



OUR PATH TO SUSTAINABLE WELLBEING

2020 Sustainability Report

2020 KEY HIGHLIGHTS

CLEAN



Launched the **clean & conscious Product evaluation tool**



The Ritual of Ayurveda was reworked to meet our **90% natural origin** treshold.

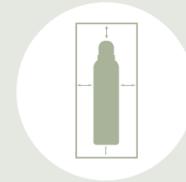
CONSCIOUS



Introduced **recycled plastic** for our body creams, shower oils, bathfoams, scrubs and parfum d' interieur



All our own Rituals stores and our offices are powered by **green electricity**



Introduction of **new packing equipment** with our webshop partner. This equipment sizes a carton around the products ordered.

CARING



The Rituals **happiness challenge** reached almost **300,000 people**.



The Ritual of Jing was launched. A collection that helps people to relax, calm the mind, and improve the quality of sleep.



The Super Chill app for yoga & mindfulness in the school class was piloted.

An aerial photograph of a rocky coastline. The left side of the image shows dark, jagged rocks of various sizes. The ocean is a deep teal color, and white, frothy waves are crashing against the rocks, creating a complex, lace-like pattern of foam. The text 'TABLE OF CONTENTS' is overlaid in the upper right quadrant in a white, serif font.

TABLE OF CONTENTS

A WORD FROM THE CEO

Dear reader,

I am incredibly proud to present to you our very first sustainability report. This document marks an extremely important moment, not just for me personally but for the ongoing evolution of Rituals. Why? Because it provides clear insight into all the measures and efforts that we as a company take, and have been taking over the past 20 years. Not only to reduce our environmental footprint, but at the same time, to ensure we leave a fingerprint of wellbeing wherever we go. After all, our mission is as much about creating a path to sustainable wellbeing for the planet as it is about supporting your journey to personal wellbeing.

The need for improved wellbeing of both people

and planet is universal and more relevant than ever before. We all want to leave the world a better and happier place for our children, compared to how we found it. We all wish to see nature, the environment and future generations flourish and thrive, and to enjoy a soulful life.

To accomplish this mission, we all need to take our own responsibility. We all need to accelerate our efforts, take action and make steps, both big and small. And more than anything, we all need to make conscious choices that will have a positive societal and environmental impact for years to come. As a successful company, we feel that sustainable entrepreneurship is not only the right thing to do, it is our obligation.



One we are very passionately committed to.

Of course, this journey is an ongoing evolution. Rituals has made big steps already. But we realise there is a lot of work still to be done, and we are dedicated to constantly improving our efforts and goals.

In order to aim higher, we have founded our Clean, Conscious and Caring program. This guide will keep us on our toes at all times, and taps into all the aspects of good and sustainable practices that serve you personally as well supporting a more sustainable world. And within this report, you'll discover our many other social and environmental efforts too.

“

We can only create meaningful moments with our products, if they do not harm the wellbeing of people and planet.

How we save wrapping paper on over 12 million gift sets thanks to our unique gift set design; our switch to green electricity contracts for all our own stores; and how we avoid over 200,000 kgs of packaging material annually, thanks to loyal customers using our eco-conscious refills. These sustainable initiatives, and many more, can be found on the following pages.

I hope you will be inspired by the read,

Raymond Cloosterman

Founder and CEO

FACTS & FIGURES

THE WORLD OF RITUALS



840+
stores worldwide



1
House of Rituals
Flag Ship Store



2,745+
shop-in-shops



6
Urban and Airport Spas



120+
cruise & ferry locations



12
stand-alone
stores at airports



650+
travel shop-in-shops



2,500+
boutique hotels



7
airline partners

OUR PRESENCE in 67 countries

Angola
Antigua
Argentina
Aruba
Australia
Austria
Bahamas
Barbados
Belgium
Bermuda
Brazil
Canada

Caribbean
Cayman Islands
Chile
China
Colombia
Croatia
Curaçao
Czech Republic
Denmark
Dominican Republic
Egypt
El Salvador

Estonia
Finland
France
Germany
HongKong
Isla Guadalupe
Isla Martinique
Italy
Japan
Kenya
Latvia
Lithuania

Luxembourg
Maldives
Mexico
Morocco
New Zealand
Norway
Oman
Panama
Paraguay
Peru
Poland
Portugal

Qatar
Republic of Ireland
Romania
Senegal
Spain
St. Martin
St. Kitts
St. Lucia
St. Thomas
Suriname
Sweden
Switzerland

The Netherlands
Trinidad and Tobago
Tunisia
United Arab Emirates
United Kingdom
United States
of America
Uruguay





ABOUT RITUALS

Every day is an opportunity to make new discoveries and uncover routines waiting to be found, helping to reveal their beauty within.

Routines are the small moments that go unnoticed. The actions that have become repetitive and commonplace. But Rituals helps us to discover the deeper meaning in the routine, to find the moments of serenity in the every day. As an iconic wellbeing brand, Rituals believes that wellness lies in the small moments

that we choose to use to slow down and reflect. Whether it's taking an indulgent bath rather than a hurried shower, lighting a candle to infuse a room with the scent of Sweet Jasmine or Jujube, or enhancing your morning with Elixir hair treatments, Rituals makes the mundane into moments worth appreciating.

OUR CUSTOMERS

Our organization is built on and around consideration of our customers' wellbeing. Our luxury care products have been developed to bring body and soul together in harmony. We aim to bring soulful intention into everything we do. From our boutiques, designed with calming lighting and a soothing ambiance, to the genuine attentiveness of our store employees, who might offer tea or hand massages to guests, our aim is to inspire a feeling of serenity in all.

Our newly opened House of Rituals in Amsterdam is the ultimate embodiment of this brand philosophy. Established in honor of our 20th anniversary, it is the physical embodiment of our holistic approach, bringing care for the

mind and body together in a luxurious setting. Guests can be pampered in our Body and Mind Spas, discover new fragrances in The Luxury Perfume Bar or feed their soul at Restaurant Rouhi.

We want our customers to be able to fully embrace the art of soulful living, which is why we have an in-house customer satisfaction team in order to answer and solve any inquiries customers may have.

With a rating of 8.2 out of 10, in 2021 Rituals was considered the most customer-friendly company in the Netherlands. This is based on independent, continuous online research among Dutch customers by the research agency MarketResponse.



OUR EMPLOYEES

At Rituals, we believe in a soulful and sustainable way of life. As such, the wellbeing of our employees is our utmost priority. We believe that personal growth and development is important for the wider welfare of the company. After all, happy and healthy employees are key for a sustainable business model.

As of 2020, the Rituals family consisted of 7,007 employees, of which 876 employees worked in our national Head offices, and 6,131 employees in our stores. As our company grows, so does our staff. Last year, we hired an average of 20 employees per month for our Head offices and 253 for our stores. Our employees are represented in a Works Council. We believe that in order to create a meaningful contribution to society, our organization should reflect the diversity of that society by actively practicing - not just preaching - inclusivity.

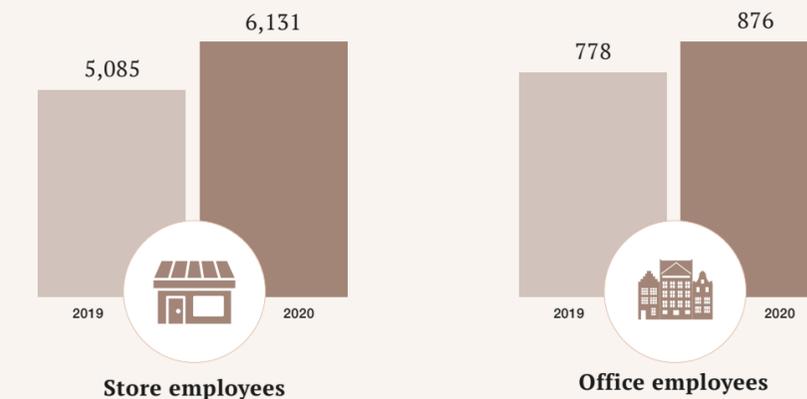
Moreover, in order to appeal to broader

international markets, we aim to represent different groups and individuals with unique, visible or invisible, conditions, strengths and challenges.

