2019 Sustainability

GRI Content Index



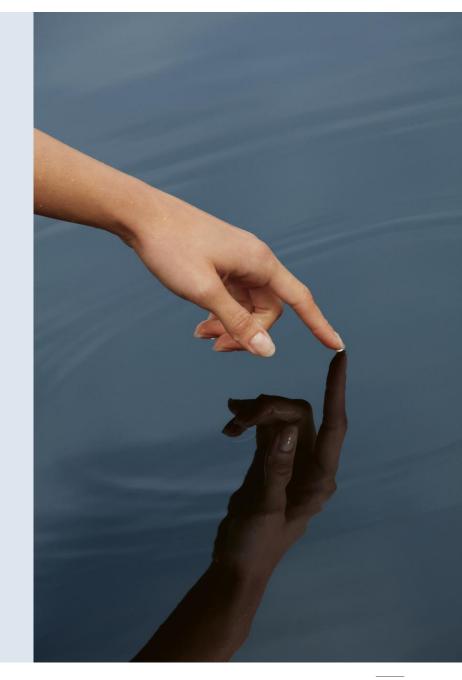


Information

The Sustainability report has been built in accordance to GRI 2016 standards with revised 2018 standards for GRI 303 and GRI 403.

Throughout the report:

- Oriflame 2019 Sustainability Report will be referred to as
 2019 OSR and
- Oriflame 2019 Annual Report as 2019 OAR



GRI 102: General Disclosures

Organisational profile

CODE	TITLE	LOCATION	NOTE
102-1	Name of the organisation	2019 OSR – About this report: p. 114	-
102-2	Activities, brands, products and services	2019 OAR – The Oriflame business model: p.13, Products: pp. 16-20	-
102-3	Location of headquarters	2019 OSR – Geographical footprint: p. 19	-
102-4	Location of operations	2019 OAR – 2019 Geographic markets: p. 23 -24 2019 OSR – Geographical footprint: p. 19	-

CODE	TITLE	LOCATION			NOTE			
102-5	Ownership and legal form	2019 OAR – The Oriflame share: pp. 72-73			-			
102-6	Markets served	2019 OAR – 2019 Markets: pp. 23-24	-					
102-7	Scale of the organisation	2019 OAR – Key figures: pp. 5-6	Employee numbers used were FTE by end of reporting pe					
102-8	Information on employees and other workers	Total number of employees in 2019 was 6,152			re FTE by end of reporting period		g period	
	a. Total number of employees by employment contract, by gender	-	Permanent contract Temporary contract Total Data covering 96% of	emplo	Women 85% 15% 100% yees	Me 88° 12° 100	%	
	b. Total number of employees by employment contract, by region	-	Permanent contract 99% Temporary contract 1% Total 100% Data covering 97% of emplo		90% 10% 100% yees		92% 8% 100%	75% 25% 100%

DE	TITLE	LOCATION		NOTE	
	c. Total number of employees by employment type, by gender	-	Full-time Part-time Total Data covering 96% o	Women 97% 3% 100% f employees	Men 99% 1% 100%
	d. Whether a significant portion of the organisation's activities are performed by workers who are not employees. If applicable, describe the nature and scale of work performed by workers who are not employees.	2019 OAR – Business Model: p. 13 2019 OSR – Additional income: pp. 26-27		-	
	e. Any significant variations in the numbers reported	-	No significant variations.		
	f. An explanation of how the data have been compiled, including any assumptions made.	-	The data for the 2019 sustainability report was obtained from Cornerstone (most of the legal entities) and directly from the HR community in the case of CETES Factories. It contains records from 67 markets Data was taken for all employees who were employed during 2019, including long-term leaves.		

