



Aēsop[®]

Impact Report 2023

Embracing a new chapter



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Message from CEO



2023 marked an exciting new chapter in Aesop's story.

The past decade saw Aesop grow at a remarkable rate and commence a sustainability and social journey. During this time, the business launched into more than 20 new markets and welcomed more than 2,000 new Aesopians. All the while, we have continued to be driven by our passion for disruptive design, commitment to our values of Excellence, Creativity, Respect, Integrity and Passion and deep consideration around crafting exceptional customer experiences.

In September 2023, Aesop joined L'Oréal Groupe, the world's leading beauty company. This union marks an important milestone on our journey and the beginning of an exciting chapter in our story as a global brand and business.

When reflecting on our sustainability and social impact ambitions, 2023 proved to be successful.

We achieved further reductions in our freight emissions thanks to our continued efforts to reduce our air freight, launched a new robust sustainability scorecard for our stores which has resulted in our biggest carbon reduction for the design of a new Aesop store (80% reduction vs 2023 baseline) as well as launching a new strategy for the Aesop Foundation.

It is our shared values and aspirations with L'Oréal Groupe that will continue to drive us forward. With L'Oréal Groupe's support and expertise, we will continue to grow and innovate, reach even more people and expand globally while continuing to build on our distinctive brand and heritage. We are undoubtedly excited by the progress that can be made towards our mutual sustainability and social impact goals.

We look forward to embracing the future that awaits us, as we navigate our journey within L'Oréal Groupe and continue to delight our customers with the magic of Aesop.

Michael O'Keeffe
CEO Aesop

Our approach

We approach our sustainability work with humility—understanding that this is a journey, that we will make mistakes, and that our business success fundamentally depends on a healthy environment and society. As a B Corp™, we add our voice to a growing chorus for change, championing the processes, conversations and connections that may bring it about.

Proud to be a B Corp

Aesop first achieved B Corp certification in 2020, with a score of 87.1. We are proud to join more than 6500 other brands from 89 countries on a mission to make business a force for good. We continue to strive to meet B Corp's high standards of verified performance, transparency and accountability.

Every three years, each certified business is required to recertify as a B Corp to ensure it is still meeting and improving its standards. 2023 was a key year for us in gathering responses and substantiating evidence for our recertification. As this year also coincided with the L'Oréal Groupe's acquisition of Aesop, our recertification deadline was extended to 2024. With support from our new parent company, we are maintaining our ambitions to be recertified as a B Corp and continue our journey of improvement.



Our planet



2023 was another year of record-breaking temperatures and extreme weather, combined with little tangible progress towards global sustainability goals. Against this turbulent and troubling backdrop, we continue to live by our heartfelt commitment to protecting, preserving and improving our natural world.

As a profit-making enterprise that depends upon functioning natural ecosystems, Aesop must acknowledge its role in contributing to this crisis. We will maintain a keen focus on rapid, ambitious change as we continue to transform our business model from linear and degenerative, to circular and regenerative.

Our packaging

Our packaging plays a critical role in delivering the experience of an Aesop product to our customers. It must evolve to meet customer expectation across both product performance and sustainability to help support the longevity of Aesop's product range.

The aesthetic codes of our packaging help to create guardrails as we evolve our range, with significant work underway to develop new packaging solutions that use less energy in their manufacture, incorporate post-consumer recycled materials and are both reusable and recyclable.

For the past 18 months, we have been working hard to quantify the impact of our packaging - both in terms of its environmental and social impact, and in what it means to our customers. This deeper level of insight will help us make better decisions about our priorities and will mean we can communicate with clarity and confidence about our progress.

In this chapter we share the story so far. We look at our packaging targets and approach, explore the challenge of plastic and share how we are helping more customers reduce their impact through our circular economy solutions.



Progress update

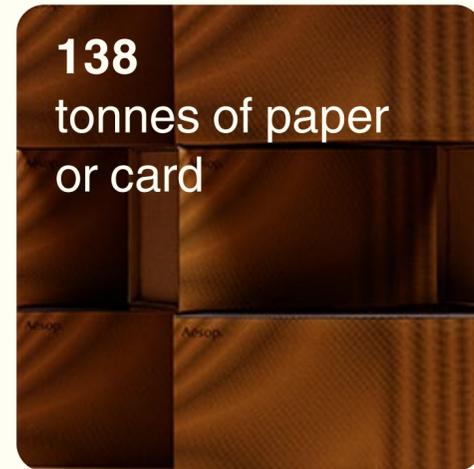
In 2023, we used 602 tonnes of glass, 446 tonnes of plastic, 138 tonnes of paper or card and 65 tonnes of metal.

The packaging solutions we develop must be in balance across four key areas: formulation compatibility, functional simplicity to support customer experience, regulatory compliance and sustainability. By applying this methodology consistently, we can reduce the impact of our packaging in line with our targets.

This approach led to significant progress in 2023. Aesop’s use of recycled plastic is well ahead of target and above industry benchmarks. We are also rolling out new tubes for several popular products that are made entirely from post-consumer recycled aluminium.

In 2023, we continued to test and trial alternate delivery systems for our products, increasing the reach of our Rinse and Return programme and testing the waters for a bulk at-home offer. Looking ahead, we are aligned in our objectives with L’Oréal Groupe. Having met our targets for recycled material in our packaging, we are now focused on creating packaging that can be reused, recycled, or composted.

Material use in 2023



2030 TARGETS

	2021	2022	2023	Status
100% of packaging to be reusable, recyclable or compostable	82.7%	83.0%	83.8%	In progress
50% plastic packaging material used is recycled	50.8%	54.7%	56.5%	Target achieved — to be maintained/improved to 2030

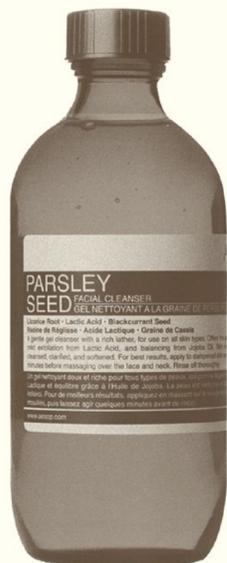


Our plastic packaging

Our packaging must be paired to each formulation to maintain its efficacy and deliver clarity of function and a thoughtful experience to our customers. If our packaging failed to do this, it would both jeopardise the Aesop experience and create unnecessary waste. Despite ongoing innovation and progress, plastic is often the best solution for meeting these demands.

So the question - for now - remains: if we are going to use plastic, how do we do so as responsibly as possible?