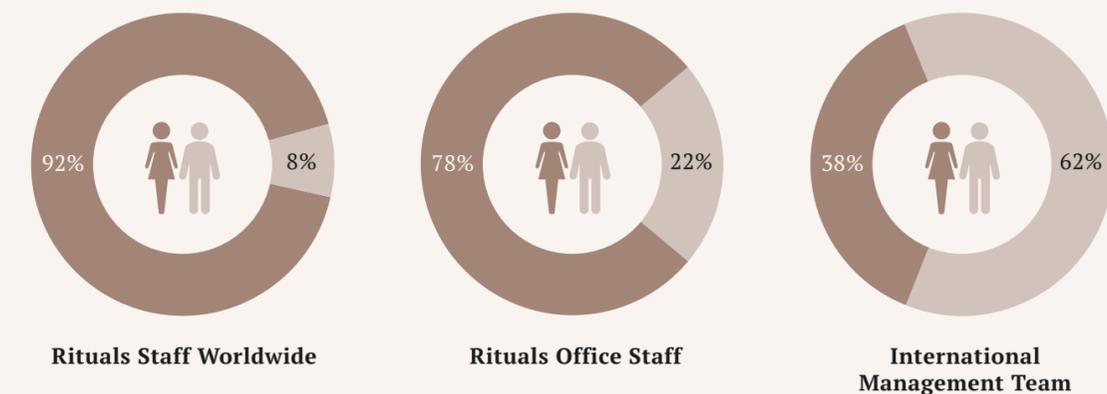
We take pride in creating a safe culture in which all employees feel engaged, appreciated, and have access to the same opportunities. We have a Diversity & Inclusion Ambassador Group that supports, flags, and sets up programmes to support our culture, for example by organising unconscious bias training.

In line with our customer base, with regards to gender balance, our staff is majority comprised of women. In senior management, the gender balance is the other way round. Currently, our gender split is at 40/60 members identifying as women and men respectively. We aim to reach gender parity (50/50) in senior leadership positions in our International MT by 2023.

Our growing team



2020 gender balance



InspiRituals

Our mission is to inspire soulful living. In order to encourage and empower our employees to make conscious choices in their work and daily life, we organize regular ‘InspiRituals.’ During these sessions, experts from varying fields share their stories and eye-opening insights.

For example, business psychologist Tony Crabbe showed us how to navigate ‘a world of too much’, sleep researcher Rebecca Robbins helped us to make the most out of our sleep and entrepreneur Mo Gawdat inspired us to improve our work-life balance. [Read more about how we inspire people outside the company here.](#)



Other wellbeing initiatives

Our employees’ wellbeing is paramount. From morning meditation sessions and Culture & Connect moments with the board, to forest therapy walks and various online courses, we take the holistic health of our employees as seriously as that of our customers. As we started working remotely in 2020, we hosted Remote booster-webinars on wellbeing and productivity. We also started the OpenUp- initiative, in which we offer employees access to psychologists as and when needed.

Rituals is Top Employer

We are pleased that our efforts resulted in a satisfaction and loyalty score of 43.5 in 2020 (industry benchmark = 20.5). We annually benchmark ourselves against other companies via the Top Employers Institute, and can proudly say that this year we had the highest score so far: 8.3 out of 10.

OUR PATH TO SUSTAINABLE WELLBEING

Rituals is about wellbeing

We don't just care about the wellbeing of our customers and our employees. The wellbeing of the people in our supply chain and the wellbeing of our planet are also highly important to us. We strive to implement social and environmental improvements that foster a sustainable future. When selecting our ingredients, packaging,

materials, and fabrics, we take a holistic approach. We take multiple aspects into account to make sure that the choices that we make are genuinely sustainable. This is a continuous journey. With the focus of our sustainability pillars - Clean, Conscious & Caring - we aim to better our practices, and our planet.



Clean formulas

We carefully select our ingredients to ensure there is nothing in our formulas that should not be there.



Conscious packaging and operations

We are committed to the use of refills and to maximise the use of recyclable and recycled materials.



Caring social initiatives

We support and develop community projects worldwide to make soulful, conscious living available to all.

You can find our specific 2025 sustainability goals related to each pillar in the respective chapter.

To ensure we maintain continuous focus on our sustainability goals, they are fully integrated into our performance management system. For each employee, these sustainability goals are reviewed on a quarterly basis, along with other business objectives. By outlining clear responsibilities and closely monitoring progress, we are ensuring that sustainability is at the core of our business practice.





CLEAN

Trusted quality products, carefully formulated with ingredients of natural origin.

At Rituals, we pay great attention to the formulas of our products. We carefully consider our ingredient selection to ensure that there is nothing in our formulas there should not be.

Our products are ‘clean to use’: this means that their ingredients are mostly of natural origin. Every choice we make is a balance between achieving maximum product performance and minimum environmental impact.

For our clean pillar, we strive for three overarching goals:



By 2023, all our formulas will be made of at least 90% natural origin ingredients.



By 2021, we will move from 98% to a 100% RSPO certified palm oil.



By 2025, the average product assessment score on the Clean & Conscious tool will increase from 63 to 80+.

INGREDIENTS FROM NATURAL ORIGIN

We use as many ingredients of natural origin as possible. Still, sometimes lab-made alternatives are better for product safety and usability, or prove to be more environmentally friendly. Our goal is for all our personal care formulas* to consist of at least 90% natural origin ingredients, by 2023. Evidently, all our cosmetics and personal care products are also dermatologically tested: not on animals, but on happy and excited human volunteers.

Optimising our formulas

In 2020, 70% of our in-scope products consisted of at least 90% natural origin ingredients.

The remaining 30% of our products are currently in the lab to be optimized against our goal. We continue to gather consumer feedback on selected products for formula changes. We are doing so for our Shower Foam, as it is one of our most iconic products. We first launched our improved formula for the Ritual of Ayurveda, and this will then roll out to other collections.

The table on the next page provides an overview of the products which are already on target, and the products we are currently reformulating.

Products with at least 90%
ingredients of natural origin



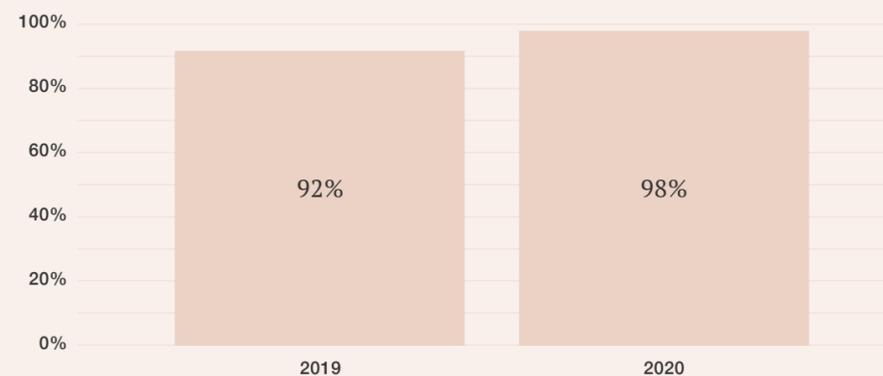
*Out-of-scope products

For various reasons, a few of our products are not in scope for this objective. For example fragrances fully derived from natural origins have a high environmental impact, as growing, harvesting, and processing the crops is water and carbon intense. Therefore, for our fragrance products such as eau de parfum, car perfume and antiperspirant spray, synthetic fragrances are currently still the more sustainable choice. For all our sun care products we use a combination of natural origin and synthetic ingredients to secure optimum protection and product performance. We continue our innovation efforts to develop more sustainable future options.