CODE	TITLE	LOCATION	NOTE
102-9	Supply chain	2019 OAR – Value Chain: pp 21-22 & 2019 OSR – Geographical footprint: p. 19 & Sustainable suppliers: pp. 79-80	-
102-10	Significant changes to the organisation and its supply chain	2019 OAR – Highlights in 2019: pp. 5-10	-
102-11	Precautionary Principle or approach	-	We apply the precautionary principle when putting our sustainability strategy into practice.
102-12	External initiatives	2019 OSR – Stakeholder engagement: pp. 100-101	-
102-13	Membership of associations	2019 OSR – Stakeholder engagement: pp. 100-101	-
Strategy			
102-14	Statement from senior decision-maker	2019 OSR – CEO Statement: pp. 14-15	-

Ethics and integrity

CODE	TITLE	LOCATION	NOTE
102-16	Values, principles, standards and norms of behaviour	2019 OAR – This is Oriflame: p. 1 2019 OSR – Human Rights: pp. 76-80	-
Governan	ce		
102-18	Governance structure	2019 OAR – The Corporate governance Report: pp. 29-34 & 2019 OSR – Organising for improvements: p. 104	-
Stakehold	er engagement		
102-40	List of stakeholder groups	2019 OSR – Stakeholder engagement: pp. 32-34	-
102-41	Collective bargaining agreements		Information unavailable. We are working to improve the accuracy of data under this parameter.

CODE	TITLE	LOCATION	NOTE
102-42	Identifying and selecting stakeholders	2019 OSR- Stakeholder engagement: pp. 100-101	-
102-43	Approach to stakeholder engagement	2019 OSR– Stakeholder engagement: pp. 100-101	-
102-44	Key topics and concerns raised	2019 OSR– Stakeholder engagement: pp. 100-101	-
Reporting	oractice		
102-45	Entities included in the consolidated financial statements	2019 OAR – The Corporate governance report: pp. 29-34	-
102-46	Defining report content and topic Boundaries	2019 OSR – Materiality: p. 105	-

2019 OSR - Materiality: p. 105

102-47

List of material topics

CODE	TITLE	LOCATION	NOTE
102-48	Restatements of information	-	No restatements are needed.
102-49	Changes in reporting	2019 OSR – About this report: p. 114	-
102-50	Reporting period	2019 OSR – About this report: p. 114	-
102-51	Date of most recent report	-	April 15, 2019
102-52	Reporting cycle	2019 OSR – About this report: p. 114	-
102-53	Contact point for questions regarding the report	2019 OSR – About this report: p. 114	-
102-54	Claims of reporting in accordance with the GRI Standards	2019 OSR – About this report: p. 114	-
102-55	GRI content index	2019 Sustainability GRI Content Index	-
102-56	External assurance	2019 OSR – About this report: p. 114	-

GRI 200: Economic Standards

GRI 201: Economic performance

CODE	TITLE	LOCATION	NOTE
103- 1/2/3	Management Approach 201	2019 OAR – Segment Reporting: pp. 60-61 & The Corporate governance report: pp. 29-34	-
201-1	Direct economic value generated and distributed	2019 OAR – Segment Reporting: pp. 60-61 & The Corporate governance report: pp. 29-34	-
201-2	Financial implications and other risks and opportunities due to climate change	CDP questionnaire – Oriflame Cosmetics AB, Climate Change 2019 – C2. Risks and Opportunities	-

GRI 202: Market presence

103- 1/2/3	Management Approach 202	2019 OSR – Employee experience: pp. 72-75	-
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CODE	TITLE	LOCATION	NOTE
202-2	Proportion of senior management hired from the local community	-	52% of senior management at significant locations of operation are hired from the local community. Senior management is defined as top 226 managers globally. Significant location is defined as Oriflame entities with more than 100 employees. Local is defined as being from the same country as the assessed Oriflame entity.
GRI 205: A	nti-corruption		
103- 1/2/3	Management Approach 205	2019 OAR – Segment Reporting: pp. 60-61 & The Corporate governance report: pp. 29-34 2019 OSR – Human rights: pp. 76-80	-
205-2	Communication and training about anti-corruption policies and procedures	2019 OSR – Human rights: pp. 76-80	-

GRI 300: Environmental Standards

GRI 301: Materials

CODE	TITLE	LOCATION	NOTE
103- 1/2/3	Management Approach 301	2019 OSR – Forest: pp. 43-45 & Packaging: pp. 55-57	-
301-1	Materials used by weight or volume	-	We are currently implementing a packaging data system, which will improve our reporting on packaging materials by weight. In general, our cosmetics packaging by weight consist of mainly plastic (41%) and glass (46%), but also paper and other wood-fibre materials (9%) and metals (4%). In 2019, we used 188 tonnes of Post-Consumer Recycled (PCR) plastic in product packaging. Our main raw material is paper, which we use mainly for catalogues and packaging. In 2019, our consumption of paper was: • Product packaging: 2,729 tonnes (60% from FSC™certified sources and 39% from recycled materials) • Catalogues: 17,835 tonnes (4% from FSC™certified sources, 96% from other credible certified sources, and 0% from recycled materials) Palm oil and palm kernel oil is another important raw material used in many of
301-2	Recycled input material used	-	Oriflame's cosmetic products. We purchase palm oil and palm kernel oil based derivatives. In 2019, we purchased 2,511 tonnes of Mass Balance certified material with the remaining amount of 804 tonnes being covered by RSPO Credits.

