

RITUALS

sustainability report 2021



An aerial photograph of a rocky coastline. The left side of the image shows dark, jagged rocks. The middle and right sides show white, foamy waves crashing against the shore, with the water transitioning from a light turquoise to a deep teal color. The overall scene is dynamic and natural.

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Dear reader,

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.

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.

Following our latest report which was published in November 2021, I am incredibly proud to share with you our second annual Sustainability Report.

I'm delighted to have some significant successes to share, including one sustainability milestone that I'm immensely proud of: our B Corp™ Certification. I want to say heartfelt thanks to our

customers for the inspiration, and our suppliers and our team that has worked so hard on this over the past few years. This wouldn't have been possible without everyone's dedication and hard work. The first major steps have been taken on this important and continuing journey.

By passing the rigorous assessments required to achieve B Corp certification – now regarded as a leading marker for sustainable brands worldwide - Rituals has cemented itself as one of the frontrunners for sustainability in the beauty industry.

As a brand that takes a holistic approach to our business and how we operate, B Corp Certification really is, in our view, the only assessment that covers all aspects, from the way we treat our customers and employees to our decision-making processes and environmental considerations in product development. We've always been passionate about both people and planet, so our



new B Corp status is simply the natural next step on our committed and continuous journey to sustainable wellbeing for all.

On this journey, Rituals has made big steps already. In 2021, we transitioned from using virgin to recycled plastic for 18 different products. We also sold and gifted more than 700,000 of our bags made in partnership with the Tiny Miracles Foundation.

Whilst we are proud of our progress, we realise there is much work still to be done, and we are dedicated to constantly improving our efforts and goals. To guide us on this journey of transformation, we've set out three specific

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

pillars that you will see in each annual report: Clean, Conscious & Caring. 'Clean' is all about trusted quality products, carefully formulated with ingredients of natural origin. 'Conscious' focuses on making sustainable choices for our packaging and in our business, while the 'Caring' pillar supports and develops programs contributing to soulful societies. In this report, you can read about the progress we have made in all three of these areas – and many more - since last year, as well as discovering our goals for the future. I hope you will be inspired by the read.

Raymond Cloosterman

Founder and CEO

A CERTIFIED B CORPORATION™

We are proud to announce that Rituals is now a B Corp - meaning 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 the highest verified standards of social and environmental performance, transparency and accountability.

To reach B Corp status, for-profit companies must prove they are using their power to build a more inclusive and sustainable economy. The certification process measures against credible, comprehensive, transparent and independent standards of social and environmental performance. To pass, a company must undertake a 360-evaluation, not only of their product, but the entire business. The rigorous assessment is split up into five categories: governance, environment, community, workers and customers. Within these sections a company can be rated on everything from Co₂ emissions to charitable donations and must outline their commitments to continuously improve in each area. Out of a

total of 200, a company must score 80 points and we are very proud that Rituals scored 92.2.

B Corp is more than just a certification. It's a movement of like-minded organisations that all want to use their business as a force for good. B Corp's 360 approach to assessment and the active community they have created is unique and unlike any other existing certification.

For more information about how we scored, please find our company in the B Corp directory: <https://www.bcorporation.net/en-us/find-a-b-corp/company/rituals-cosmetics>



PROUD TO BE B CORP™

Certified



Corporation

HIGHLIGHTS OF OUR B CORP CERTIFICATION

The B Corp assessment is split up into five categories. Here are some of the key commitments we have made within these areas.



GOVERNANCE

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

Each year we publish a new sustainability report to ensure transparency around our social and environmental impact.

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



ENVIRONMENT

We offer a wide range of eco-chic refill options that save on materials.

We have calculated and externally verified our corporate carbon footprint and have set concrete goals for reduction.

We monitor the environmental impact of our products via our Clean & Conscious product evaluation tool.



COMMUNITY

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

Karma days allow our CHO and Benelux LHO employees to do a day of charity work every year.

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



EMPLOYEES

We measure employee satisfaction and engagement on a regular basis.

We have been awarded for our 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 to ensure safe data use.

We actively involve customer feedback in our product development.



ABOUT RITUALS

Happiness can be found in the smallest of things. It is our passion to turn everyday routines into more meaningful moments.

They are everywhere, every single day, waiting to be discovered. Small moments that we all tend to overlook, but that actually hold the power to breathe beauty into our day. At Rituals, we believe that being more aware of these moments is the key to a happier and more fulfilled life. That's why we've created The Art of Soulful Living, a compass to guide people on a journey of personal wellbeing, helping them to unify body, mind and soul. Through easy, adaptable routines and small habits, we can awaken our true human potential.

Whether it's choosing an indulgent bath over a hurried shower, or taking a quiet few minutes to just appreciate the flickering flame of your favourite candle, happiness can be achieved through choosing to slow down and reflect. More than just a beauty brand, wellbeing is rooted in Rituals' DNA and now more than ever, we want to encourage not just our customers but our employees and the communities around us to live more soulfully.

OUR PRESENCE

THE WORLD OF RITUALS



912

Stores worldwide



1

House of Rituals
flagship store



3,000+

Shop-in-shops



6

Body and mind spas



150+

Cruise & ferry locations



16

Stand-alone
stores at airports



500+

Travel shop-in-shops



3,500+

Boutique hotels



7

Airline partners

We are in 106 countries

- Andorra
- Antigua
- Argentina
- Aruba
- Australia
- Austria
- Bahamas
- Bahrain
- Barbados
- Belgium
- Bermuda
- Brazil
- Bulgaria
- Canada
- Cape Verde
- Cayman Islands
- Chile
- China
- Colombia
- Croatia
- Curacao
- Cyprus
- Czech Republic
- Denmark
- Dominican Republic
- Egypt
- El Salvador
- Estonia
- Faroe Islands
- Finland
- France
- Germany
- Gibraltar
- Greece
- Greenland
- Grenada
- Guadeloupe
- Hong Kong
- Hungary
- Iceland
- India
- Indonesia
- Israel
- Italy
- Japan
- Jordan
- Kazakhstan
- Kuwait
- La Réunion
- Latvia
- Lebanon
- Lithuania
- Luxembourg
- Macau
- Madeira
- Malaysia
- Maldives
- Mali
- Malta
- Martinique
- Mauritius
- Mexico
- Moldavia
- Monaco
- Montenegro
- Morocco
- New Zealand
- Norway
- Oman
- Pakistan
- Panama
- Paraguay
- Poland
- Portugal
- Qatar
- Republic of Ireland
- Romania
- Russia
- Senegal
- Serbia
- Singapore
- Slovakia
- Slovenia
- South Africa
- South Korea
- Spain
- St Kitts
- St Lucia
- St Martin
- Suriname
- Sweden
- Switzerland
- Taiwan
- Thailand
- The Netherlands
- Trinidad & Tabago
- Tunesia
- Turkey
- Ukraine
- United Arab Emirates
- United Kingdom
- United States of America
- Uruguay
- Uzbekistan
- Vietnam
- Virgin Islands