Natural origin ingredients product overview

>90% natural origin	Formulas being Improved
Body cream	The Ritual of Hammam body mud
Body oil	Dish Wash
Body scrub	The Ritual of Holi shower foams
Classic candles	The Ritual of Karma shimmer oil
Conditioner	Shampoo
Dry oil	Shave foam
Fragrance sticks	Shower oil
Hair & body mist	Self tanning body lotion
Hand balm	
Hand cream	
Hand gel	
Hand lotion	
Hand wash	
Home spray	
Ice shower	

% RSPO-certified palm oil-based ingredients



RESPONSIBLE PALM OIL USE

Less than 1% of the total amount of the ingredients that we use in our products are derived from palm oil. Palm oil is a highly efficient vegetable oil to grow as it takes less land to produce than other vegetable oils. It is the most widely consumed vegetable oil on the planet, found in many consumer goods, including cosmetics. The personal care products industry is responsible for a small part of global palm oil usage and a relatively low-volume user of palm oil and palm kernel oil.

Though it is efficient, palm oil cultivation does have significant environmental and social impacts, including deforestation, habitat destruction and biodiversity loss. However, the substitution of palm oil in the cosmetics sector is difficult to achieve. Palm oil derived ingredients increase products' thickness, helps the skin to retain moisture, removes dirt from the skin and acts as a foaming agent. Coconut oil is the prime alternative, given its similar fatty acid profile and its cleaning proficiency – yet transitioning would place the same demand on a less efficient crop. This would result in an increased burden on our planet's resources elsewhere.

We are sensitive to the issues and complexity surrounding the responsible sourcing of palm oil. We support the initiatives of the Roundtable on Sustainable Palm Oil (RSPO), a non-profit organisation that unites stakeholders from the palm oil industry to develop and implement global standards. Therefore, we engage with our suppliers to transition to 100% certified sustainable palm oil source (RSPO Mass Balance- MB).

In 2020, 98% of the palm oil and palm kernel oil-derived ingredients used in our products were from this certified sustainable source (RSPO MB). The remaining 2% are primarily 7 ingredients. Together with our suppliers, we have mapped out a roadmap to get them RSPO MB certified. Three of these ingredients are part of a product that has been delisted, therefore we are no longer looking for a replacement. For one ingredient, our supplier has already planned the transition for 2022. For two ingredients, we are engaging a transition by 2022. Finally, the remaining ingredient, it is currently RSPO certified under the book and claim model, our supplier is currently looking into the mass balance certified version of this ingredient.

CLEAN & CONSCIOUS TOOL

To identify and track our improvements in sustainable product development, we have created the Clean & Conscious tool. The tool assesses products on ten environmental indicators, divided into four pillars: Reduced CO₂ footprint, Circular Packaging, 90% Natural Origin and Biodegradable Formulas. We built the tool in collaboration with our expert partner The Global Sustainability Consultant Anthesis, and the methodology was verified by Intertek, total quality assurance provider to industries worldwide.

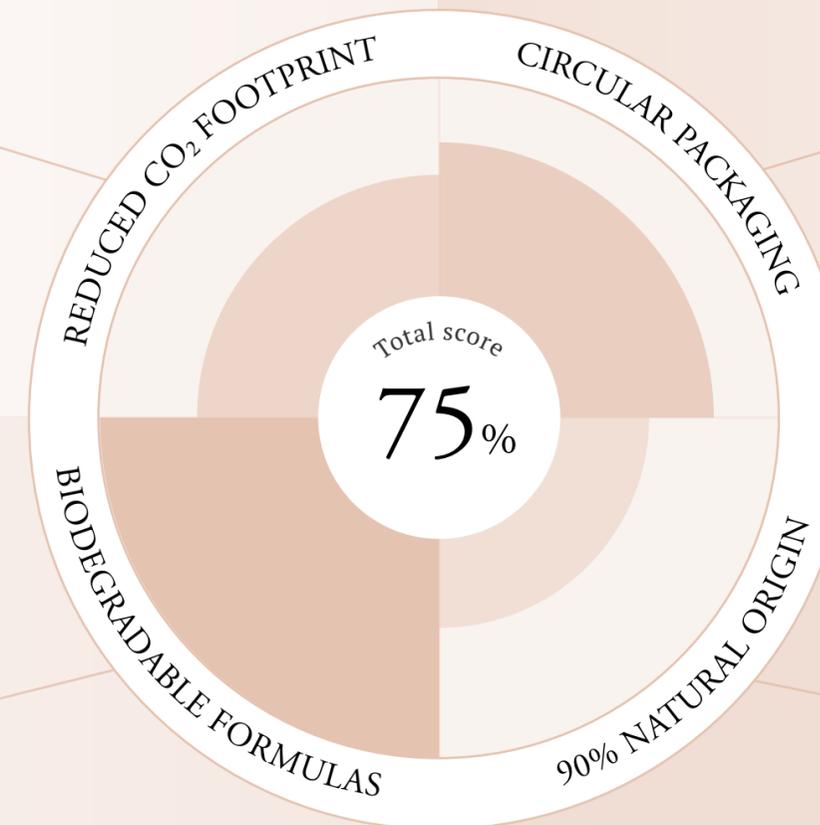
How to read this tool?

On the Clean & Conscious tool, individual products score between 0 and 100 points. This score is represented by the percentage in the middle. The total score is built up from the scores on the four pillars. The larger the coloured quarter of the circle, the higher the score on this topic.

We conduct a lifecycle analysis for all our key products, on both packaging and formula. In this way we keep track of the CO₂ impact of the product and how to reduce it.

We design our products to be refillable, recyclable or made with recycled* material. Where possible we try to lightweight the packaging to minimize the footprint.

**Our definition of recycled plastic is that it contains at least 95% of post consumer recycled material. Closures and labels excluded.*



We test our rinse-off products to be readily biodegradable, analyse the ecotoxicity of our ingredients for wastewater, and measure the water use associated to making our formulas and packaging

To calculate the percentage of natural origin ingredients, we use the industry ISO methodology. Also, we track the origin of the ingredients we use.





Formula emissions

To understand their carbon footprint, we conduct a life-cycle analysis for all our ingredients. Through this scientific methodology we analyse each ingredient's impact across its life cycle, from the local source to the chemical going into our products.



Packaging emissions

We use the same analysis to examine the impact of our packaging across its life cycle.



Biodegradability

We focus on the biodegradability of each ingredient through the methodological approach of the Clean & Conscious tool. Next to that, an independent third-party tests all our rinse-off products to be readily biodegradable in accordance with OECD 301 guidelines; the formula should break down easily (60% within 28 days) when flushed down the drain.



Formula water use

This includes all the water associated with manufacturing ingredients, water used on farms and water for chemical processes.



Packaging water use

This includes all the water associated with manufacturing of the packaging.



Ecotoxicity

We analyse the ecotoxicity of our ingredients and products for wastewater. We follow EU regulations and guidelines to score our products' ecotoxicity level and in our ingredient selection we always look for opportunities to reduce our impact on wastewater.



3Rs

We track if our products fit the 3 Rs: if they are *refillable*, and whether their packaging is *recyclable* and/or made from *recycled material*.



Weight/volume ratio

Lightweight packaging reduces the overall impact of products. Therefore, we track products' weight/volume ratio.



Natural origin ingredients

To calculate the percentage of natural origin ingredients, we use the ISO16128 standard. The percentage indicates the content of ingredients from nature that retain more than 50% their natural state after processing, including water.