In 2023, 56.5% of the plastic in Aesop's packaging came from post-consumer recycled plastic, up from 54.7% in 2022. While we feel proud to go above the industry benchmark for this metric, we also acknowledge that any use of plastic - particularly virgin plastic - is problematic.



56.5%
plastic in Aesop's packaging
came from post-consumer
recycled plastic

Collaborating to solve the challenge of small plastic bottles

In 2022, Aesop started working with our key product manufacturers to reduce the impact of our 50ml bottles. In January 2023, we tested a new 50mL bottle in Australia that was made entirely from kerbside-collected plastic and weighed 1g less, representing a 15% decrease from its predecessor.

However, initial trials of this bottle revealed an unacceptably high rate of 'panelling', where a difference in internal and external pressure causes a bottle to partially collapse. Between June and September 2023, we held filling trials and process optimisation workshops with our packaging, technical, and quality teams, together with the manufacturing site and bottle manufacturer. Though this collaboration we have been able to remove the instances of panelling and ensure a stable rate of high-quality production.

This project showcases the value of strong cross-functional teams and collaboration between Aesop and its suppliers to solve sustainability challenges.

Our amenity partners use 38.6% of our 50ml plastic bottles. We are working with these partners to explore opportunities for bulk and refill that remove the need for small plastic bottles altogether. We have run a number of trials in different locations to test those models, including with Capella (see story on page 12).



Aluminium tubes

We use aluminium to ensure protection for our formulations. Aesop has a long history with aluminium tubes, which serve to deliver a considered and much-loved customer experience.

In 2023, we transitioned three of our most popular tube-based products to packaging made entirely of 100% post-consumer recycled aluminium. This shift delivers a significant reduction in carbon emissions: a 7% reduction for 75ml tubes and a 12% reduction for 100ml tubes¹.

Our 75ml Resurrection Aromatique Hand Balm, 75ml Reverence Aromatique Hand Balm and 100ml Rejuvenate Intensive Body Balm were the first to convert; more will follow in 2024.

Over the past three years, our packaging team has collaborated cross-functionally to deliver this improvement—most notably working with our R&D, Technical, Procurement and Legal teams.



100%
post-consumer recycled aluminium
packaging used for our 3 most popular
tube-based products

¹ The reduction in carbon impact is for the whole life cycle (including materials production, distribution and end-of-life), and per mL of product. The 100mL tube contains more aluminium by weight per mL of product. The impact was calculated using the SPICE ecodesign tool (Sustainable Packaging Initiative for Cosmetics).



Spot the
difference

During 2023, we began transitioning our aluminium tubes from virgin to 100% recycled material.

Same perfect tube, new recycled material - plus a small design update..

Slow but steady on circular solutions

As part of our commitment to our customers, we must make it as simple as possible for them to reduce, recycle and reuse their Aesop packaging.

As well as our work to reduce the impact of our packaging materials, we are also developing alternate delivery systems that change how our customers can source, use and dispose of our formulations. We put all this work under the umbrella of circular solutions.

Currently, we run a small number of in-store refills, and a larger programme of Rinse and Return. In 2023, we also ran a trial with Aesop employees to test an at-home refill solution. We distributed 300 units of 1 litre rPET bottles in different regions, together with a smaller bottle to refill, and then surveyed participants on how it went. We received such valuable feedback, learned a lot and will keep exploring in 2024.



146
stores offering
Rinse and Return

2
stores offering a
refill solution

Refills

In 2023, we sold the following refill solutions in our two participating stores in Australia, Aesop South Yarra and Aesop ACL¹.

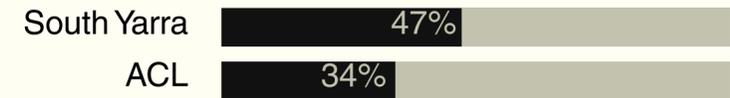
Both stores performed well, but South Yarra in particular continues to demonstrate the value of a refill offer: 62% of 375mL products sold at Aesop South Yarra were customers returning for refill (762) in comparison to entry SKU (472). This represents a small drop of 5% from last year.

¹ Because of a supply issue, we did not promote this service to new customers in Q4.



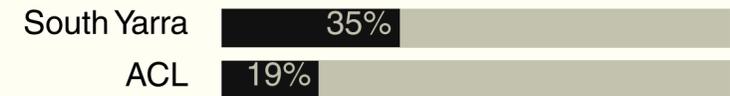
Resurrection Aromatique Hand Wash

1,759 units



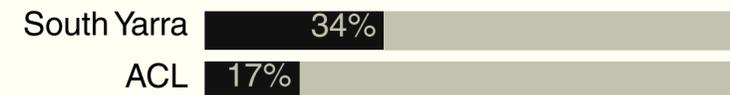
Geranium Leaf Body Cleanser

655 units



Parsley Seed Facial Cleanser

77 units



Rinse and Return

Our Rinse and Return programme makes it easier for customers to recycle their packaging, making it ideal for markets that lack kerbside recycling.

We operate successful Rinse and Return programmes in Hong Kong, Macau, Taiwan, Singapore, Malaysia and Korea. In 2023, we launched the programme in Japan and China.

We are currently trialling Rinse and Return in five new stores in Los Angeles, New York City, London, Paris and Melbourne. The trial will run for six months, and we hope to roll out a more global programme soon after.