GRI 302: Energy

CODE	TITLE	LOCATION		NOTE		
103- 1/2/3	Management Approach 302	2019 OSR – Climate: pp. 47-53		-		
			MWh	2017	2018	2019
			Energy consumption from non-renewable sources	52,800	27,600	23,400
			Energy consumption from renewable sources	5,300	29,900	32,000
			Total energy consumption	58,000	57,500	55,400
			Energy source (MWh)			2019
302-1	Energy consumption within the organisation	-	Burning oil			130
			Diesel			830
			District heating			9,670
			Renewable electricity			30,520
			Natural gas		12,8	12,810
			District cooling			1,440
			Total energy consumption w	vithin the org	anisation	55,400

CODE	TITLE	LOCATION	NOTE				
302-2	Energy consumption outside of the organisation	-	In 2019, we have identified several warehouses that are not operated by Oriflame (Scope 3 – upstream leased assets). The total energy consumption from warehouses in 2019 (non-renewable sources) was 4,026 MWh.				
302-3	Energy intensity	-	MWh/€M 2017 2018 2019 Energy consumption per €M sales 41.5 45* 44* The intensity ratio refers to all energy consumption within the organisation. * From 2018 IFRS 15 was implemented and had a negative impact on sales levels compared over time.				
302-4	Reduction of energy consumption	-	We are continuously working on becoming more energy efficient. By 2020, we are committed to reducing 15% of electricity use in our factories relative to produces volumes with 2015 as base year. Since 2015 the electricity use in our factories per produced volume has decreased by 14%.				

GRI 303: Water and effluents

103-1/2/3	Management Approach 303	2019 OSR – Water: pp. 39-41	-
303-1	Interactions with water as a shared resource		We focus on improving water efficiency and are committed to reducing water use at our manufacturing sites by 15% per produced unit (compared to a 2015 baseline) by 2020. In 2019, the water usage per produced unit was reduced by 18% since 2015.

GRI 303: Water and effluents

CODE	TITLE	LOCATION	NOTE
303-2	Management of water discharge-related impacts	2019 OSR – Water: p. 40	All our manufacturing facilities have effluent treatment plants where wastewater is treated as per local discharge requirements before discharging into municipal sewage network
303-3	Water withdrawal	-	Our manufacturing sites withdraw groundwater from wells and/or water from a municipal supply source
303-4	Water discharge	-	Four of our manufacturing sites have effluent treatment plants, where the wastewater is discharged into the municipal sewage network after treatment. Our wellness factory in India is designed to reuse 100% of its water, for example by using the water from the effluent treatment plant for irrigation purposes.
303-5	Water consumption	-	Total water consumption was 145 megaliters. The water consumption and discharge data was compiled based on readings from water meters installed at all sites. Data was collected from Jan 2019- Oct 2019. Water withdrawal was calculated after adding water Consumption and water discharge data. Our wellness factory in China was excluded from the water reporting, since they manufacture products that do not require water.