Sourcing

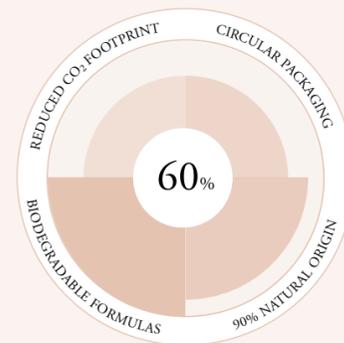
We currently track the basics, such as feedstock material, origin of sourcing and certifications. We will develop more extensive sourcing metrics in the future.

Product improvements

Product assessments with the Clean & Conscious tool allow us to identify potential product improvements. They also enable us to better understand potential trade-offs: how do we act when improving one indicator negatively impacts another indicator? We have currently scored our top selling 45 products, covering 80% of our revenue. The baseline average score is 63. We intend to raise this score to an average of 80 + by 2025. In this way, our product portfolio is being steadily improved.

For example, we monitored and measured the environmental impact of the entire Ayurveda collection. Based on the assessment, we could identify and execute multiple collection improvements. The new and improved collection will be relaunched in September 2021.

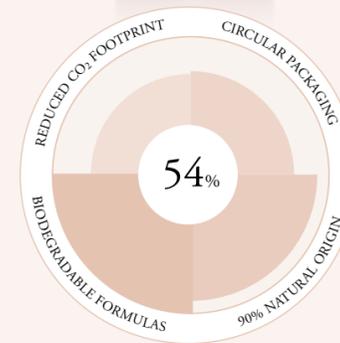
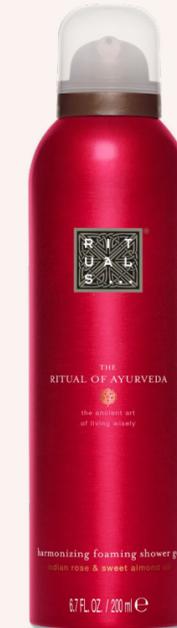
Improving our iconic products



The Ritual of Ayurveda Body Scrub

Score improvement
from 53 to 60

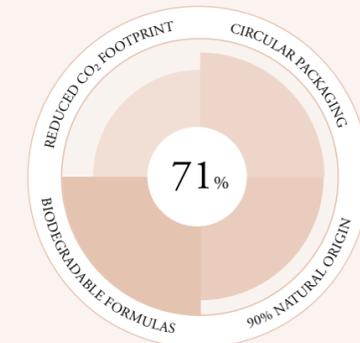
- Product improvements
- 90% natural origin ingredients
 - Improved formula for less CO₂-impact
 - Recycled PET packaging



The Ritual of Ayurveda Shower Foam

Score improvement
from 47 to 54

- Product improvements
- 90% natural origin ingredients
 - Improved formula for less CO₂-impact
 - RSPO certified palm kernel oil



The Ritual of Ayurveda Body Cream

Score improvement
from 68 to 71

- Product improvements
- Recycled PET packaging
 - 90% natural origin ingredients
 - Reduced plastic in cap

MICROPLASTICS

Many years ago, we decided not to use microbeads in any of our products, as we do not want Rituals' products to contribute to the accumulation of microplastics in our oceans. Microplastics are solid, insoluble small plastic pieces that are less than five millimeters in length and are not biodegradable. These either enter the environment via the breakdown of larger plastic materials, or directly via microbeads used

in products such as cosmetics, personal care products and laundry and dishwasher tablets. Instead of microbeads, we use natural alternatives such as sea salt, sugar, pumice (volcanic rock) and bamboo.

Please visit [our website](#) for more information regarding the choices we make in the selection of our ingredients.



LOOKING FORWARD

In 2020, we were proud to launch the Clean & Conscious tool. This tool allowed us to significantly improve one of our bestselling collections: The Ritual of Ayurveda. This collection will be relaunched in 2021. The improvement of this collection served as a testing ground for how we can improve the sustainability of our collections, year on year. We will intensify the use of our Clean & Conscious tool as a guiding compass for product improvements.

One example of such product improvements is that, by 2023, all our body and home products will consist of at least 90% natural origin ingredients. In addition, we will ensure that our top selling products score at least 80 points in the Clean & Conscious tool. Part of this journey means further mapping out increased transparency of our ingredient supply chain and how it is responsibly sourced.



CONSCIOUS

Making sustainable choices for our packaging and in our business.

Besides developing clean formulas with natural origin ingredients, we are committed to making conscious decisions in our entire value chain. Reducing the environmental impact of our business is a constant

priority of ours. To do so, we measure, monitor and initiate improved practices throughout our operations, from supply chain and manufacturing, to packaging and logistics.

For our conscious pillar, our three key goals are:



By 2025, all of our products will be refillable, recyclable and/or made of recycled materials.



As of 2020, all our stores now run on green electricity.



By 2025, our product related suppliers will score at least a silver medal on the Ecovadis assessment.

REDUCING OUR CARBON FOOTPRINT

Since 2019, we have been tracking our carbon footprint. This includes the emissions coming from our own buildings, offices, and stores (scope 1 + 2) as well as the emissions in our broader supply chain (scope 3). With the 2020-numbers as a baseline, we have discovered where the heaviest impact of our business sits. To estimate our corporate carbon footprint, we used the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard. The GHG Protocol is the most widely used and accepted standard to account for GHG emissions in the value chain.

Using the GHG protocol, we divided our emissions into Scope 1: direct emissions, Scope 2: indirect energy related emissions and Scope 3: all indirect emissions of the company's value chain. ClimatePartner, an external sustainability consultancy, verified our GHG emissions estimations by reviewing our results, assumptions, and emission factors. In 2020, our total carbon footprint was 127,935 tons of CO₂ eq.

- **Scope 1: 1,431 tons CO₂ eq**
Refrigerants, own operated company vehicles and gas for heating

- **Scope 2: 170 tons CO₂ eq**
Electricity and heating from our offices and stores
- **Scope 3: 126,335 tons of CO₂ eq**
Ingredients, product packaging, purchased goods and services, product manufacturing, transport and distribution, employee commute, operational waste, product end-of-life, franchises, etc.