+16%

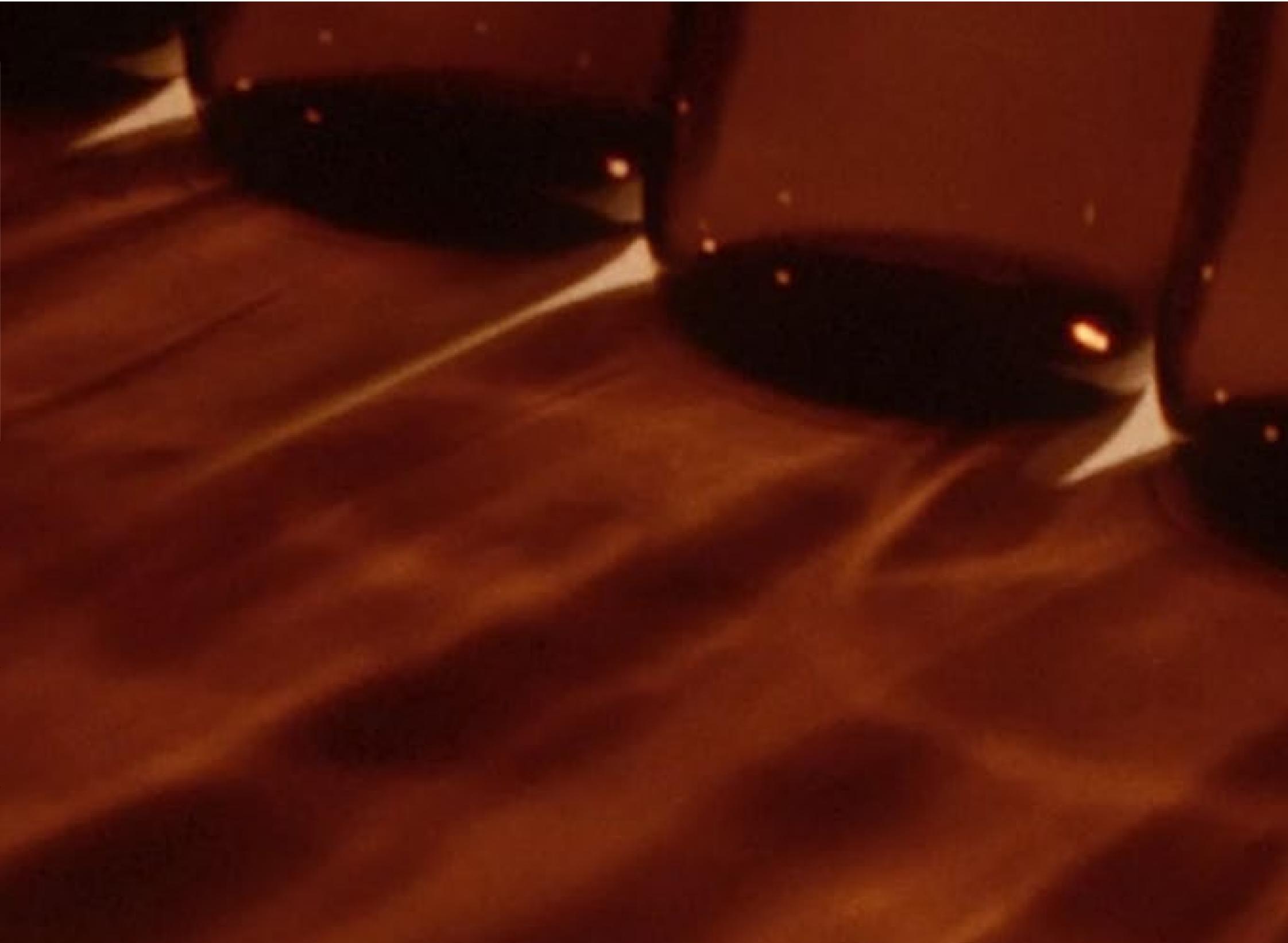
increase in kilograms of rinse and return packaging from 2022 to 2023

+105%

Average monthly kilograms of rinse and return increased in South Korea, and +8% in Taiwan

-46%

Average monthly kilograms fell in Hong Kong & Macau. Also Singapore (-14%) and Malaysia (-61%)



Amenity partner trial: reusable glass vessel

As well as exploring circular solutions for our customers, we are trialling different models of delivery with our amenity partners.

In 2023, we ran an exciting project with Capella Singapore, an award-winning luxury hotel brand in Asia and a long-term Aesop partner.

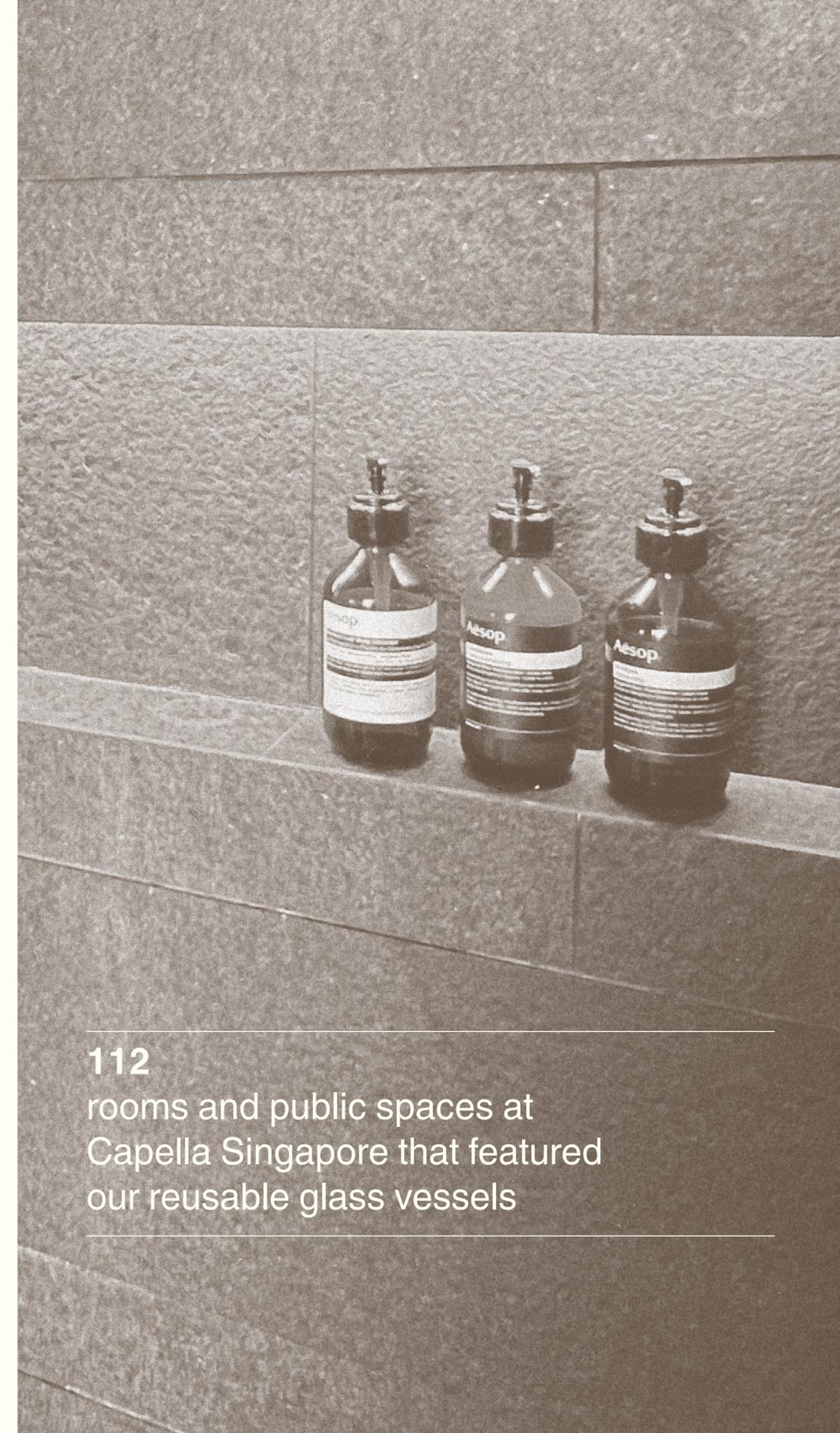
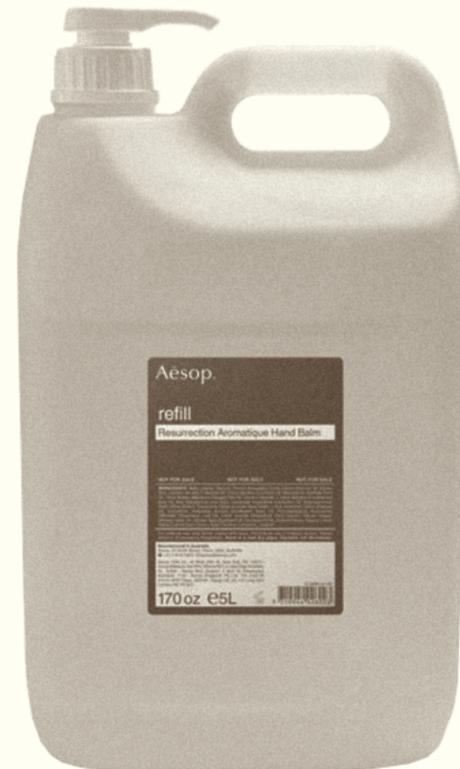
Back in 2022, we launched a range of 5 litre refill formats paired with a 500ml recycled PET bottle. In 2023, we went a step further by trialling a custom-designed reusable glass vessel for Capella Singapore, which they could pair with the existing 5 litre bulk refill. We provided this combination for multiple formulations, including our Resurrection Aromatique Hand Wash, Rind Concentrate Body Balm and Geranium Leaf Body Cleanser.