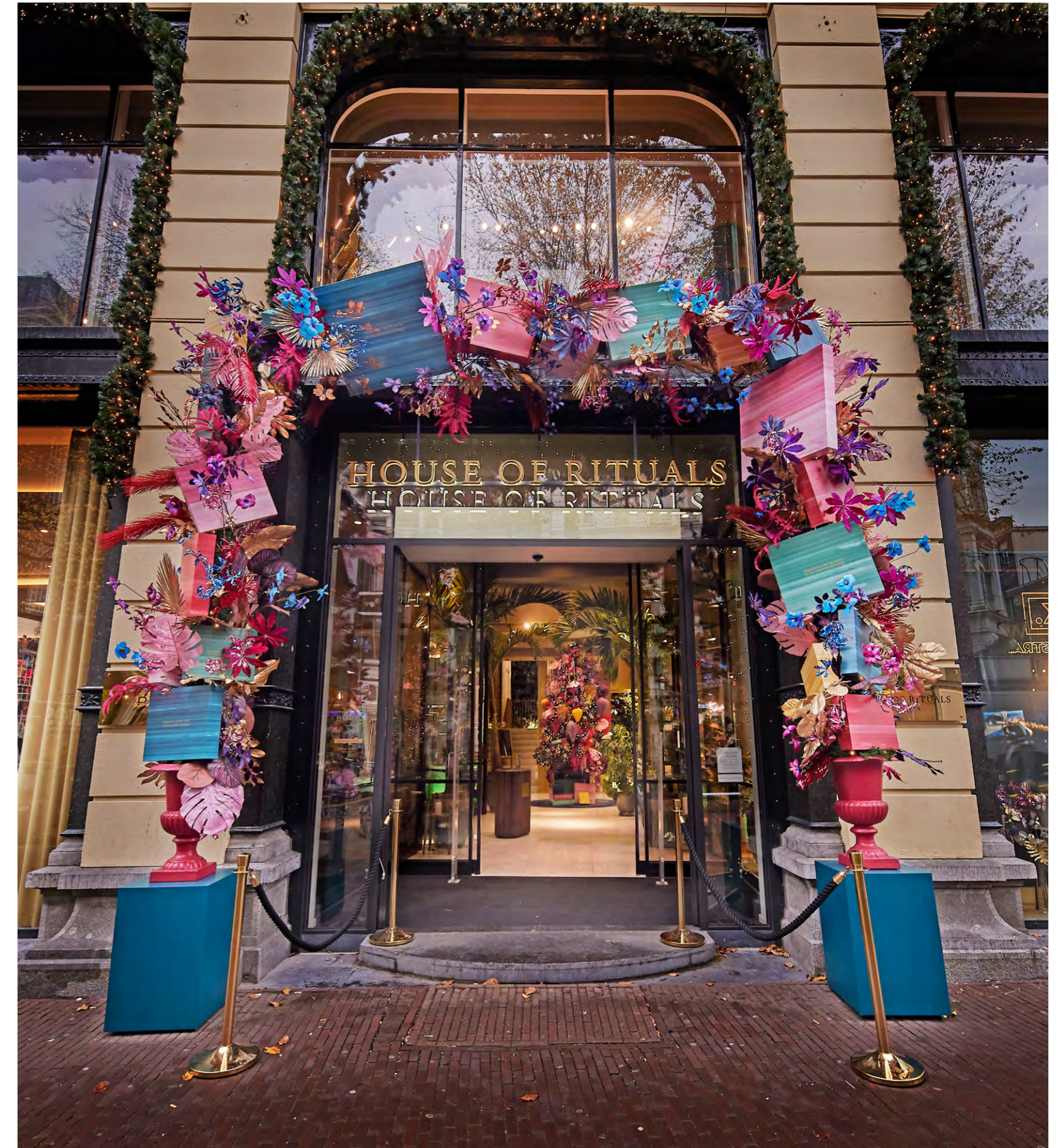
OUR CUSTOMERS

Our organisation is built on and around consideration of our customers' wellbeing. Our luxury care products have been developed to bring mind, 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 ambience, to the genuine attentiveness of our store employees who might offer tea or a hand massage to guests, our aim is to inspire a feeling of serenity in all that we do.

Our newly opened House of Rituals in Amsterdam brings our brand philosophy to life. Established in honour of our 20th anniversary, it is the physical embodiment of our holistic approach, bringing care for the mind, body and soul 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.

In 2020 we introduced our Voice of Customer Platform. This means we can now collaborate with customers, harvest fresh ideas and receive instant feedback. We highly value our customers' opinions and 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.