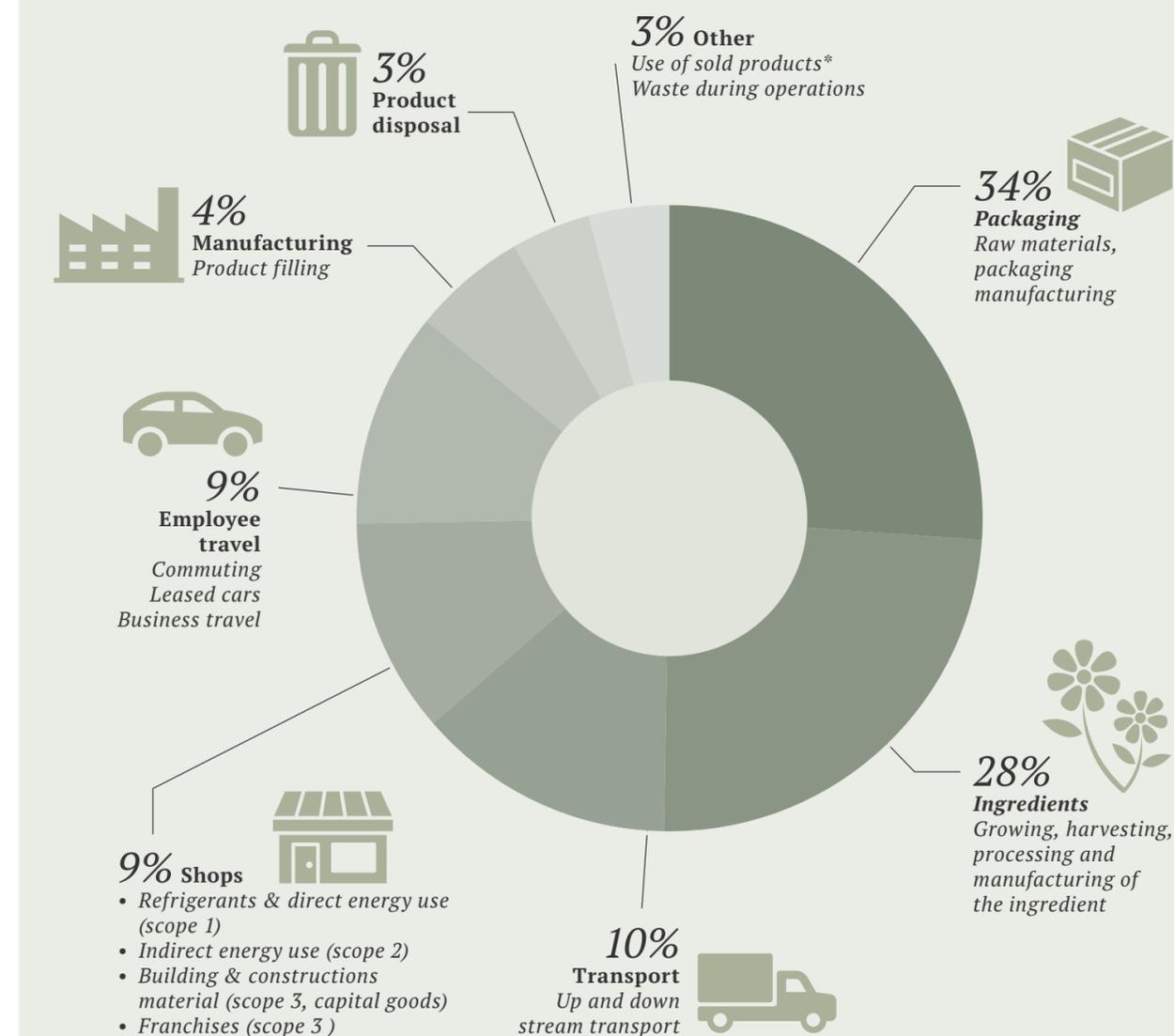


We are proud that for our own operations (Scope 1 + 2), we have already reached carbon neutrality.

We did so by transitioning to renewable energy contracts, acquiring guarantees of origin, and by offsetting the remaining emissions.

In consultation with ClimatePartner, we contribute to carbon-offset projects in Colombia. This is a Gold Standard certified project, aiming to improve livelihoods and preserve ecosystems. You can read more about the initiative [here](#).

Breakdown of our emissions



*Including only direct energy use from our products.



As the visual shows, our greatest impact lies in scope 3 emissions. The biggest contributors to our scope 3 footprint are ingredients (35,511 tons CO₂ eq), primary packaging (39,897 tons CO₂ eq) and transport (13,333 tons CO₂ eq).

Our stores are equipped with LED lights and eco- friendly air conditioning, and we train our shop employees on implementing sustainable behaviour. Together with our partners, we aim to continue to optimise and reduce the energy use of our stores (scope 1 + 2).

Based on this 2020-baseline, we have defined reduction goals per emission category. We are committed to reducing the carbon footprint of our formulas by 20% by 2025. This starts with the target for all of our formulas to be made of at least 90% natural origin ingredients. We also plan on reducing the CO₂-emissions of our packaging, stores, and the transportation of our products. In 2021, we will also further refine the measurement of our scope 3 data quality in order to gain more knowledge about the impact and to identify potential reduction opportunities.

Our target is a reduction of 10% energy use / sales m² by 2026. To achieve this, we have piloted several interventions. As our stores were mostly closed in 2020 due to Covid-19, we could not use 2020 measurements as a baseline year. Therefore we used the energy use of one of our average stores as a baseline. Going forward, we will be rolling out reduction measures and implementing interventions in all our stores.

All our own Rituals stores and our offices are powered by green electricity which has mostly been achieved through adopting renewable energy contracts. Where this was not possible due to running contracts, we acquired energy attribute certificates (EACs): proof that our power was generated from renewable sources. As most of our energy consumption is in Europe, we mostly acquired guarantees of origin coming from European wind and sun. As a next step, we are looking into ways to build stores with less

Breakdown Product CO₂ impact

- Formula
- Packaging



Fragrance Sticks



Body Cream



Shower Foam

Stores and offices

We aim to make responsible choices throughout our fast- growing organisation, including in our stores and offices. The energy used in our stores and offices (scope 2) accounts for approximately 1% of our total carbon footprint. While this may not amount to the overall largest impact, we have the power to directly implement improvements in this area.

impact (scope 3).

Warehousing and distribution

At Rituals, we mainly work with specialised European partners for the manufacturing and distribution of our products. As approximately 95% of our products are manufactured in Europe (close to our main markets) this minimises our environmental impact by requiring less [air freight] transport. We also engage with our suppliers and distribution partners to see how we can reduce our environmental impact.

Transport of our products to our stores, to our customers and to our wholesale partners currently accounts for approximately 10% of our carbon footprint. We aim to reduce our relative transport footprint (CO₂ eq/€ gross sales volume) by 10% by 2025, compared with the 2020 baseline.

Our first step in this direction has been the introduction of new packing equipment with our webshop partner. This equipment sizes a carton around the products ordered, resulting in less void space in cartons, which enables more packages to fit in a shipment. It also saves on the use of carton and filling materials.

We are continuously working to improve our

supply chain efficiency. For example, as of 2021 we have started shipping gift set products directly to the packer – instead of via our own warehouse – which significantly reduces our transport kilometres.

Business travel

As a team we make conscious decisions when it comes to travel. While we minimise unnecessary business travel, it is sometimes unavoidable as we are building a brand culture, new markets and collaborating with our suppliers. Therefore, each year, we offset our air travel CO₂-emissions with third party Gold Standard certified carbon credits.

Naturally, travel was only a tiny portion of our carbon footprint in 2020 due to Covid-19 restrictions: 966 tons of CO₂ eq., which corresponded to 1% of our total 2020 carbon footprint. For comparison, in 2019, our business travel carbon footprint was 2097 tons of CO₂ eq. Post Covid-19, we will continue to minimise business travel in our company. As we have optimised video-conferencing tools throughout our offices and our colleagues must now always double-check whether a flight is necessary. Also, our business travel policy strongly encourages employees to favour a



“

Due to the introduction of new packing equipment, in 2020, we saved about 100,000 kgs of shipping material and an estimated 211 tons of CO₂ eq.

PACKAGING

train over a flight for short distance travel.

We are committed to realising our goal of zero-waste packaging by 2025: we are designing all our packs to be recyclable, reusable or containing recycled materials. With every product we develop, we work to create packaging that is optimally fit for purpose in terms of functionality, use of resources, waste reduction and environmental impact.

Our Zero Waste Journey

- Constantly improving our packaging based on science-based methods.
- Making all our packaging either refillable, recyclable or made from recycled material by 2025, and avoiding unnecessary packaging where possible.
- Motivating our customer to buy refills and ensuring proper recycling after use.

Impact of packaging

The Clean & Conscious tool we developed to evaluate our products looks at both formula and packaging. It turns out that the CO₂- impact of a product's packaging is often as significant as the impact of the product itself. Therefore, all our packaging is assessed by The LCA Centre,

an independent research institute, which works according to the unique forensic life-cycle assessment (LCA) method. This helps us to understand the environmental impact of our current and future packaging solutions, possible alternatives and to make rational decisions on all materials that we use. To reduce the impact of our packaging, we follow the principles of the 3 Rs: Refill, Reduce, Recycle.

Refill — Our Refill Collection is to be used over and over again

As a brand, we balance pampering our customers and helping them take care of their wellbeing, while acting responsibly at the same time. Our Refill Collections operate on that exact intersection: these allow our customers to keep our beautiful, luxury jars in the bathroom while being mindful of the planet.