By October 2023, the glass vessels were fully rolled out across 112 rooms, suites and villas immersed in 30 acres of tranquil and luscious landscaped grounds, as well as in the hotel's Auriga spa.

This project was a first for us, and although it is unlikely we will replicate this exact solution to other partners, we learned so much through the experience.

“Capella Singapore remains committed in our pledge towards environmental excellence, where we invest in innovative practices to reduce negative impacts on the planet. A testament to our dedication to driving sustainability, we remain resolute in our partnership with Aesop by eliminating the use of plastic in our guest rooms and have transitioned to residential-sized Aesop bath amenities.”

Yngvar Stray,
General Manager, Capella Singapore



112
rooms and public spaces at
Capella Singapore that featured
our reusable glass vessels

The climate crisis

The climate crisis calls for leadership, innovation and ambition. In 2023, Aesop finalised its Decarbonisation Roadmap in support of its Net Zero goal. This is a key part of our climate strategy that ensures we, as a business, have what it takes to rise to the challenge¹.

We saw some great progress on reducing our carbon intensity in 2023 in line with our roadmap and are holding ourselves to account for making progress towards our carbon goals supported by enhanced data collection and improvements in reporting accuracy.

Our vision on climate:

By 2030 our climate approach will enable us to reduce our emissions in line with climate science, restore nature and contribute to climate resilience.

¹ The Oxford Principles for Net Zero Aligned Carbon Offsetting, 2020

Net Zero by 2050

In 2023, we set a new target of Net Zero by 2050. This was aligned to the commitments of Natura & Co, which owned Aesop until September 2023. It is also aligned with L'Oréal Groupe, our new parent company. The new goal meets the Science Based Target initiative's definition of Net Zero, which means we are committing to reducing emissions by at least 90% and offsetting the remainder by 2050.

Decarbonisation Roadmap

In 2023, we finalised our Decarbonisation Roadmap. Working in partnership with Anthesis, we built a model to identify and prioritise the interventions that will most effectively drive down emissions in our operations and supply chain. This work gave us a clear understanding of our emission hotspots, as well as the initiatives that will have the most impact in tackling them.

The next step - already underway - is to use that roadmap to set targets per function and per region, and to start implementing the necessary interventions.

Building our climate community

We continue to build an external community around our climate action, hosting two Climate Salons in 2023. The most recent Salon took place during Climate Week New York and is featured on page 20.

The other Climate Salon - our first - was a B Corp event, with representatives from fellow B Corp brands, as well as three esteemed subject experts. The event led to thought provoking conversations exploring how the B Corp community can go beyond its current climate action, and how best to use our budgets to achieve our objectives. This discussion led directly to a shift in our approach to carbon offsetting, which is captured on page 17.

Data improvements

We continued our partnership with Watershed, our carbon accounting platform. In 2023, we made great strides towards improving the comprehensiveness and integrity of our carbon data. In practice, this means we replaced spend with activity data or supplier-specific data wherever possible, including for store design (construction and fit outs), and technology (such as cloud hosting, software and hardware purchases). We also improved how we track data internally.

2 Climate Salons hosted in 2023



Emissions update

In 2023 our business continued to grow strongly with an increase in revenue of +16% and +8% product units sold in 2023 compared to 2022. Our emissions across scopes 1, 2 and 3 also increased, by 14% in 2023 compared to 2022. Contributing factors included a significant increase in our emissions from digital marketing that was tied to larger financial spend in this area as we launched and considerably grew our business in China. With Covid-19 restrictions fully lifted our business travel also rose although remains below 2019 activity levels.

However, for the emission categories such as packaging, raw materials, manufacturing and logistics falling within the scope of our 2030 science-based emission target (which are predominantly calculated using actual activity data instead of less accurate financial spend numbers) we saw another year-on-year reduction in our carbon intensity, this time of -5% per product unit sold¹.

We have also seen particularly strong improvements in reducing our freight and contract manufacturing emissions (detailed on following pages).

¹ We achieved a 5% reduction in carbon intensity for the following categories: raw materials, packaging, upstream transport and distribution, business travel, employee commute and end-of-life of sold products.