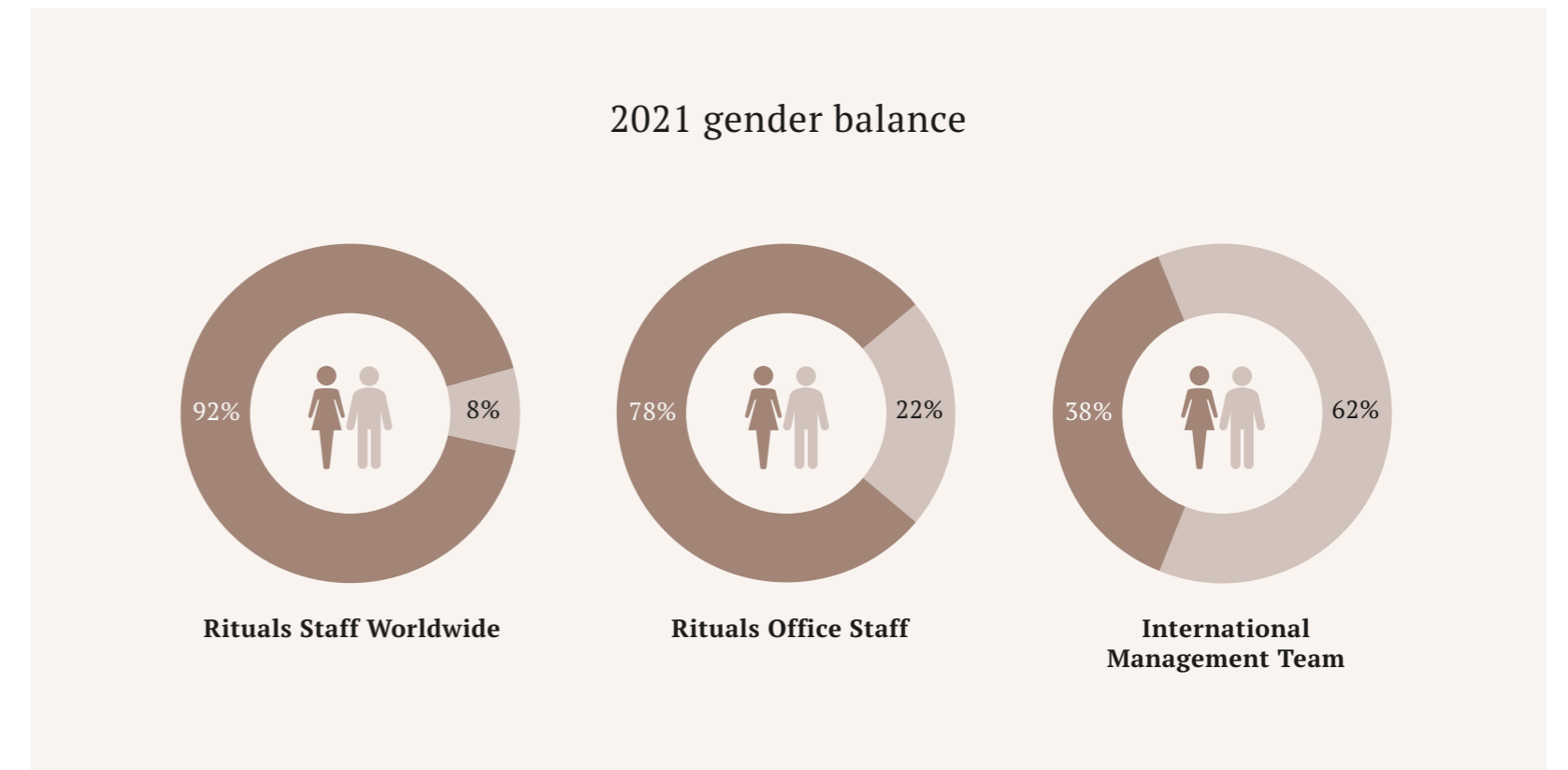
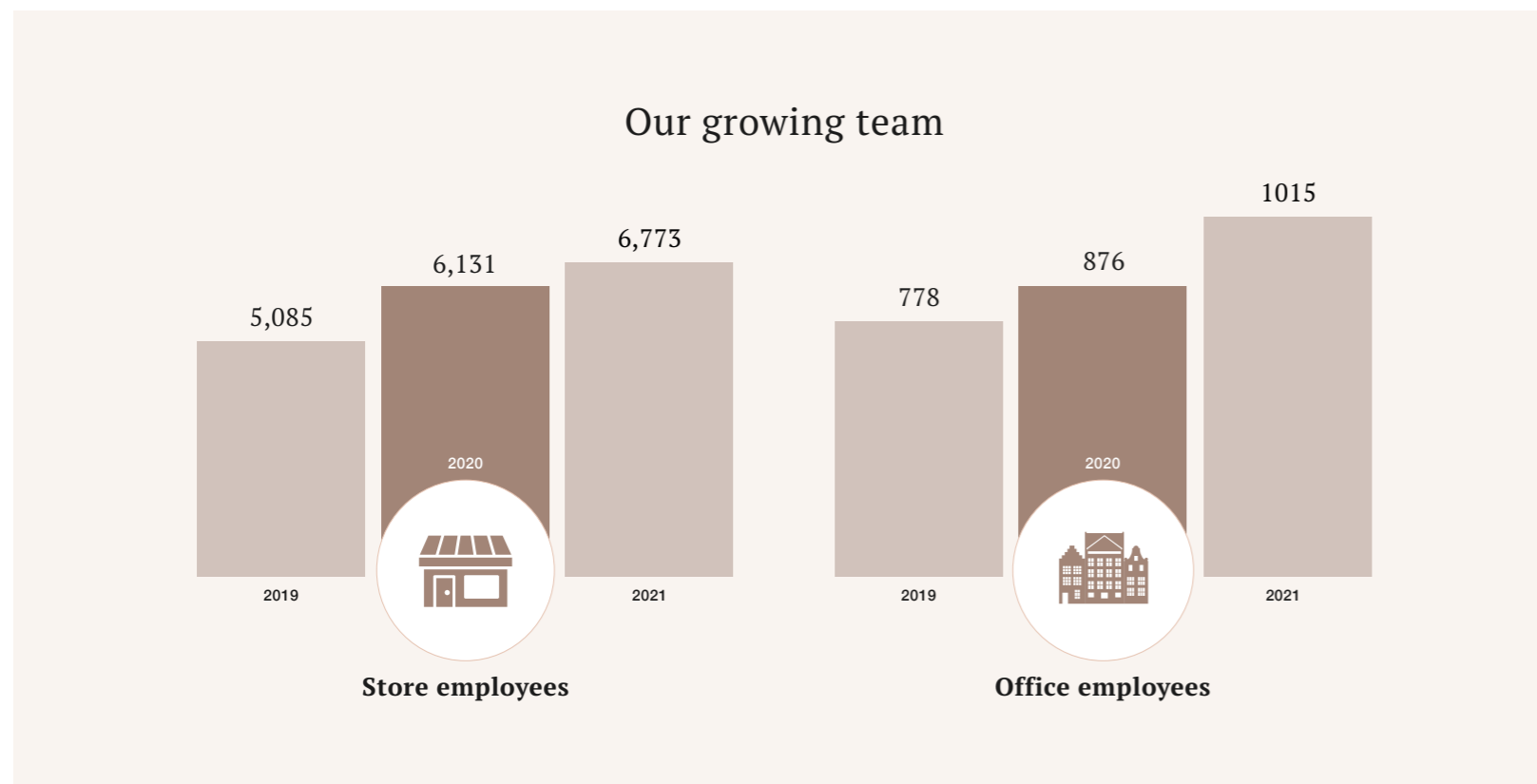


OUR EMPLOYEES

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 long-term success of Rituals. After all, happy and healthy employees are the key to a sustainable business model.

At the end of 2021, our employee headcount came to 7,788. This consisted of 1,015 employees

working in our national head offices and 6,773 employees working in our stores. As our company grows, so does our staff. In 2021 we hired an average of 34 employees per month in our head offices and 335 in stores. We believe that in order to create a meaningful contribution to society, our organisation should reflect the diversity of that society by actively practising - not just preaching - inclusivity.

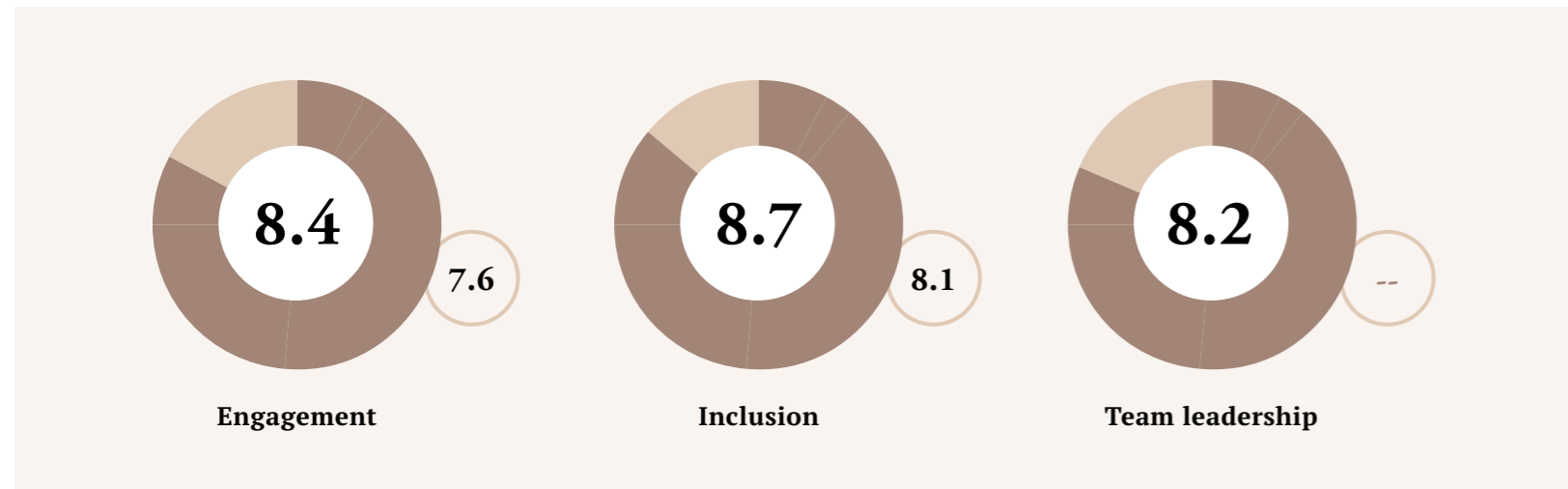


In line with our customer base, with regards to gender balance, our workforce is primarily comprised of members who identify as women with a gender split of 60/40. In senior management, the gender balance is the other way round. We aim to reach gender parity (50/50) in senior leadership positions within our International management team by 2023.

