of this, we introduced our 'Be The Change' campaign, where we have committed to plant, protect or restore a tree for every refill sold in collaboration with our environmental partners, reaching our goal of 5M trees in January 2023.



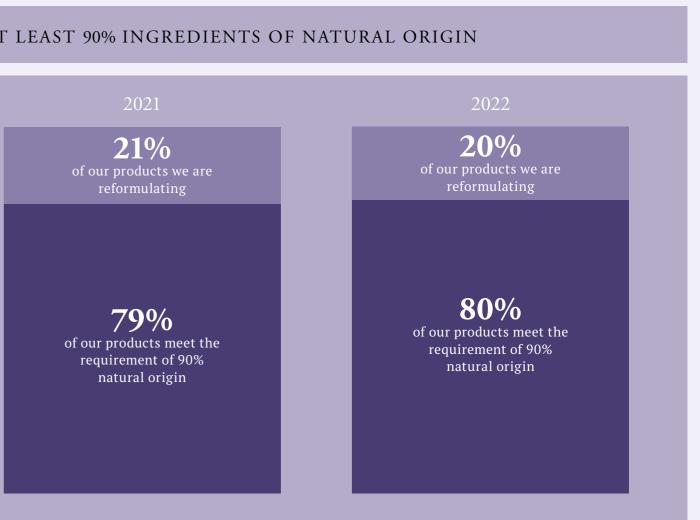
WING TREES TOGETHER our overview to date		
Trees grown	Status	
413,196	All planted	
750,000	All planted	
2,000,000	All planted	
1,800,000	This project is a combination of planting, protecting and restoring. 50% of the project will be executed in H12023.	
36,804	To be planted in 2023	
5,000,000		

WATCH THE VIDEO

# INGREDIENTS OF NATURAL ORIGIN

We use as many ingredients of natural origin as possible. Still, sometimes lab-made alternatives are better for product safety, usability and most importantly: are more environmentally friendly. By the end of 2023, we strive that all our in-scope personal care formulas will be of >90% natural origin. Our in-scope products that consist of at least 90% natural origin ingredients rose from 79% in 2021 to 80% in 2022. The remaining 20% of our products are currently in development and will be introduced to the market in 2024.

OVERVIEW OF IN-SCOPE PRODUCTS		PRODUCTS WITH AT	
>90% natural origin	Formulas being improved	2020	
Body cream	Body mousse-to-oil		
Body scrub	Hair oil	- <b>30%</b> of our products we are	
Candles	Shower foam	reformulating	
Conditioner	Shower oil		
Dry oil	The Ritual of Jing pillow & body mist	70% of our products meet the	
Fragrance sticks	The Ritual of Jing hair & body mist		
Hair & body mist	The Ritual of Mehr 2 phase bath oil	requirement of 90% natural origin	
Hand balm	The Ritual of Sakura bath foam		
Hygienic hand gel			
Hand lotion		OUT-OF-SCOPE PRODUCTS	
Hand wash		For two different reasons, a few of our pe	
Home perfume spray		products are not in scope for this objective. high level fragrance products. Fragrances for from natural origins have a high environmenta growing, harvesting, and processing the crops carbon intense. Therefore, for our high fragram	
Shampoo			
Shave cream			
Skincare		such as Eau de Parfum, car perfume, cartridg	



personal care re. Firstly, our fully derived ntal impact, as os is water and rance products idges and USA fragrance sticks and spray, synthetic fragrances are currently still the more sustainable choice. Secondly, for some of our products, we use a combination of natural origin and synthetic ingredients to secure optimum protection and product performance. This list includes: shave foam, sun care, antiperspirant spray and stick, makeup and our Elixir Collection. We continue our innovation efforts to develop more sustainable options for the future.

## TINY MIRACLES



Rituals has been a proud supporter of the Tiny Miracles Foundation since 2011. This pioneering, B Corpcertified foundation is on a mission to help some of the poorest communities in Mumbai, India, break out (and stay out) of the poverty cycle. They take a holistic approach, aiming to create fully self-supporting communities within a 10-year time frame. As part of this, Rituals contributes to the salaries needed to pay for education and healthcare plus, we also help to provide the community with work and income, giving them the first step in breaking out of their own poverty cycle.

Next to the financial contribution, we've continued to expand our collaboration. The co-designed Rituals bags made by the women working with Tiny Miracles in India, continue to be a big success. This year we sold 40,000 pieces and gave away 739,240 as a gift with purchase. At Tiny Miracles, anyone is welcome to work – and for those who cannot use a sewing machine or can't participate in the bag production for other reasons - we have a new opportunity. In 2023 we will be offering a bracelet as part of our Summer of Joy gift box and these 800,000 bracelets will be made by the people of Tiny Miracles.

In November 2022, Tiny Miracles opened a large workspace close to three of the communities in Mumbai and now

organises a bus that goes back and forth to pick up the employees. 160 people now work in this great open area. Not only is it a space where they can create Rituals products, but it also serves as a community centre where they host awareness sessions, skills training and there's a terrace which they can use for celebrations. The community members feel great pride in this space, and it's become a second home to many.

The foundation now also has a women's council, made up of seven community members, representing all the working women. They discuss how they can improve areas of their work and solve any issues. Monthly surveys are conducted among the women to better understand their needs, and how the foundation can further help them.



## LOOKING FORWARD

#### DEAR READER,

Thank you for showing interest in Rituals' journey to sustainable wellbeing. We are excited to continue on this journey in collaboration with our employees, our consumers, and our partners. As we move into the future, we want to build on the work we have already achieved, leading with care, compassion and commitment to help create a better world. We are committed to taking the next steps needed to move closer towards the goals we have set ourselves.

In 2022, we made a huge commitment to achieve Net-Zero by 2050. This commitment marked an important milestone in our path to sustainable wellbeing, but we are aware this is just the beginning of this journey. In 2023, Rituals will build on our recent achievements and continue to work on reducing our environmental impact and hitting the goals we have set in our B Corp targets. This will prepare us for our re-certification in 2024. A couple of examples of our next big steps are increasing our use of recycled materials used in our packaging, increasing the circularity of our products and expanding our refill assortment.

We look forward to sharing the next chapter of our sustainable journey with you. For any questions or remarks, you can reach us at:

sustainability@rituals.com