Total Scope 1, 2 and 3 emissions from 2023

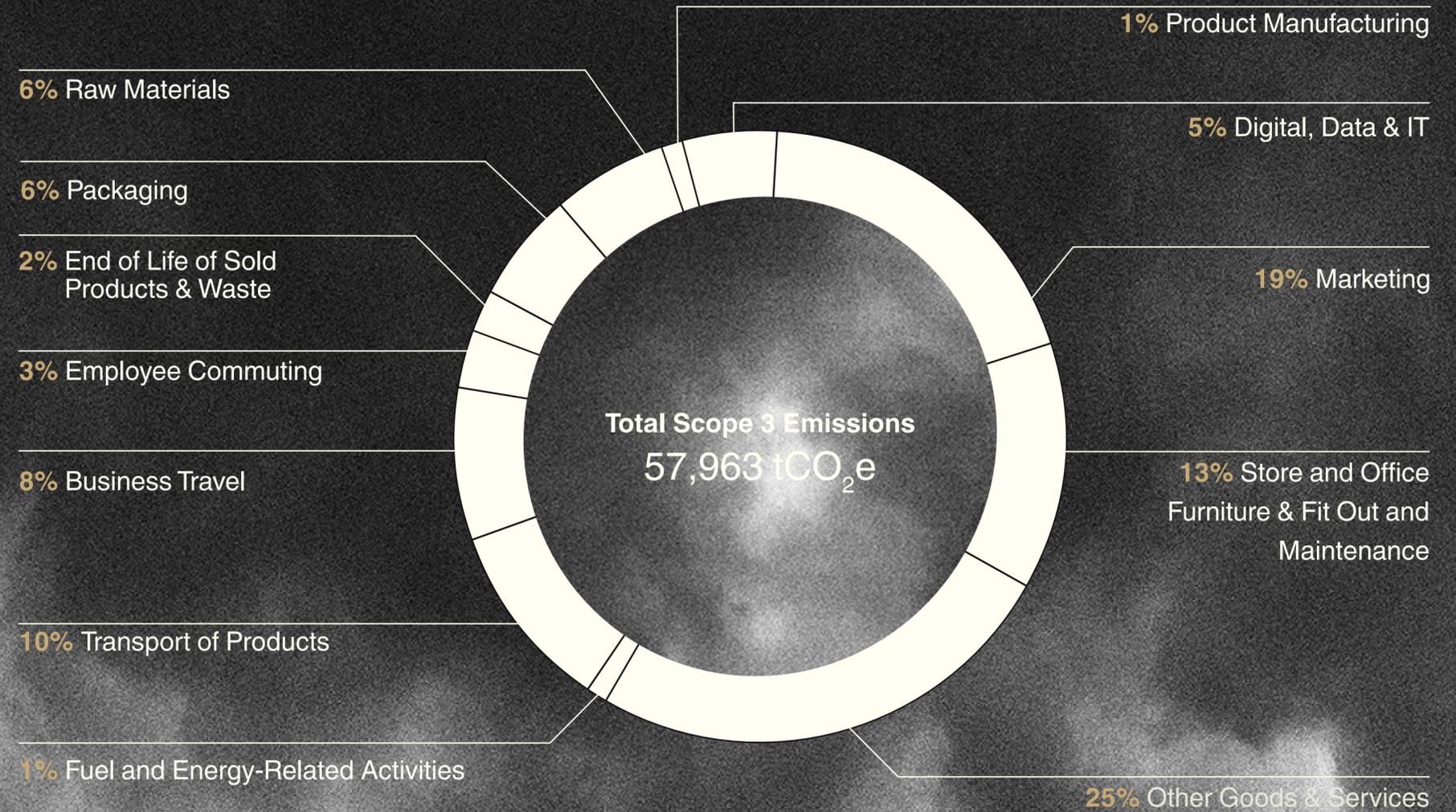
(tCO₂e)

Scope 1 | 227

Scope 2 ■ 2,127

Scope 3* ■ 57,963

* excluding consumer use



-5%

reduction in carbon intensity per product unit

Emissions update

Last year, our emissions from freight reduced overall by 20% in absolute terms. This reduction was mainly thanks to the successful implementation of a carbon budget and tracker for air freight in 2022, as well as improvements in our supply chain management and governance procedures. Notably, our business-to-business air freight for 2023 reduced by 70%.

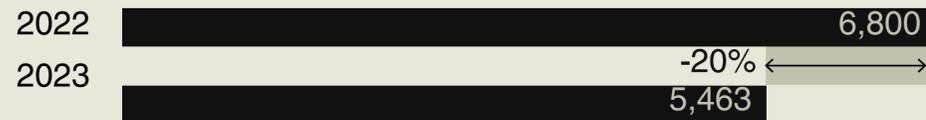
In 2023 we saw a reduction in contract manufacturing emissions. One of the significant contributing factors was the promising trend in contract manufacturers switching to renewable energy. This translates to a reduction in our scope 3 emissions, and an increase in product units manufactured using renewable energy – up from 13% in 2022, to 31% in 2023. Our focus now is agreeing roadmaps for a similar transition across our wider contract manufacturer portfolio.

Our evolved approach to store design is also creating some significant carbon savings.

As our business has recalibrated after Covid-19 and the exceptional circumstances of joining L'Oréal Groupe, and the need for in-person meetings, we have seen a return to business travel which has contributed to this category. In 2023, while still below 2019 levels, our flight emissions went up by 127%. We will be managing our business travel needs alongside the desire to lower emissions from this category – important interventions here will include; switching flights from plane to train wherever possible, utilising low carbon airlines where air travel can't be avoided, and restricting long haul where possible.

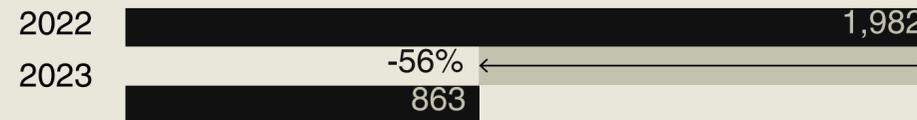
Freight emissions

(tCO₂e)



Contract manufacturing emissions

(tCO₂e)



-70%
reduction in business-to-business air freight in 2023

A new philosophy for carbon: inseting and removal

In line with the 2020 Oxford Offsetting Principles, we have moved away from pursuing 'climate neutrality' which saw us offset our entire footprint to instead prioritise carbon 'insetting'. This involves implementing projects in our own operations and with partners in our value chain to reduce emissions, such as transitioning to low-carbon vehicles, installing renewable energy technologies, or implementing regenerative agriculture practices.

Although we have evolved our carbon approach away from pursuing climate neutrality, we recognise that as we scale up efforts to reduce our own emissions there is still a role Aesop can play in supporting projects (outside our operations and value chain) which offer shorter and longer term, more permanent carbon removal solutions. This meant that in 2023, we mitigated all of our global Scope 1, 2 emissions as well as emissions from our upstream and downstream logistics, business travel and contract manufacturing.