Rituals People Pulse

We take pride in creating a safe culture in which

all employees feel engaged, appreciated, and have access to the same opportunities. In September 2021 we rolled out our second Rituals People Pulse. In this survey we introduced three new themes: engagement, inclusion and leadership. On a scale of -100 to 100, we received an excellent eNPS score of 47.5. This figure indicates the loyalty from our employees and their likeliness to recommend Rituals as an employer. On employee engagement we scored an average of 8.4, while benchmark companies scored 7.6.



We have introduced an international Diversity & Inclusion Ambassador Group that supports, highlights and sets up programmes to support our culture. One example of this was launching a training course on unconscious bias. We monitor the perception of inclusion via our engagement survey. Our global inclusion score in 2021 was 8.7.

Karma days

In 2021 we introduced 'Karma days' for the Central Head Office in Amsterdam and Benelux Local Head Office. On these days, employees are encouraged to volunteer or give back to their community. Now that COVID-19 restrictions have begun to ease off, in the coming year, we hope for participation in this initiative to increase and that more of our employees will actively contribute to society.

COVID-19 approach

In 2021 most of the office staff had to work remotely. Whilst we were confronted with lockdowns and store closures, we tried to keep the connection with our employees, both at the office and in the stores. We organised online meditations and yoga sessions. We also created a new flexible working policy to combine office days and remote working in line with government guidelines. We provided Covid-19 guides for employees to make sure everyone had the correct information and we also organised webinars for managers to help them reboard their team to the office again.

Whistleblower policy

Rituals is committed to promoting a culture of openness, honesty, responsibility and integrity

in which people feel comfortable talking about their concerns, including highlighting instances of unethical or illegal behaviour.

The Whistleblower Policy is developed to provide guidance for all employees within Rituals to report any suspected or actual behaviours or practices that violate our Code of Conduct. By encouraging employees to speak up to raise their concern(s), we want to stimulate and preserve a positive workplace for everyone.

OpenUp - initiative

We also started the OpenUp- initiative, in which we offer employees access to psychologists as and when needed.

For CHO 6% of our employees contacted OpenUp along with 5% of our shop employees (Netherlands). We are aiming to offer OpenUp for other countries in the future as well.

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 organise regular 'InspiRituals' sessions. During these sessions, experts from varying fields share their stories and eye-opening insights.

- Below is the list of topics we covered in 2021:
- Making Sense of it all with Christine Boland
 - Unconscious Bias by Pamela Fuller



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. Throughout the year we have hosted remote booster-webinars on wellbeing and productivity.

Below is the list of topics we covered in 2021:

- Sharpen your saw
- Manage your time & energy
- Target setting like a pro
- First things first
- Ownership – create a culture of ownership and accountability
- Work effectively with others





OUR PATH TO SUSTAINABLE WELLBEING

a holistic approach to improving wellbeing for people and planet

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.

This year we started with mapping the most important CSR themes with our internal and external stakeholders via a materiality analysis. All three of our sustainability pillars are taken into account. In the coming years we will have stakeholder conversations to elaborate on these topics. With this valuable feedback, we will refine our strategy where needed.



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.

MATERIALITY MATRIX





CLEAN

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

In 2021, we began using our Clean & Conscious product evaluation tool to assess our products. Within the year, our average product score rose from 63 to 67 and by 2025 we aim for all our products to score 80+.

At Rituals, our formulas are created with a great deal of attention. All 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 2022 we will move to 100% RSPO certified palm oil.



By 2025, all our products will score 80+ on the Clean & Conscious product evaluation tool.

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. 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 2021, our in-scope products that consist of at least 90% natural origin ingredients rose from 70% to 79%. The remaining 21% of our products are

currently in the lab, ready for development to reach our goal. We continue to gather consumer feedback on selected products for formula changes, and are currently doing so for our shower foam, being one of our most iconic products. The first improved shower foam formula we launched was for The Ritual of Ayurveda and we will continue to roll this out into 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.

Less than 1% of the total amount of the ingredients that we use in our products is derived from palm



Natural origin ingredients product overview

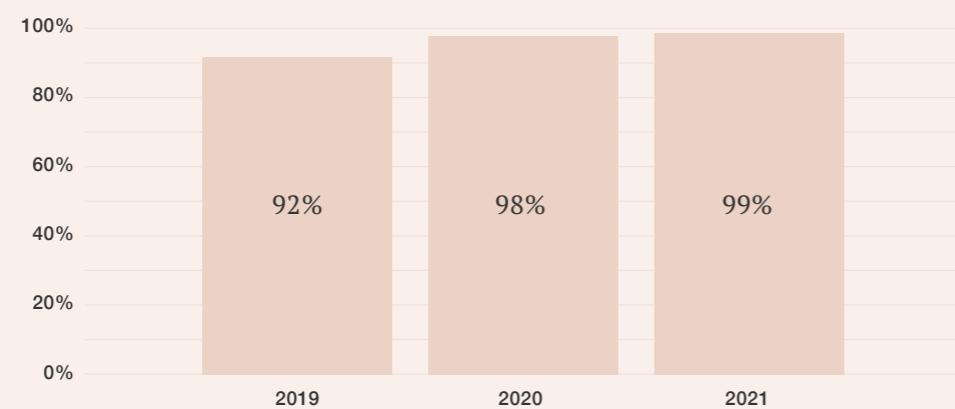
>90% natural origin

Body cream
Body oil
Body scrub
Classic candles
Conditioner
Dry oil
Fragrance sticks
Hair & body mist
Hand balm
Hand cream
Hand gel
Hand lotion
Hand wash
Home spray

Formulas being improved

The Ritual of Hammam body mud
Dish wash
The Ritual of Karma shimmer oil
Shave foam
Shower oil
Self tanning body lotion
Shower foams

% RSPO-certified palm oil-based ingredients



RESPONSIBLE INGREDIENTS

oil. Palm oil is a highly efficient vegetable oil to grow as it takes less land to produce than other vegetable oils. 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 2021, 99% of the palm oil and palm kernel oil derived ingredients used in our products were from this certified sustainable source (RSPO MB). The remaining 1% are primarily seven ingredients and we have created a roadmap with our suppliers to get them RSPO MB certified by 2022. This was originally a goal for 2021 but we instead moved from 98% to 99%. This year, we are committed to reaching 100%.

Microplastics

Many years ago, we decided not to use microbeads in any of our products, as we were already aware of the accumulation of microplastics in our oceans. 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.

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.

Product improvements

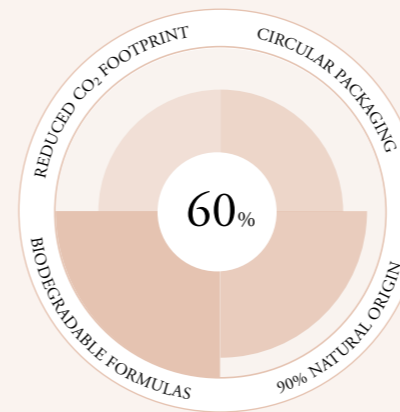
Product assessments with the Clean & Conscious tool allow us to identify potential product improvements. They also enable us to better understand potential trade-offs: how do we act when improving one indicator negatively impacts another? We have currently scored our top-selling 45 products, covering 80% of our revenue. In 2020 our baseline average score was 63, in 2021 this has risen to 67. Our product portfolio is being steadily improved with the goal of raising the average score to 80+ by 2025.