GRI 305: Emissions

CODE	TITLE	LOCATION		NOTE			
103-1/2/3	Management Approach 305	2019 OSR – Climate: pp. 47-53 & About this report: p. 114		-			
305-1	Direct (Scope 1) GHG emissions Energy indirect (Scope 2) GHG emissions	2019 OSR – Climate: pp. 47-53 & About this report: p. 114	tCO ₂ e Scope 1 Scope 2 (market-based) Scope 3	2010 7,564 24,547 48,393	2017 5,075 16,395 41,840	2018 5,255 2,696 43,526	2019 5,191 1,689 35,196
			Energy-related activities Logistics Business travel* Water Waste	4,913 23,114 18,896 172 1,298	2,632 11,799 27,059 212 137	1,652 11,536 29,158 183 997	1,618 11,092 20,272 253 1,961
			Upstream leased assets	80,504 N/A	63,309 2,908	51,500 2,674	1,951
305-2			*Including Consultant's travel to international conferences The calculation includeded the six GHGs covered by the Kyoto Protocol and followed an operational control approach. Our base year is 2010. Global Warming Potential (GWP) from IPCC Fourth Assessment Report (AR4) was used. Emission factors were derived from:				
305-3	Other indirect (Scope 3) GHG emissions		 UK Government GHG Conversion Factors for Company Reporting (2019), Department for Environment, Food & Rural Affairs (DEFRA) CO2 emissions from fuel combustion (2019), International Energy Agency (IEA) District heating and District cooling Sweden: Miljönyckeltal (2019), Stockholm Exergi District heating Finland: Specific emissions of energy production (2018), Helen Logistics: Maersk Line factors Activity data was collected from each market. 				

CODE	TITLE	LOCATION	NOTE					
				2010	2017	2018	2019	
	GHG emissions	2019 OSR – Climate: pp. 47-53 & About this report: p. 114	Emissions per sales (tCO₂e/€m)	53.2	45.2	40.3*	33.4*	
305-4	intensity		All emission intensity metrics include Scope 1-3 emissions. Emissions from Upstream leased assets (Scope 3) is not included in the emission intensity ratio. * From 2018 IFRS 15 was implemented and had a negative impact on sales levels compared over time.					
305-5	Reduction of GHG emissions	2019 OSR – Climate: pp. 47-53 & About this report: p. 114	Since 2010 our relative GHG emissions (tCO2e/€m Sales) have decreased by 37% and absolute GHG emissions have decreased by 48%. Emissions from Upstream leased assets (Scope 3) are excluded from the reduction figure. We conducted our first GHG emission inventory in 2010 and therefore chose 2010 as our base year.					

GRI 308: Supplier environmental assessment

103-	Management	2019 OSR – Sustainable suppliers:	-
1/2/3	Approach 308	p. 79	
308-1	New suppliers that were screened using environmental criteria	-	All our suppliers are assessed for their environmental compliance to a certain extent through our supplier code of conduct

GRI 400: Social Standards

GRI 401: Employment

COD	E TITLE	LOCATION	NOTE				
103 1/2/	9	2019 OSR – Employee experience: pp. 72-75		-			
401-	New employee hires and employee turnover	-	New employee hires (%) Employee turnover (%) New employee hires (%) Employee turnover (%)	years ye	A-39 40-49 years 3% 7% 8% Men 16% 10%	50-59 years 5% 6%	>=60 years 7% 14%
				Latin America	Europe & Africa	CIS	Asia & Turkey
			New employee hires (%)	15%	17%	17%	18%
			Employee turnover (%)	14%	10%	13%	10%

GRI 402: Labor/management relations

CODE	TITLE LOCATION		NOTE
103-1/2/3	Management Approach 402 2019 OSR – Employee experience: pp. 72-75		-
402-1	Minimum notice periods regarding operational changes	2019 OSR – Employee experience: pp. 72-75	The average minimum number of weeks' notice for 31 of our markets is 5 weeks.

GRI 403: Occupational health and safety

103-1/2/3	Management Approach 403	2019 OSR – Protecting health and safety: pp. 74-75	-
403-1	Occupational health and safety management system	2019 OSR – Protecting health and safety: pp. 74-75	At Oriflame, there is an occupational health and safety management system which was implemented based on a need to manage health and safety-related risks by the management of the company. This covers all workers, including contractors / suppliers working at Oriflame premises or on behalf of Oriflame, and all workplaces owned or directly managed by Oriflame.

CODE	TITLE	LOCATION	NOTE
403-2	Hazard identification, risk assessment, and incident investigation	2019 OSR – Protecting health and safety: pp. 74-75	There is no formal and global risk-assessment process at Oriflame. All workers are made aware of their rights and responsibility to report hazards and to not engage in any activity that they consider would pose an unacceptable danger to their health or safety. This is done through classroom and e-Learning training. There is a global procedure for the management of work-related incidents, including investigation
403-4	Worker participation, consultation, and communication on occupational health and safety	2019 OSR – Protecting health and safety: pp. 74-75	Worker participation and consultation is encouraged globally, though not formalized in any procedure or instruction. Joint management-worker health and safety committees exist in Oriflame factories. They meet quarterly at least and statute on the objectives of the factory's health and safety management system and program