The evolution in our approach was informed by our first ever Climate Salon, which we held during B Corp month in early 2023, detailed below on page 20.

Investing in removals through our partner, Sourceful

In 2023, while we continued to mitigate a portion of our emissions through shorter term reforestation removal projects, we also made our first investments into long term permanent carbon removal projects in partnership with Sourceful. Sourceful works with independent experts to find and vet the highest quality permanent carbon removals projects. The organisation makes sure 100% of Aesop's contribution goes to these project partners and matches our funding.

Charm Industrial

Charm leverages the natural ability of plants to remove carbon dioxide from the atmosphere. But unlike a plant, Charm ensures the carbon is permanently stored. They do this by converting waste biomass (that is, dead plant matter) into a bio-oil and injecting it deep underground, where it can safely stay for thousands of years.

Heirloom Technologies

Heirloom makes use of the natural, carbon-capturing properties of limestone, a mineral composed of calcium oxide and CO₂. First, the limestone's CO₂ is extracted and safely stored. The leftover calcium oxide acts like a sponge, absorbing more CO₂ so it can return to its natural limestone state. The CO₂ is again extracted and safely stored. Heirloom's technology accelerates the absorption, creating a process that can repeat again and again... and again.

greenSand

greenSand removes CO₂ using a natural weathering process and a common mineral called olivine. The mineral is ground into gravel or sand and used in roads, footpaths and railway lines. The mineral reacts with rain (which contains CO₂), producing a bicarbonate solution that can safely store carbon. These solutions enter the water table, which eventually leads to the safe storage of carbon in limestone. The reaction is one-sided, and the CO₂ is permanently fixed.



A Sourceful Conversation

We spoke to Albert Howard,
Head of Sustainability at Sourceful

Q1. What is the role for carbon removal in addressing climate change?

Global sustainability centres on a crucial concept: prioritise reduction before removal. However, we also acknowledge that whilst emissions reduction is vital, we can't afford to delay carbon removal. Unfortunately, over the years, traditional offsetting has often fallen short of the impact it set out to achieve; either removing atmospheric carbon temporarily or failing to deliver the reported climate action at all. High-quality carbon removal is about removing carbon from the atmosphere for the long term and doing so in a measurable way. Sourceful is a global packaging platform. We set up Sourceful Climate to give brands access to high-quality carbon removal at the frontier of new technology.

Q2. How do you ensure the carbon stays 'locked up'?

This differs by technology, but in each case, it's about working towards robust measurement, reporting, and verification. In some cases, we can use direct measurement, such as with Heirloom where the amount of carbon dioxide being captured is easily measured, or with Charm where the carbon content of the bio-oil that gets injected underground can be assessed. In other cases, we have to make informed estimates based on how a material interacts with the natural environment. For example, with greensand, the olivine rock naturally captures the carbon dioxide from the rain, which is inherently harder to measure directly.

Q3. How do you feel about Aesop's progress/evolution of approach to carbon?

What Aesop is doing is stand out. The pull of easy-to-share claims, such as 'carbon neutral', is strong. Aesop has addressed this head-on by entering the harder-to-explain (but much higher impact) world of carbon removal. It's a courageous move and one that we hope acts as an example for other brands to follow.



Albert Howard,
Head of Sustainability

sourceful

Carbon insetting

In 2023, we accelerated our efforts to drive emissions reductions in our own operations and our supply chain. In particular, we want to find opportunities in our essential oil supply chain to support our partners to adopt climate and nature positive practices, and to invest in related social regeneration projects.

We are proud to highlight two exciting new partnerships that will help us meet and deliver on these objectives. Looking ahead, we will work to establish our criteria for worthwhile carbon insetting projects so we can act with focus and alignment across our business.

3keel

3 Keel

In 2024, Aesop is partnering with 3 Keel, a specialist climate consultancy, to map and better understand the main climate, nature and biodiversity risks and impacts in our supply chain.

As part of the process, we will shortlist and then deep dive climate and nature risks relevant to Aesop and explore the potential materiality of these risks across our operations and assets, supply chain and markets.

IMPATIENCE EARTH

Impatience Earth

In 2024, Aesop will continue its new partnership with Impatience Earth. This innovative organisation works closely with businesses from different sectors to develop and implement strategic corporate investment programmes. The goal is to deliver tangible climate impact, and to equip businesses with the tools to be a force for good.

Our aim through this work, having mapped our climate & nature risks with 3 Keel, is to embark on a learning and strategy creating process to identify how and where we can best invest to build climate resilience.

Climate Week in New York

Every year, New York hosts the largest climate event of its kind. In 2023, Climate Week was in September and brought together some 400 events and activities across the city. We were proud to play our part.

For our first ever Climate Week, we explored the topic of how nature and design can contribute to more liveable cities of the future. This was the perfect theme for our business as firm believers in the power of well-considered design to improve lives. We ran a series of activities, all demonstrating our commitment to climate action within our business, to being part of the wider global conversation, and to taking our customers on the journey with us.

Climate salon

We ran our second ever Climate Salon during Climate Week NYC at a rooftop farm in Brooklyn. In partnership with the Urban Design Forum, we explored how regeneratively designed retail can contribute to climate resilient cities. We invited three experts to join the event:

- **Jared Gilbert** of COOKFOX, an architectural studio with a focus on integrated, environmentally responsive design
- **Daphne Lundi**, an urban planner and policy maker who [has been part of NYC Mayor's Office climate resilience team]
- **Siqi Zhu** of Sasaki, an interdisciplinary architecture, urban planning, landscape and design firm

The evening underlined the importance of forging connection and community in developing solutions to collective climate challenges.



In store installation

During Climate Week, Aesop Bergen Street in Brooklyn played host to an arresting installation - A Volumetric Cityscape. This installation was designed to inspire ideas of a future where nature and concrete can coexist in harmony. It was created with a local partner, Good Hope Farm in the Hudson Valley, whose practice involves sustainable sourcing from the farm and returning to the earth from which it came.



Mindful travel guide

We created a [mindful travel guide](#) to inspire our customers to explore New York through the five senses. Thinking about what you can see, hear, touch and so on, the guide recommended locations, activities and actions that connect us to nature and contribute to a sustainable city lifestyle. The map led customers to community gardens, a farm-to-table restaurant, and onto city bikes.

“One of the comments was an appreciation that the guide delved into the sensory experiences one could have in the metropolis....gratitude that Queens and Brooklyn were highlighted in addition to Manhattan. It made people feel like Aesop was encouraging customers to explore more areas.”

Cultural experience

As a gesture to our customers, we shared 300 complimentary tickets to the Museum of Modern Art (MoMA). Twenty tickets were available at each NYC store for pick up, first come first serve.