The Ritual of Ayurveda was our first full collection to be monitored and evaluated on its environmental impact in our Clean & Conscious tool. Based on the assessment, we could identify and execute multiple collection improvements. The average score for this collection alone rose from 64 to 68 and these new and improved formulas were launched to market in 2021.

Looking forward

The improvement of this collection served as a testing ground for how we can make all of our collections more sustainable, year on year. Going forward, we will intensify our use of the Clean & Conscious tool as a guiding compass for product improvements.

Improving our iconic products

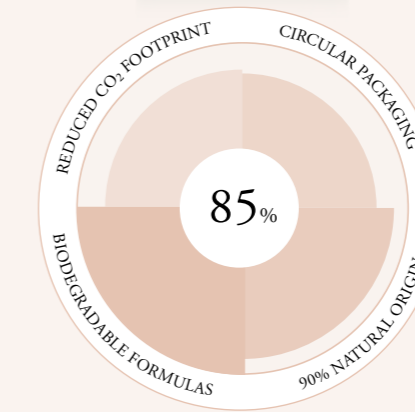


The Ritual of Ayurveda Body Scrub

Score improvement
from 53 to 60

Product improvements

- At least 90% natural origin ingredients
- Improved formula for less CO₂-impact
- Recycled PET packaging

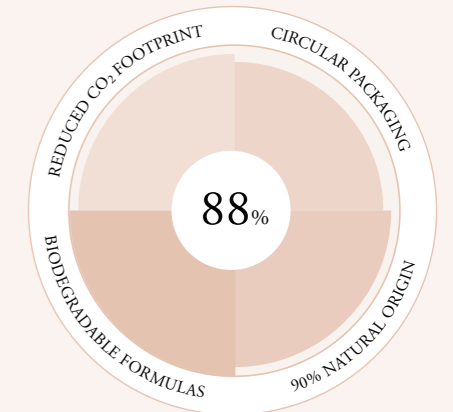


The Ritual of Jing Parfum d'Interieur

Score improvement
from 82 to 85

Product improvements

- At least 90% natural origin ingredients
- Recycled PET packaging



The Ritual of Sakura Hand Wash Refill

Score improvement
from 86 to 88

Product improvements

- Recycled PET packaging
- At least 90% natural origin ingredients
- Improved weight to volume

CLEAN & CONSCIOUS TOOL



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.



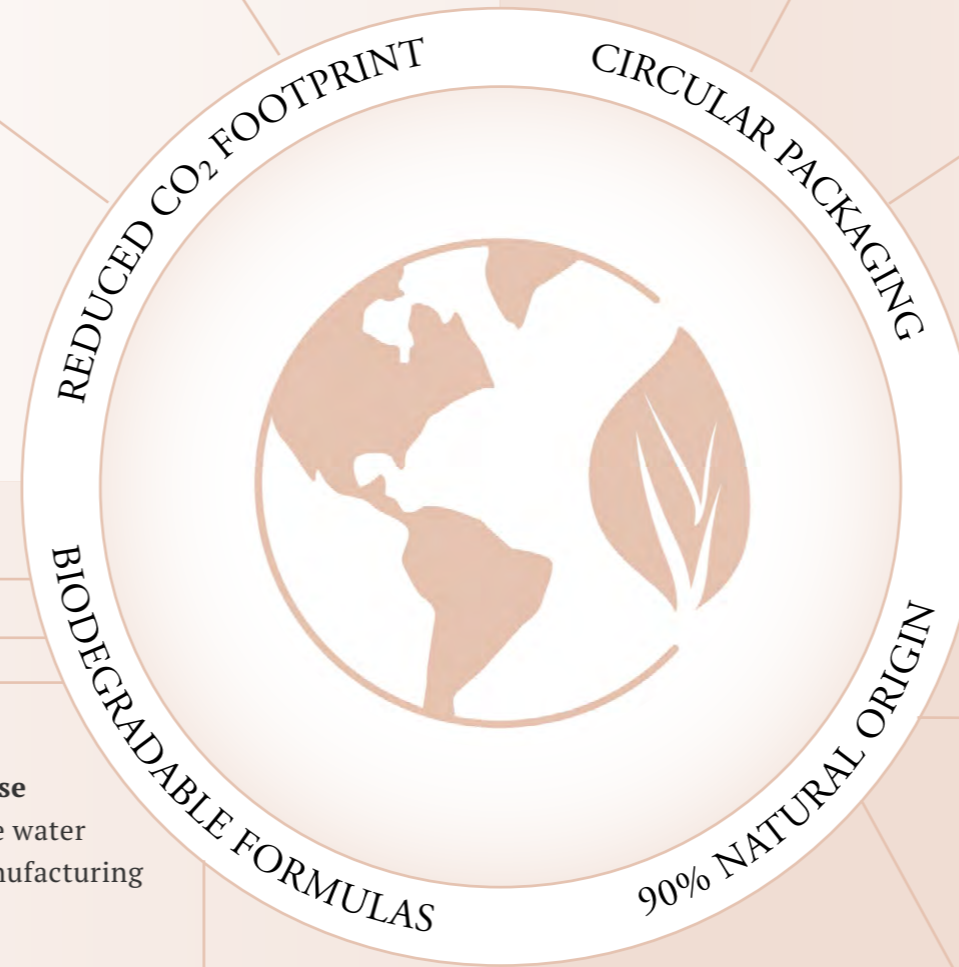
Natural origin ingredients

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.





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.



By 2026, our energy user per sales m² will be reduced by 10% compared to our 2020 baseline.



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

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). 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.

Based on the GHG protocol, our emissions are divided into Scope 1: direct emissions, Scope 2: indirect energy related emissions and Scope 3: all indirect emissions of the company’s value chain. In 2020, we were able to calculate our baseline emissions and in 2021, we continued to track and measure our carbon footprint, while getting more granularity for our scope 3 emissions.

Quantis, an external sustainability consultancy, verified our GHG emissions estimations by reviewing our 2021 results, assumptions, and emission factors.

In 2021, our total carbon footprint was 164,184 of CO₂ eq.

- **Scope 1: 1,611 tons CO₂ eq**
Refrigerants leakage and gas used for heating.
- **Scope 2*: 449 tons CO₂ eq**
Electricity and heating from our offices and stores.
- **Scope 3: 162,124 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.

Our total carbon footprint increased in 2021 compared to 2020. However, this is mostly explained by:

- The fact we experienced significant growth during 2021 compared to 2020. We are in the process of setting carbon reduction targets, in line with science, which allow for our projected output growth. During 2022 we will develop a decarbonisation roadmap based on those targets.
- The fact that 2020 was an unusual year due to the COVID-19 pandemic and business operations were affected by this.



We are proud that for our own operations (scope 1 + 2), we reached carbon neutrality in 2020 and maintained this for 2021.