We have introduced refill systems for our body creams, hand soaps, fragrance sticks, skin care and car perfume. In 2020, our refillable collections and corresponding refill packs made up of just over 20% of our sales. Sales of refill packs grew by 8% compared to 2019, and this is a trend we are

Resources saved with Rituals eco-conscious refill collection*



Body cream
CO₂ | 62%
Energy | 60%
Water | 36%



Fragrance sticks
CO₂ | 42%
Energy | 55%
Water | 60%



Skincare
CO₂ | 74%
Energy | 69%
Water | 75%



Hand wash
CO₂ | 61%
Energy | 66%
Water | 75%



Car perfume
CO₂ | 40%
Energy | 41%
Water | 37%



Shave cream
CO₂ | 62%
Energy | 60%
Water | 36%

*These savings are based on the usage of five refills compared to purchasing five non refillable products. For the car perfume this is based on using one refill packaging. Externally verified research conducted by the LCA Centre.

Thanks to our customers embracing the refill concept, we are using less of the planet's resources. In 2020 we saved:



3.4
Olympic swimming pools of water (8.5 million liters of water)



1411
London-NYC return flights' CO₂-emissions (1,257 tonnes of CO₂)



237,000
kilos of waste



1806
households' energy usage (19,499,988 MJ-eq energy)

actively encouraging to continue.

Reduce – Fewer materials, less waste, better for the planet.

Our refill concepts are not our only effort to reduce our material use. We also have reduced the amount of material in our existing packaging wherever possible. For example, all our iconic shower foams are contained in a lightweight can, reducing the use of aluminium by 10%. Over the years, we have also made our gift set packaging smaller and stopped using carton boxes for multiple products.

We have deliberately designed our gift sets to be beautiful in their own right, so that they do not need to be wrapped, thereby saving the paper wrapping of over 12.5 million gift sets.

These examples show how we work on both visible and invisible packaging reductions. This way, we will continue to reducing the amount of material we use.

Recycle – Keeping materials in the loop

We are moving all our PET-packaged products to post-consumer recycled PET. In 2020, we introduced recycled PET plastic for our body creams, body scrubs, bath foams,

shower oils and fragrance sprays. This brings the current percentage of recycled material in our PET portfolio to 40%.

Our aim is to increase this percentage to 100% by 2025. On this journey, next on the agenda is to move our Kitchen Hand Wash and Balm to recycled PET and to find a recycled alternative for the iconic bright white color for the Ritual of Sakura.

RESPONSIBLE SOURCING

At Rituals, we work closely together with our suppliers for the development of our products. 95% of our cosmetics and home products are manufactured in Europe, close to our main markets. Only 5%, namely our airline and hotel amenities, are produced in Asia.

In addition to screening our suppliers' social & environmental performance at the start of a contract, we also engage with our key suppliers on these matters during our collaboration. With suppliers representing 75% of our total spend we do this through product development guidance, supplier assessments, and by collecting environmental data.

Product development guidance

Our restricted substances list (RSL list) has very clear guidance of what can be used and what not. It includes requirements for the use of post-consumer recycled plastics, and guidance on how to measure the percentage of natural origin ingredients and biodegradability. We are actively working with our suppliers to find concepts & design with a reduced carbon footprint.

The Supplier Code of Conduct details Rituals' expectations which we require suppliers to adhere to and apply the following social and environmental standards. Social and labor standards include no use of forced, child or clandestine labour, suppliers free of any harassment and abuse and free of any discriminatory work practices. Additionally, wage and work benefits and working hours must meet those of the country of manufacturing laws at the minimum. Finally, suppliers' employees must work in a safe environment and all employees should have freedom of association.

Environmental requirements include compliance to all local and international regulations and standards. Suppliers should also implement an effective Environmental Management System (EMS), appropriate waste management and environmental training for employees whose work could have a direct impact on the environment.

Any breach of conduct or violation of the supplier code of conduct by our suppliers or their subcontractors will result in a review and possible termination of the business relationship.

All our suppliers have signed our code of conduct



ecovadis

Assessment themes



Environment



Labour &
Human Rights

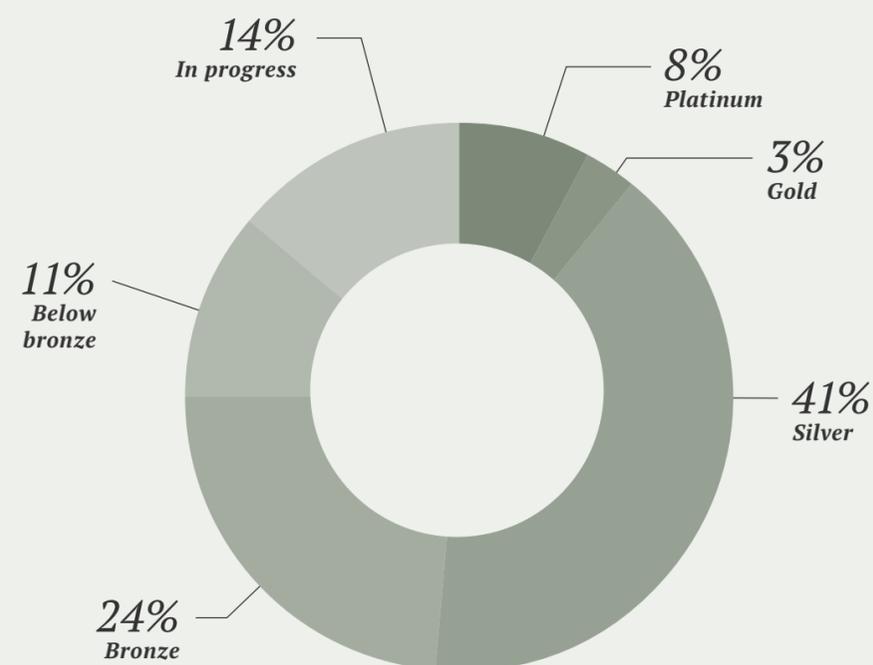


Ethics



Sustainable
Procurement

Supplier Scoring Breakdown



Supplier Assessment: EcoVadis

Besides working together on sustainable product development, we are also in close touch with our cosmetics and home products suppliers to improve the sustainability of our products, from their manufacture to their distribution.

Rituals uses EcoVadis as a Supplier Assessment platform to analyse significant suppliers' Sustainability and Corporate Responsibility practices and to encourage an ongoing supplier relationship based on continuous improvements. The EcoVadis Assessment is one of the most renowned evaluation tools, which entails an extensive survey on the supplier's practices on the Environment, Labour & Human Rights, Ethics and Sustainable Procurement.

Rituals requires all suppliers with a spend over €500,000 to complete the EcoVadis Assessment, which they have to complete within three months. 98% of our direct product manufacturing suppliers are onboarded. These are the suppliers involved in filling operations and making our packaging.

EcoVadis' evidence-based assessments provide a score ranging from 0 to 100. On average, our

key suppliers score 55 points. As you can see from the diagram on the left, over 10% score platinum or gold, 41% score silver, 24% score bronze, 11% below bronze.

We expect all our onboarded suppliers to score at least 45 points (bronze status). When a supplier scores below 45 points, we consider them to be at risk and require them to make significant improvements within six months. Until 2021, there were only four suppliers that scored below our threshold in their first EcoVadis assessment. They are currently on track to make the necessary improvements.

Our Future Goals

In the future, we expect all of our onboarded suppliers to achieve at least a silver medal in their EcoVadis assessment. For our tier 1 suppliers, we expect them to reach gold by then. Next to cooperating on improving our suppliers' EcoVadis score, we also want to have a solid supplier data portal in place for all sustainability related data and a corresponding process for all relevant suppliers to provide data input on a regular basis.