CODE	TITLE	LOCATION	NOTE
403-5	Worker training on occupational health and safety	2019 OSR – Protecting health and safety: pp. 74-75	There is an online Health and Safety Awareness course available in several languages and required to be undertaken by the management and supervisors in manufacturing, laboratories and operations. Workers in all locations shall receive generic and job-specific information about the risks they are exposed to and the agreed control measures. This is required by a Group-level Policy, whose implementation is the responsibility of the Managing Director of each entity.
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	2019 OSR – Protecting health and safety: pp. 74-75	-

CODE	TITLE	LOCATION		NOTE					
			Work related injuries						
						Employees	Contractors / suppliers working on Oriflame premises or on behalf or Oriflame		
			Number and rate of fatalities	0	0				
	Work related injuries	2019 OSR – Protecting health and safety: pp. 74-75					Number and rate of high- consequence work-related injuries	0	0
			Number and rate of recordable injuries	39 (3.50 per million working hours)	4 recordable injuries				
403-9			Number of hour worked	11,158,469 (manufacturing and other types of location)	Oriflame does not record the number of hours worked by contractors / suppliers working on Oriflame premises or on our behalf				
			Absentee rate	Absentee rate	Manufacturing :4.4%Non-manufacturing : 3.1%All Oriflame: 3.3%	-			
				onsequence" as per GRI terminolo ting in at least 1 day lost beyond th					

CODE	TITLE	LOCATION	NOTE
403-9	Work related injuries	2019 OSR – Protecting health and safety: pp. 74-75	The hazards posing a risk of high-consequence injury are: i. Manufacturing environment: • Moving parts of machines • Intervention on machines in abnormal conditions • Interaction between pedestrians and moving vehicles • Slips, trips and falls from the same level ii. Laboratory environment: • Hot fluids • Hazardous substances • Slips, trips and falls from the same level iii. Warehouse environment: • Interaction between pedestrians and moving vehicles • Falls of objects from height • Slips, trips and falls from the same level iv. Office environment: • Slips, trips and falls from the same level v. The above hazards have been determined through on-site visits, self-assessment checklists, and remote reviews vi. There was no high-consequence injury during the reporting period. vii. Risks related to the hazards identified above are minimized through elimination (e.g. wrapping of pallets stored at heights), engineering (e.g. physical protection against accidental contact with moving parts of machines), administration/procedures (e.g. Lockout / Tagout for intervention on machines), training, Personal Protective Equipment



CODE	TITLE	LOCATION	NOTE
403-9	Work related injuries	2019 OSR – Protecting health and safety: pp. 74-75	Oriflame conducts ad-hoc risk reduction programmes (e.g. moving parts of machinery in 2018, lockout / tagout and emergency preparedness in 2019). In addition, we drive improvements through sharing of best practices in dedicated quarterly meetings with all factories and representatives of all Regions' Operations. Frequency rates above are calculated on the basis of 8-hour working days.
403- 10	Work-related ill health	2019 OSR – Protecting health and safety: pp. 74-75	 a) For employees: There was 1 recordable case of work-related ill-health recorded in 2019 b) For contractors / suppliers working on Oriflame premises or on behalf or Oriflame: There were 0 recordable cases of work-related ill-health recorded in 2019 c) The hazards posing a risk of work-related ill-health are: Manufacturing environment: Exposure to hazardous substances: Laboratory environment: Exposure to hazardous substances Warehouse environment: i) Repetitive tasks (caused the reported case of work-related ill-health) ii) Manual handling of heavy loads Office environment: Repetitive tasks Risks related to the hazards identified above are minimized through elimination (e.g. wrapping of pallets stored at heights), engineering (e.g. physical protection against accidental contact with moving parts of machines), administration/procedures (e.g. Lockout / Tagout for intervention on machines), training, Personal Protective Equipment.