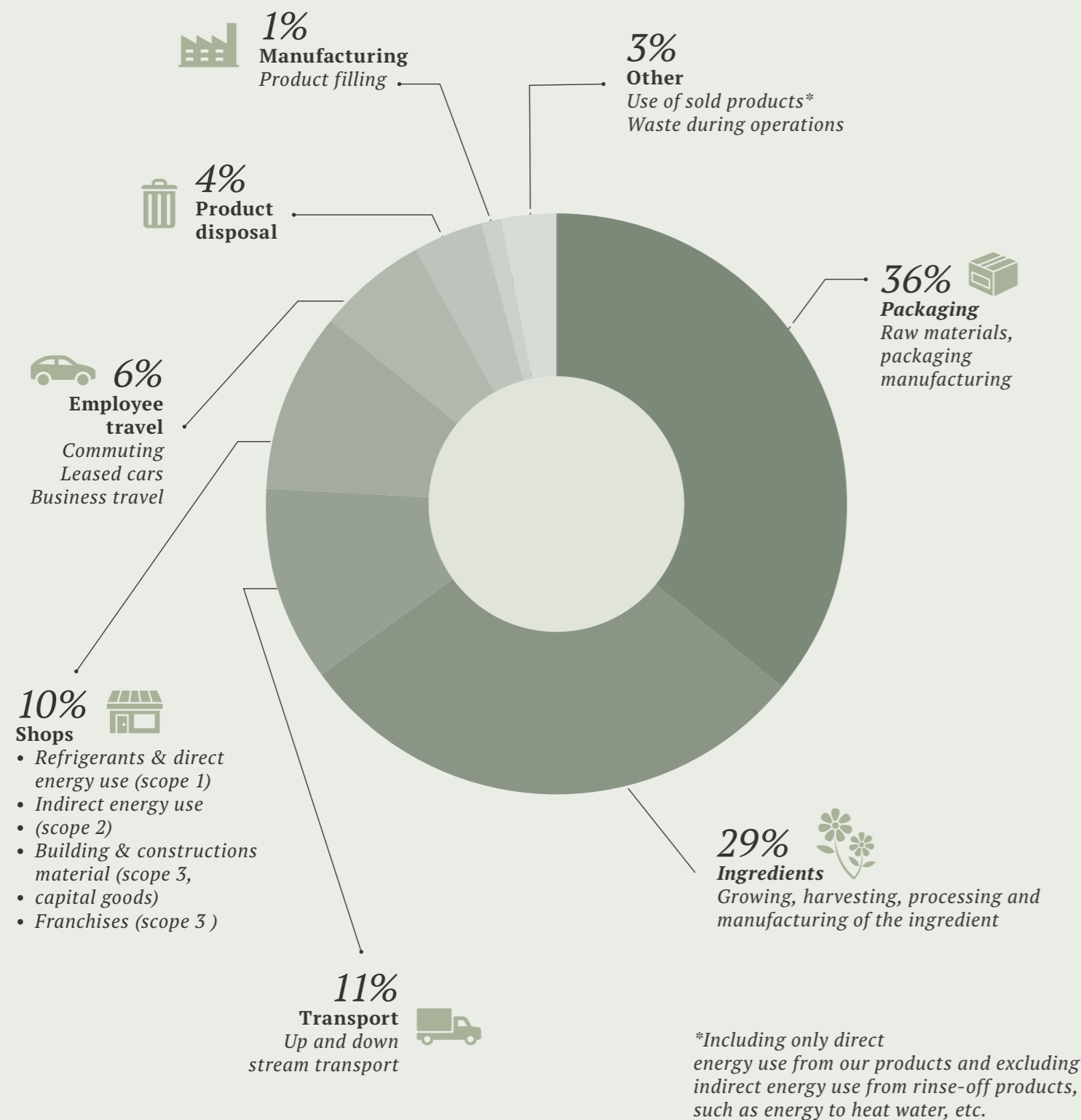
- Our 2020 reported emissions only accounted for 80% of our sales volume due to lack of data and insufficient data quality whereas for 2021, we included 100% of our sales volume into the GHG emissions estimations.

We have done so by transitioning to renewable energy contracts, acquiring guarantees of origin and by offsetting the remaining emissions. We ensure that in every new country we operate in, we have green energy contracts or if that is not possible, we secure guarantees of origin to prove that our power was generated from renewable sources.

In consultation with ClimatePartner, we contribute to carbon-offset projects for wind energy in India. This is a Verified Carbon Standard (VCS) project, aiming to improve livelihoods and preserve ecosystems. You can read more about the initiative [here](#).

*based on the market-based method

Breakdown of our emissions



As the visual on the next page shows, our greatest impact lies in scope 3 emissions. The biggest contributors to our scope 3 footprint are ingredients (47,452 tons CO₂ eq.), primary packaging (59,890 tons CO₂ eq.) followed by transport (18,934 tons CO₂ eq.).

We are committed to reducing our carbon footprint in all scopes. During 2021 we began the process of redefining and expanding our current carbon reduction targets to meet the required figures of the Paris Agreement goals. We are committed to reducing the carbon footprint of our formulas by at least 20% by 2025. Based on this target, in 2021 we made it our goal for all formulations to consist of at least 90% natural origin ingredients and started reformulating our products. In 2021 we began evaluating our first full collection, The Ritual of Ayurveda, plus our entire range of body scrubs. Additionally, in 2021 we replaced certain high impact ingredients (like some silicones) with a lower impact alternative,

whilst ensuring quality was maintained.

In line with the Paris Agreement, we are currently finalising science-based carbon reduction goals for packaging, transport and stores, along with other emissions in our value chain. We are certain that we can make significant reductions here.

To achieve a better estimation of our GHG emissions, we strive to continually improve the data quality for all scopes, particularly scope 3 since this is the largest contributor. This is especially relevant for categories within that scope such as packaging, capital goods and waste among others. For Scope 1 and 2, the focus is mainly on our refrigerants and heating sources. We are currently estimating our GHG emissions to the best of our ability with the data available, but we recognise our need for more detail, and that's why improving our data collection systems and data quality is an ongoing process.

Stores and offices

We aim to make responsible choices throughout our fast-growing organisation, including in our stores and offices. In 2021, the energy used in our stores and offices (scope 2) along with the refrigerants used in our stores' HVAC systems accounts for approximately 1% of our total carbon footprint. While this is not where our largest carbon impact sits, we have direct influence to make improvements in this area. We ensure that 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 will continue to optimise and reduce the energy use of our stores (scope 1 + 2). Our target is that by 2026, we achieve a 10% reduction in energy use per sales m². We have explored the effect of several pilot interventions and are mapping out ways to further reduce the energy used in all our stores. In 2022 we expect to have completed this work.

All our own Rituals stores and 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 guarantees of origins, to prove that our power was generated from renewable sources. As most of our energy consumption is in

Europe, we mostly acquired guarantees of origin proving our power comes from European wind.

In 2021, we began investigating ways of building our new stores with less impact (to reduce our scope 3 emissions) and are currently making a hotspot analysis of the environmental impact for building and furnishing new stores. By doing this we will establish clearer eco-design guidelines for the future.

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 11% 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.

Since 2020, we have worked on reducing the impact of our supply chain activities.

In 2021 we have started shipping gift set products directly to the packer – instead of via our own warehouse – which significantly reduces the number of kilometres these products travel. During 2021, we also began exploring other potential areas for reducing the frequency of deliveries that replenish our stores. We are initiating more conversations with our logistics partners about possible sustainability solutions and are continuously working on improving the efficiency of our supply chain.

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, exploring new markets and collaborating with our suppliers. Therefore, each year, we offset our air travel CO₂ -emissions by using a Verified Carbon Standard (VCS). As travel restrictions were still largely in place during 2021, travel is only a tiny portion of our carbon footprint this year: 455 tons of CO₂ eq., which corresponded to less than 1% of our total 2021 carbon footprint. Even as COVID-19 travel restrictions are being lifted, we continue to minimise business travel in our company. 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 train over a flight for short-distance travel.