EcoVadis regularly raises the score criteria for their medals, so to maintain a silver medal rating,

LOOKING FORWARD

suppliers have to improve continuously.

Collecting environmental data

Next to EcoVadis we are collecting environmental data from suppliers that are producing our products. For data collection we ask:

- Significant suppliers to provide energy, water, wastewater, waste, and hazardous waste data to ensure that Rituals can appropriately measure their environmental impact.
- Chemical suppliers to share environmental

data through Clean and Conscious tool.

- Packaging suppliers to provide data and information on manufacturing practices to allow us to make Life Cycle Analyses.

The data forms the basis for further improvement collaboration. Data quality is evaluated within Rituals and discussed with each supplier to ensure an upgrade in quality in the future.

We are proud that, in 2020, we were able to make significant improvements on the impact of our entire manufacturing process. Our ambition is to make sure that, by 2025, all our packaging is either refillable, recyclable and/or made from recycled material.

With regards to our carbon footprint, our overarching ambition is to achieve net zero CO₂-emissions. We are currently mapping out a journey towards this ambition.

In 2021, the focus is on further reducing our carbon footprint, improving data quality on our scope 3 emissions, and refine our reduction targets. [Read more about this here.](#)

Lastly, we will continue our work in responsible sourcing. By 2025, we aim that all of our onboarded suppliers achieve at least a silver medal in their Ecovadis assessment, and ideally gold, especially for those suppliers involved in our filling operations.





CARING

Supporting and developing programmes contributing to soulful societies.

As a business, our aim is to provide our customers with the products, tools and insights to turn everyday routines into meaningful moments. While maintaining this purpose, we cannot lose sight of those who we do not reach with our products: those in society whose wellbeing could most benefit from focused caring. That is why we support causes close to our hearts and true to the DNA of our company. In doing so, we focus on the wellbeing of children.

In addition to our regular programmes, in 2020 we centrally organised an initiative to support healthcare workers during Covid- 19, donating over 200,000 goodie- bags of wellness products.

This gesture is just one of the ways we are committed to supporting the wellbeing of communities across the world. Our social commitment is practiced in three key areas:



We are passionate about creating content to inspire soulful living. Whether that is articles in our magazine or a social media campaign, we do not want to just talk about sustainability, we want to inspire sustainable action.



We are dedicated to breaking the poverty cycle in the slums of India, through supporting Tiny Miracles: an NGO and social enterprise in Mumbai, which has developed an innovative approach to help women stay out of the poverty cycle.



We are committed to supporting mindfulness among over 2 million school children through Super Chill: an NGO launched by Rituals in order to bring yoga and mindfulness to primary school children.

SOULFUL LIVING

Rituals wants to enrich lives, offer moments to pause in the frenzy of busy days, improve general wellbeing and help people to discover their happiness, in whatever way is meaningful to them.

The Happiness Challenge

In 2020, we started the 14-day Happiness challenge with our new happiness ambassador, Mo Gawdat. Mo is the author of *Solve for Happy*. Our mutual mission is to spread and multiply happiness, which is why we decided to work together and strengthen our efforts with a masterclass on happiness.

Teaming up with Mo to spread happiness, during a year that was so full of challenges, made sense. For many, the year forced us to slow down, to gain an awareness of what we truly want and, potentially, what needed to be addressed in our lives.

The 14-day Happiness Challenge is a journey full of accessible tools, simple routines and how to make long-lasting changes. To date, 299,000 people were reached through our online channels and 108,750 people around the world have participated.

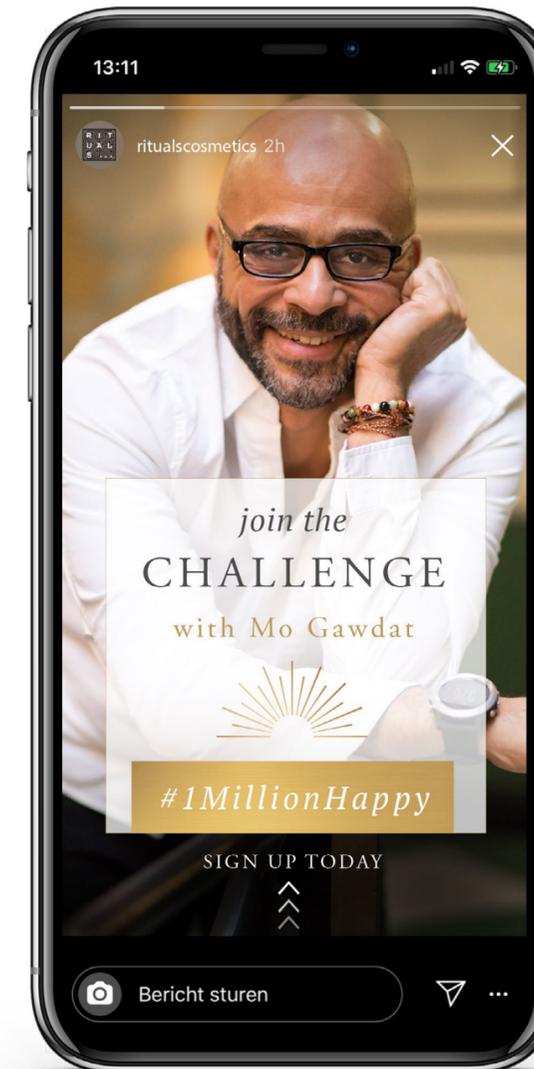
The Ritual of Jing – Your Path to Inner Peace

In 2020, the Ritual of Jing was launched. This is a collection focused on sleep, inspired by the ancient Chinese concept of Jing, which represents calmness, stillness, and tranquility. The Ritual of Jing helps to create a personal sanctuary where you can escape the hectic pace of everyday life. Infusing products from this collection into your daily routines helps people to relax, calm the mind, and improve your quality of sleep.

Relaxation is essential for restful sleep, and sleep is vital for our wellbeing. To help our customers understand how important sleep is for their wellbeing, we have also developed a series of podcasts with sleep expert Dr. Robbins. Since the launch in June 2020, 33,000 people have listened to these podcasts.

In addition to these programmes, we also inspired wellbeing by sharing content through our Rituals App, online magazine, and newsletters.

The app offers yoga videos, guided meditations, and inspiring content to support conscious, sustainable living and wellbeing.



TINY MIRACLES

Rituals has been a proud supporter of the Tiny Miracles Foundation since 2011. The foundation has an important mission: to help find a scalable solution to end poverty and inspire others to do the same. With their holistic approach they improve the wellbeing of people and create better lives for generations to come. Their goal is to enable 1 million people to get - and stay out - of poverty. In order to succeed, we need to create an equal world on all levels.

The Tiny Miracles foundation aims to break the poverty cycle of Mumbai's impoverished Pardeshi and Aarey communities. Their approach focuses on giving those less fortunate the tools they need to break out of the poverty cycle.

Their work focuses on five pillars: social awareness, healthcare, employment, education, and celebration.

As a partner, through our financial support we help the Tiny Miracles foundation to transform the lives of many people in Mumbai. With Rituals' support, Tiny Miracles was able to expand their programme from 700 people to more than 2,400 people in three different communities.

They raised wages from less than 30 euros a month to 250 euros a month. They also started a clean water programme and a public health clinic, which substantially reduced mortality rates. More children now attend schools, and increasing numbers of adolescents are attending university.

Next to contributing financially, Rituals has expanded its collaboration in a unique way. Together, we have designed a bag, made by the women of Tiny Miracles and sold by Rituals or offered as a present with a minimum purchase. The total sales price goes to Tiny Miracles. In 2020, the women made over 600,000 bags.





The Super Chill foundation is an independent organisation focused on improving the wellbeing of children.