We were excited for our customers to be able to visit Emerging Ecologies: Architecture and the Rise of Environmentalism, an exhibition that explored the relationship between architecture and the environmental movement in the United States.



Sustainable stores

Aesop has long believed that our stores should provide sanctuary and nourishment to our customers and the wider community. The way we design, create and run our spaces can and should have an overwhelmingly positive impact on the people who visit them and the places they're in. Last year, we brought a deeper scientific approach to our unique philosophy of store design.



Update on progress

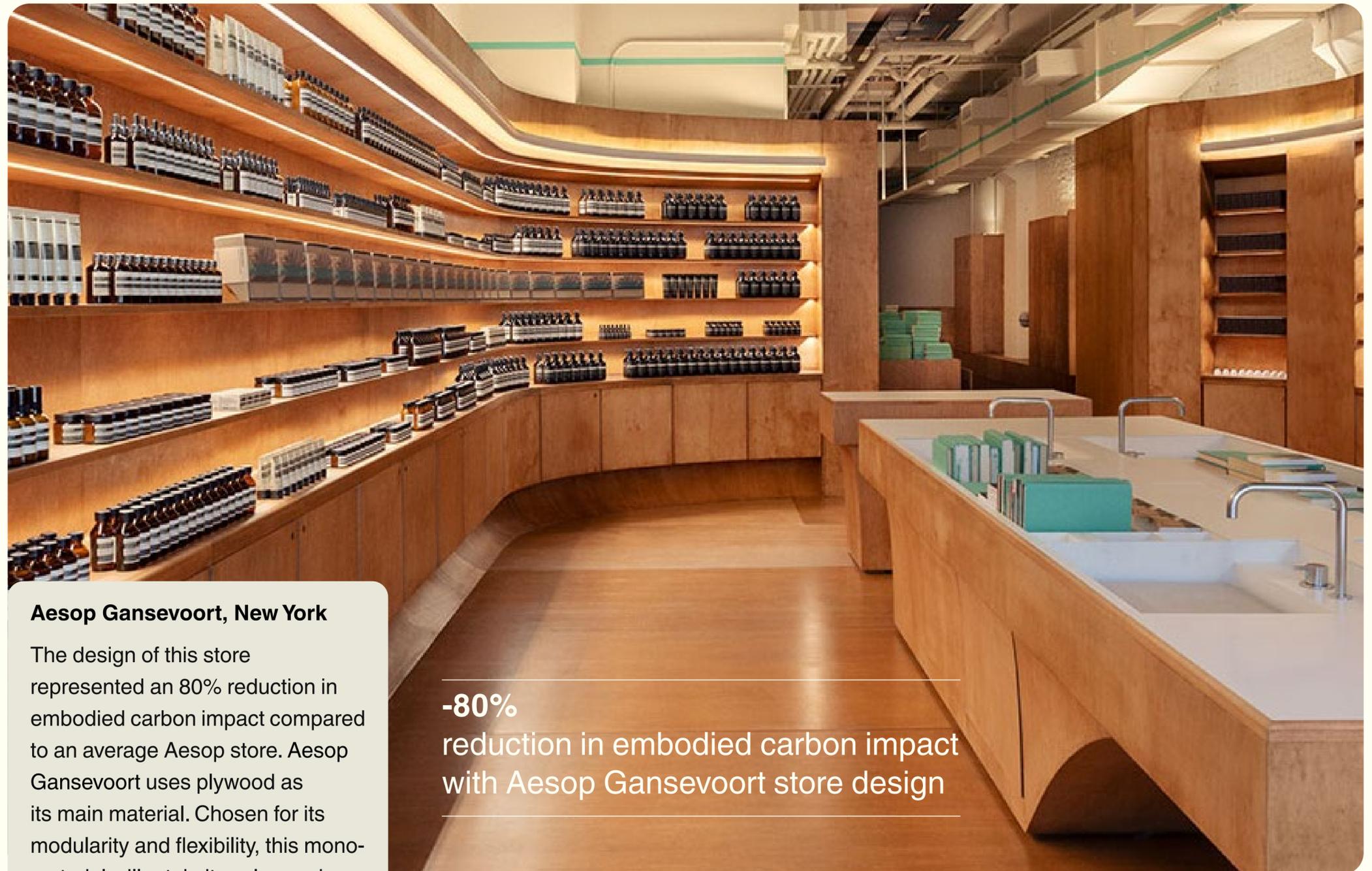
We are working collaboratively and cross-functionally to reduce the environmental impact of our stores and increase the good they do. Our new Sustainable Store Design Manager has created a replicable workflow for measuring, analysing and - where necessary - addressing our stores' use of materials, energy and water. With a baseline set, we can iterate improvements while creating an inventory of insights and best practice to share with our architects and project managers around the world.

Materials

In 2023, we launched an improved version of our store design sustainability scorecard - Artemis. No two Aesop stores are the same, so the tool needed to be incredibly flexible. Building on our previous design tool, Artemis is much more robust and allows us to analyse and set targets around material use. The tool is collaborative by nature, which means all our designers will be able to access other projects, helping to share learnings between our teams.

In 2023, we used Artemis to design all 40 of our new signature stores. Using Life Cycle Analysis principles, we assessed the carbon impact of all our materials' manufacture and transportation. We will use the results from 2023 as our baseline, building our understanding of best practice and driving improvement year after year.