PACKAGING

We are committed to reaching our goal of zero-waste packaging by 2025: we are designing all our packs to be refillable, recyclable or made using 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 customers to buy refills and encouraging 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 – Products designed to be used over and over again

As a brand, we balance pampering our customers and helping them take care of their wellbeing, with acting responsibly. Our refill options fulfil both these objectives: they allow our customers to keep our beautiful, luxury jars in the bathroom while being mindful of the planet.

We have introduced refill options for our body creams, hand soaps, fragrance sticks, skincare, shave cream and car perfumes.

In 2021, our refillable products and corresponding refills made up just over 21% of our sales. Overall sales of refills grew by 16% compared to 2020, and this is a trend we are actively encouraging. We are always working on broadening our refill assortment and assessing which products have the potential to become refillable.

Resources saved with Rituals eco-conscious refill collection*



Body cream
CO₂ | 66%
Energy | 56%
Water | 26%



Fragrance sticks
CO₂ | 23%
Energy | 34%
Water | 56%



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



Hand wash
CO₂ | 78%
Energy | 77%
Water | 71%



Car perfume
CO₂ | 48%
Energy | 50%
Water | 44%



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



Men's care
CO₂ | 54%
Energy | 52%
Water | 39%

**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 pack. This externally verified research was conducted by the LCA Centre.*

Thanks to our customers embracing the refill concept, we are using less of the planet's resources. In 2021 we saved:



14.4
million litres of water
(5.8 Olympic swimming pools)



1,400
ton of CO₂
(1597 Return flights from Amsterdam – NYC)



492,028
kg of waste
(619 Formula 1 racing cars)



24,618
GJ-eq energy
(2280 Households' energy usage)

Buy 1 refill = Grow 1 tree

At Rituals, we celebrated Earth Week from April 21 to April 25th.

During this week and Green Friday, we asked our customers to 'Join the refill movement'. To support the wellbeing of our planet, Rituals is committed to planting, protecting or restoring a tree for every refill sold during these market moments. As part of our refill initiative with EARTHDAY ORG's The Canopy Project, we planted 413,196 trees in 2021 alone.

Why trees?

It's simple really - without trees, our planet couldn't survive. From cleaning the air that we breathe to providing vital shade and preventing soil erosion, there are multiple reasons that trees are fundamental to our existence. In our global warming crisis, greenhouse gases contribute to climate change at a rapid pace. Trees naturally absorb pollutant gasses from the atmosphere to feed themselves.

So, every tree we plant can help to slow down the planet's warming and reduce the effects of climate change. At Rituals, we recognise how important trees are to the future of our planet,

and with our refill movement we're playing our part in creating a more sustainable future.

In collaboration with our partners, we aim to plant, protect or restore 5 million trees globally by the end of 2022. We will share more on the progress of our tree planting project in our 2022 sustainability report.

Recycle – Keeping materials in the loop

In 2021, we transitioned to using recycled plastic (95% of recycled PET) for the containers of our parfum d'Interieurs, body scrubs, body creams, bath foams, bath crystal, milky bath, shower oils, hand gels and cleansing foam. This has allowed us to save 397,598 kg of virgin plastic.

This brings the current percentage of recycled material in our PET portfolio to 68%. Our aim is to increase this percentage to 100% by 2025. On this journey, next on the agenda is to start using recycled PET in our Kitchen Hand Wash and Hand Balm. Furthermore, we are looking to find a recycled alternative for The Ritual of Sakura, Amsterdam Collection and the Ritual of Namaste products with their iconic white coloured packaging.

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

Our refill concepts are not our only effort to reduce our material use. We have also reduced the amount of material in our existing packaging wherever possible. For example, we reworked our iconic shower foam can, reducing the use of aluminium by 10% and making it more lightweight.

Over the years, we have stopped using carton boxes for multiple products. Plus, in 2021, we introduced a lighter box for our Private Collection candles. These examples show how we work on both visible and invisible packaging reductions and we will continue to look for ways to further reduce packaging across our entire assortment.

EARTH WEEK

join the refill movement

refill

THE RITUAL OF JING
静
RELAX
soothing body cream
sacred lotus & ylang-ylang

for every refill sold, one tree will be planted**
**In collaboration with the official Canopy Project of EarthDay.org

E EARTHDAY.ORG

*While stocks last. On selected items only. Not valid in combination with any other offer

RESPONSIBLE SOURCING

At Rituals, we work closely with our suppliers on the development of our products. 95% of our cosmetics and home products are manufactured in Europe, close to our main markets. The other 5% of our products (namely our airline and hotel amenities) are produced in Asia which is close to the end market of these products.

In addition to screening our suppliers' social and 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) gives very clear guidance on what can and can't be used. 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 together with our suppliers to create new concepts and designs 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 must be 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.



ecovadis

Assessment themes



Environment



Labour & Human Rights

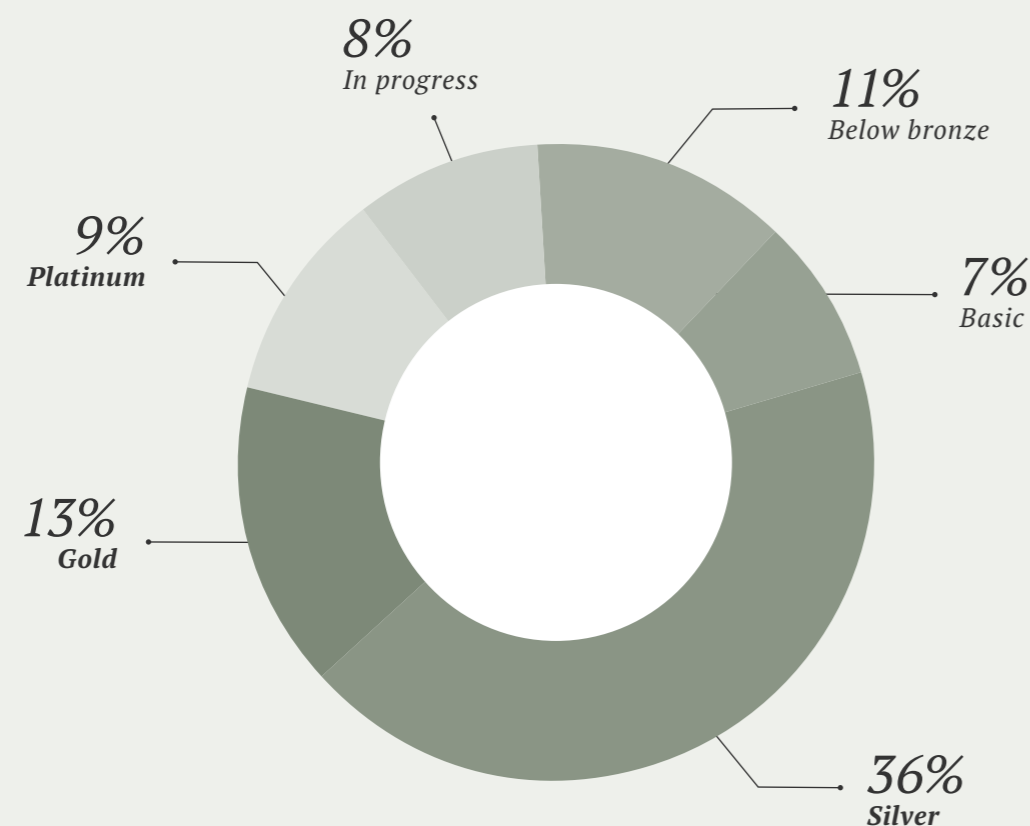


Ethics



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 manufacture to 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 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 20% score platinum or gold, 36% score silver, 27% score bronze and 7% 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 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 2025. 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. Going forward, we aim to expand the scope of our suppliers that are onboarded and monitored via EcoVadis. In 2022, 100% of our direct suppliers will be onboarded to Ecovadis. Additionally, we

will onboard more indirect and service suppliers to our EcoVadis network, for example our format and design department's suppliers. EcoVadis also regularly raises the score criteria for their medals, so to maintain a silver medal rating and to move to gold, suppliers must improve continuously.