SUPER CHILL FOUNDATION

At an increasingly younger age, children feel the pressure to perform to standardised norms. Research shows that as many as 40% of primary school children in the Netherlands experience stress. In addition, 25% of schoolteachers suffer from stress, making them less prepared to help children acquire the skillsets necessary to meet the challenges of our modern times. To contribute to the wellbeing of a new generation, in 2020, we founded the [Super Chill Foundation](#), in collaboration with De Nieuwe Yogaschool.

Manifested in a handy app with recognisable moments for teachers, Super Chill helps children deal with feelings, emotions (good and bad), energy levels (high and low), focus, and boosting creativity and self-reflection.

In a pilot, Super Chill has worked with over 100 teachers to create a tool that is easy for educators to use and can help both teachers and children. In order to reach teachers nationwide, the Foundation will launch an online campaign, a dedicated team to contact schools and a recurring national Super Chill event for 50,000 children.

To measure effectiveness of the app, starting in September 2021, Super Chill and the University of Amsterdam will conduct scientific research. The results will be used to improve the Super Chill method and to expand the programme to other countries. The foundation aims to reach as many children as possible with the easy and fun Super Chill App. By 2028, their goal is to enable at least 2 million children worldwide to access the Super

Chill exercises. The first step is making the App content available in English. After that, the

foundation will reach out to schools in several European countries.

Our Contributions

At Rituals, we are all about wellbeing. We not only want to look after our customers, but also those in society who need additional support. Therefore, over the next few years we are going to expand our contributions to projects that support community wellbeing around the world, with Super Chill being one of the main beneficiaries.

Beneficiary	2020 donations
Tiny Miracles Foundation	€ 302,500
War Child	€ 105,090
Super Chill Foundation*	€ 239,000
HealthCare Goodbie Bags**	€ 477,885
Total	€ 954,357

**Due to Covid-19 the SuperChill foundation had to postpone few of their planned project activities, as there was home teaching for children on and off. Several pilot activities got postponed to March 2021, due to this, the donations got postponed to 2021 as well. Rituals aims to contribute an amount of €924,000 in 2021 in total.*

***We centrally organised an initiative to support health care workers during Covid-19 with a goodie bag full of wellness products. This is an in-kind donation. The amount stated reflects the cost price value of the donated products.*





LOOKING FORWARD

A sneak peek of what's to come

Dear reader,

Thank you for showing interest in our journey to sustainable wellbeing. We are excited to continue this journey in collaboration with our employees, our consumers, and our partners. As we go into the future, we want to build on the work we have already done, leading with care, compassion and commitment to helping to create a better world.

Becoming a certified B Corporation

To further enhance our commitment to social and environmental wellbeing, we have embarked on a journey to become a certified B Corporation. B Corp companies form a community of leaders and drive

a global movement of people using business as a force for good. To become a B Corp, a company is assessed holistically: not only are its products reviewed, but the entire organisation's practices are examined. The assessment is categorised into five themes: governance, environment, workers, community, and customers.

We have started our B Corp journey by amending our company bylaws. They now state explicitly that we are purpose-driven and aim to create benefit for all stakeholders, not just shareholders.

We aim to become a certified B Corp by early 2022 and envision to use its standards for continuous improvement.

Reducing our carbon footprint

In 2020, we gained extensive knowledge of our company's total carbon footprint. By the end of 2021, we aim to have defined targets in line with the scale of reductions required by the Paris climate agreement. We will use these targets to refine the reduction goals we already have in place and to further map out our journey to net zero CO₂-emissions. On this road, we look forward to working together with other players in the beauty industry.

Wellbeing initiatives

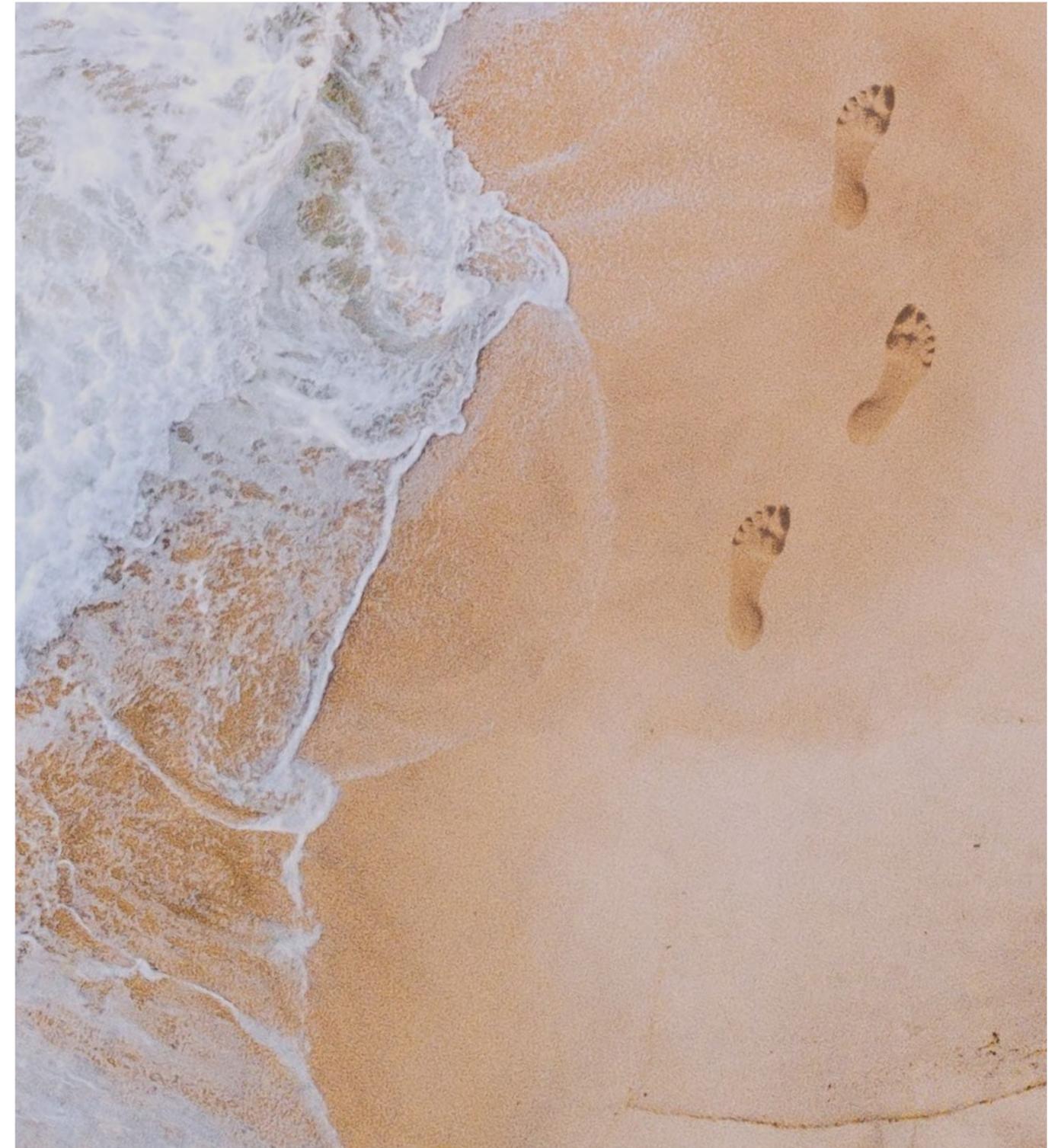
As a brand, we will continue driving initiatives to inspire our customers, employees, and others within our sphere of influence to take care of their wellbeing. Through Tiny Miracles, Super Chill, the Rituals App, and other programmes, we strive to make impactful changes that help preserve and sustain people's wellbeing as well as the planet's.

Niki Schilling

Director Innovations & Sustainability

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As we go into the future,
we want to build on the
work we have already
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