GRI 404: Training and education

CODE	TITLE	LOCATION	NOTE	
103-1/2/3	Management Approach 404	2019 OSR – Employee experience: pp. 72-75	-	
404-1	Average hours of training per year per employee	2019 OSR – Employee experience: pp. 72-75	We have a total of 1,000 LinkedIn learning licenses offering unlimited learning with 993 licenses being actively used. Thus, one in six employees across the company uses this platform, averaging 4.5 hours per employee per year. In 2019, we continued with the Oriflame Way training for all employees. This essential course covers Oriflame's culture, history, and business. 72% of all Oriflame staff have now completed the training globally, with the aim of achieving 100% by 2020. We do not have data for average hours of training by gender and employee category.	
404-3	Percentage of employees receiving regular performance and career development reviews		Performance management – (employees that worked less than 3 months are not included) Women 65% Men 35% Data covering 81% of employees	

GRI 405: Diversity and equal opportunity

CODE	TITLE	LOCATION		NC	TE			
103- 1/2/3	Management Approach 405	2019 OSR – Employee experience: pp. 72-75			-			
405-1	Diversity of governance bodies and employees	2019 OSR – Employee experience: pp. 72-75	Oriflame Global Management Team Group Management Board of Directors Managing Directors Regional Directors Oriflame Global Management Team Group Management Board of Directors Managing Directors Regional Directors	<=29 years 22% 0% 0% 0% 3% 8%	30-39 years 43% 21% 10% 13% 38% 15%	40-49 years 26% 61% 50% 25% 43% 62% Female 58% 43% 30% 38% 42% 54%	4: 5: 7: 6: 5:	>=60 years 2% 1% 0% 38% 5% 0% lale 2% 7% 0% 2% 8% 6%

GRI 408: Child labour

CODE	TITLE	LOCATION	NOTE
103- 1/2/3	Management Approach 408	2019 OSR – Human rights: pp. 76-80	-
408-1	Operations and suppliers at significant risk for incidents of child labour	2019 OSR – Human rights: pp. 76-80	-

GRI 409: Forced or compulsory labour

CODE	TITLE	LOCATION	NOTE
103- 1/2/3	Management Approach 409	2019 OSR – Human rights: pp. 76-80	-
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	2019 OSR – Human rights: pp. 76-80	-

GRI 412: Human rights assessment

GRI 412	GRI 412: Human rights assessment				
103- 1/2/3	Management Approach 412	2019 OSR – Human rights: pp. 76-80	-		
412-1	Operations that have been subject to human rights reviews or impact assessments	2019 OSR – Human rights: pp. 76-80	In 2019, we entered a new market, Uzbekistan and as part of our due diligence process, we conducted a human right risk assessment. We will implement the results of the study to develop a mitigation plan addressing those risks		
412-2	Employee training on human rights policies or procedures	019 OSR – Human rights: pp. 76-80	Our Code of Conduct guides how we operate at Oriflame, always with a high level of integrity and a strong ethical and moral conscience. In 2019, 27 in-class training sessions related to compliance, policies and code of conduct were delivered, reaching out to 644 employees		

GRI 414: Supplier social assessment

CODE	TITLE	LOCATION	NOTE
103- 1/2/3	Management Approach 414	2019 OSR – Human rights: pp. 76-80	-
414-1	New suppliers that were screened using social criteria	For any new supplier approval, we conduct a supplier assessment of sustainability management systems. 49% of new suppliers were audited during 2019. The remaining 50 were desktop audited	
414-2	Negative social impacts in the supply chain and actions taken	-	48 suppliers were audited for social impact in 2019. Out of this 15 were in India and 33 in China.
GRI 416	: Customer health and safety		
103- 1/2/3	Management Approach 416	2019 OSR – Human rights: pp. 76-80	-
416-1	Assessment of the health and safety impacts of product and service categories	2019 OSR – Human rights: pp. 76-80	-

United Nations – GLOBAL COMPACT

	GRI INDICATOR		
HUMAN	Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and	408 409 412 414
	Principle 2	make sure that they are not complicit in human rights abuses.	408 409 412 414
	Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	402
LABOUR	Principle 4	the elimination of all forms of forced and compulsory labour;	409
LAE	Principle 5	the effective abolition of child labour; and	408
	Principle 6	the elimination of discrimination in respect of employment and occupation.	401 402 403 404 405
ENVIRONMENT	Principle 7	Businesses should support a precautionary approach to environmental challenges;	301 302 303
	Principle 8	undertake initiatives to promote greater environmental responsibility; and	
	Principle 9	encourage the development and diffusion of environmentally friendly technologies.	305 308
ANTI- CORRUP TION	Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	205