Collecting environmental data

In addition to EcoVadis, we collect environmental data from suppliers producing our products.

For data collection we ask:

- Significant suppliers to provide energy, water, wastewater, waste, and hazardous waste data so we can measure their environmental impact.
- Chemical suppliers to share environmental data through our Clean & 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.

Looking forward

We are proud that, in 2021 we kept making 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.

Our overarching ambition for the future is to achieve net-zero CO₂ emissions. In 2021 we began exploring a pathway that would lead us to our net-zero science-based targets. These are targets that limit global warming well below 2°C and pursue efforts to limit by 1.5°C. We are still working on identifying and setting carbon reduction goals within our whole value chain within this net-zero framework and we aim to have defined targets by 2022.

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 gold, for our top tier 1 suppliers.





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, our focus is not

only on our customers. We cannot lose sight of the communities outside of our customer reach. That is why we support causes close to our hearts and true to the DNA of our company.

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



Help people reconnect and balance mind, body and soul with The Art of Soulful Living.



As a proud supporter of Tiny Miracles, Rituals provides life-changing work to some of the most excluded communities in Mumbai, India, empowering people to break their own poverty cycle and live truly independent and confident lives.



We are committed to creating a world with future-proof and resilient children. We aim to help avert the predictions set out by the World Health Organisation that suggest stress-related mental health issues will dominate the global disease burden by 2030.

WELLBEING FOR PEOPLE AND PLANET

The Art of Soulful Living

Rituals aims to enrich lives, offer moments to pause in the frenzy of busy days and improve wellbeing. We want to encourage people to discover what they really need to live a joyful life – not just what others claim they should strive for. That's why we've developed our new brand philosophy: The Art of Soulful Living. To help people reconnect and balance mind, body and soul we've created a compass with 13 different life-affirming themes, to guide a journey of self-discovery. With easy and accessible routines and habits, we hope it helps people to pay more attention to their true selves and lead a more fulfilling and soulful life. Read more about The Art of Soulful Living [here](#).

Tiny Miracles

Rituals has been a proud supporter of Tiny Miracles since 2011. This pioneering foundation and (B Corp certified) for-purpose company has found a way to enable people who are excluded from society to seize a life full of new opportunities.

Foundation

The Tiny Miracles foundation runs development programs with excluded communities in Mumbai.

Their holistic approach is based on five pillars: Awareness, Healthcare, Skills Training, Education, and Celebration. Till this date, eight communities and more than 3,000 community members were actively engaged, leading to striking results. The activities built participants' self-confidence and provided them with opportunities to take the course of their life into their own hands. Through support of the foundation, children joined homework classes, people attended skills training, healthcare was provided, and festivals were celebrated.

The Partnership

Next to the financial contribution, Rituals continued to expand its collaboration with Tiny Miracles. The co-designed bags have been a big success this year: in 2021, hundreds of thousands of Rituals bags were made by the women working with Tiny Miracles in India. These bags were then sold by Rituals or offered as a gift to customers with a minimum spend. This project continues to create jobs and that's what instills a lasting change. With a reliable income, the people in these communities are now in charge of their own life. That is what makes our partnership so



TINY MIRACLES

unique and innovative.

Impact story

Tisha is a confident nineteen-year-old girl living in Mumbai and studying at university. She is an example of a community member to whom this program has made a real difference.

Tisha's family lived on the pavement of a busy street in Mumbai, trapped in a cycle of poverty, with no opportunity to break out. Her mother Jayshree joined Tiny Miracles in 2010 and is now one of the women who produce bags for Rituals.

This job provided Jayshree with a salary and over time, she was able to save her money and even buy a room outside Mumbai to sublet for additional income.

Through Jayshree's hard work and support, Tisha was able to seize opportunities that her mother never had for herself. Tisha can now study, dream big and pursue her career goals.





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

SUPER CHILL FOUNDATION

These days, primary school students face more challenges than ever. That is why Rituals is a founding partner and current donor to the Super Chill Foundation: an organisation that focuses on the mental wellbeing of children. Their goal is to shape a new generation of resilient and mentally strong children that are capable of facing the challenges of their time. The Super Chill App has been introduced in classrooms around the Netherlands and Flanders. The app is home to playful exercises based on mindfulness and yoga techniques, teaching them valuable personal skills they will use throughout their lives.

Super Chill teaches exercises, that can be done both individually or with an entire class. These exercises help children deal with different emotions (good and bad), energy levels (high and low) and aim to improve focus and stress management, boost creativity and

encourage self-reflection and resilience. They also teach the children about their own self-worth and individual capacities.

In 2021 the foundation has reached over 90,000 children in the Netherlands and Flemish speaking Belgium, with over 4,500 teachers using the app. In November, the foundation also set up their first online event (The Super Chill days), which over 4,000 children participated in. In the event, entire classrooms of children learned a different skill every day through an in-app exercise. They learned mindful techniques which taught them to be in the moment and recognise their breath, movements and feelings. They were encouraged to be confident and strong, even in the most difficult situations, and they learned how to turn their attention inward. The event lasted for one week and on the Friday, TikTok star Numidia joined the children in performing all

the exercises. Primary school Aventurijn (Houten, NL) won the very first ‘Super Chillest School in the Netherlands’ title by participating with the most children.

This year, in cooperation with the University of Amsterdam, research began to measure the

effectiveness of the Super Chill app. These results will be used to further improve the method and plans are set to expand abroad. The foundation’s aim? To improve the wellbeing of as many children as possible, and they won’t stop until at least 2 million children worldwide have access to the Super Chill programs.



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, as a sponsor or donor, to projects that support community wellbeing around the world, with Super Chill being one of the main beneficiaries.

Beneficiary	2021 contributions
Tiny Miracles Foundation	€ 125,000
War Child	€ 106,849
Super Chill Foundation	€ 924,599
Total	€ 1,156,448

LOOKING FORWARD

A sneak peek of what's to come

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.

Achieving B Corp status marked an important milestone on our path to sustainable wellbeing, but we realise that this is just the beginning. We are

committed to taking the next steps needed to move closer towards the goals we have set ourselves. In 2021, we further refined our carbon footprint, and worked on mapping out a robust plan that is in line with the scale of reductions required by the Paris Agreement (a legally binding international treaty on climate change). We are committed to join the Net-Zero pathway, according to the methodology of the science-based targets initiative, and aim to share our goals in 2022. Next to climate action, we'll continue to pay close attention to our packaging, ensuring circularity.



We understand that this is not a path we should travel alone. We look forward to working together with other brands in the beauty industry and are proud to be part of the B Corp Beauty Coalition and the EcoBeautyScore Consortium which enables us to exchange ideas with other companies so we can join forces to build a brighter future.

Next year, we will further align our reporting with the Corporate Sustainability Reporting Directive (CSRD), and use a data-based approach to report on our progress. We look forward to sharing our journey with you. For any questions or remarks, you can reach us at sustainability@rituals.com.

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