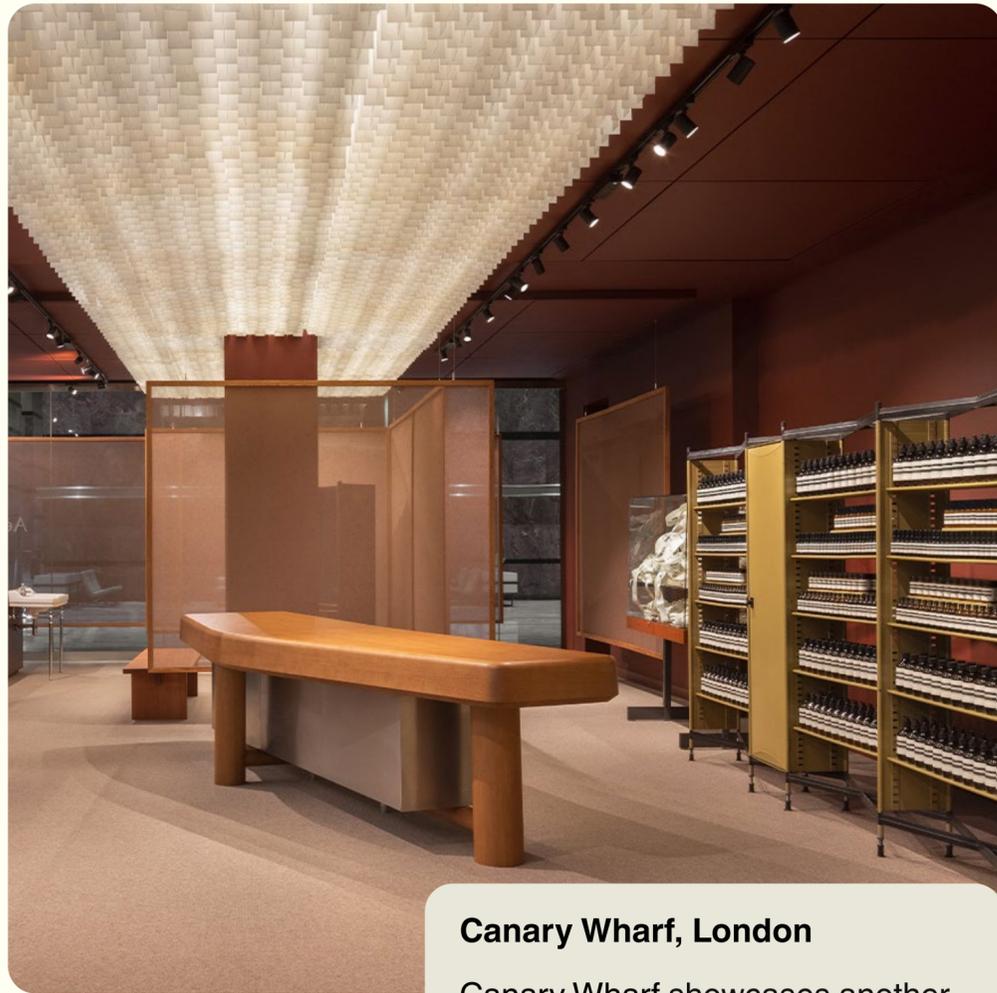
Our target is to lower the embodied carbon footprint of all new signature stores by 50% in intensity by 2027, compared to 2023.



Aesop Gansevoort, New York

The design of this store represented an 80% reduction in embodied carbon impact compared to an average Aesop store. Aesop Gansevoort uses plywood as its main material. Chosen for its modularity and flexibility, this mono-material will retain its value and remain useful at the end of its time with us. The store's shell has not been cladded, which reduces the volume of materials used.

-80%
reduction in embodied carbon impact
with Aesop Gansevoort store design



Canary Wharf, London

Canary Wharf showcases another approach to a low impact store. Here, the design focuses on repurposing vintage furniture and giving it a new life. There are two oak tables from a former Aesop store in Salzburg, a 1960s Italian modular shelving system, a ceiling installation custom-designed for a Brussels bank in the 1970s, a mid-century Italian display cabinet and Edwardian ceramic basins.



Kichijoji, Japan

Our new store in Kichijoji is an exemplar of re-use and local sourcing. By connecting with the local community, our store designer found an old house that was due to be demolished. A team attended the site and meticulously rescued timber beams and columns from the structure. They then transported them by jinrikisha - a type of rickshaw. The final store design is a playful reconstruction of the old house.

Energy

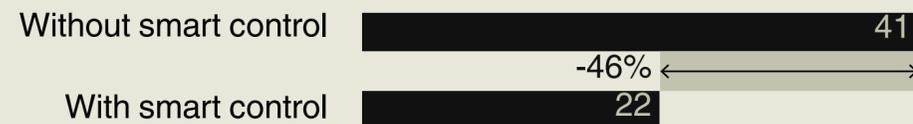
We have now installed smart meters in stores in all our regions. These allow us to monitor the energy used by lighting, ventilation, IT, hot water, heating and cooling. With readings every 10 minutes, we can see which equipment is using energy and when.

We are using this data to develop specific guidelines for our designers to follow. We will also roll out guidelines for behaviours, supporting our people to use less energy in store.

We are experimenting with energy optimisation in our new stores, including trialling smart control systems for our heating and cooling appliances. In Aesop Lyon Place de la Republique, this led to a 46% reduction of energy use for heating (see graph). Other potential optimisations include how we generate hot water for our demonstration sinks, installing motion sensors for lighting and bioclimatic facades for street stores.

Energy used for heating in Aesop Lyon Place de la Republique

(kWh/day)



ENERGY USED FOR HEATING IN AESOP LYON PLACE DE LA RÉPUBLIQUE	WITHOUT SMART CONTROL	WITH SMART CONTROL	DIFFERENCE
Energy use per day (kWh/day)	41	22	-46%
Running hours (hours)	55	35	-36%
Average outside temperature (°C)	8.2	2.6	

Water

To reduce our water impact, we have retrofitted 62 stores with flow regulators, representing 215 taps. At Aesop Vieille du Temple, this led to a 55% reduction of water flow.

From 2025, all new stores will be equipped with flow regulators as standard.

Evolution of the flow before and after the installation of flow regulators at Aesop Vieille du Temple

(litres per minute)



62 stores retrofitted with flow regulators



Sustainable Sourcing Programme

Many of the sustainability impacts Aesop makes as a business come as a result of the procurement and sourcing choices we make. It is imperative we build trusted and transparent relationships with supply partners to improve the impact of the raw materials in our formulations, packaging and point of sale items, while also increasing our resilience in the longer term by working with suppliers willing and able to collaborate and enhance sustainability practices across our value chain.



Progress update

In 2022, we launched our supplier sustainability strategies, rolled out ethical sourcing training, revised our code of conduct and published our sustainable procurement policies.

In 2023, we focused on the implementation of our sustainable procurement policies and rapidly progressing required raw material transitions to align with them. We also worked to expand the coverage of our ethical sourcing due diligence by completing an increased number of third-party ethical audits of our suppliers and working with them on corrective actions.

The conclusion of 2023 saw us working closely with our L'Oréal Groupe colleagues to start aligning with our new sustainable sourcing commitments under the L'Oréal for the Future programme and associated supplier due diligence activities. We look forward to further integrating our processes throughout 2024 and working together across our supply chain.



Ethical Sourcing Due Diligence

Aesop has over 125 Direct Suppliers. Most of these, by spend, are located in Australia, and the majority have international supply chains.

Our Ethical Due Diligence Programme is how we collaborate with these partners to ensure our global supply chain uses environmentally responsible processes, provides safe working conditions, treats all workers with dignity, protects human rights and mitigates the risk of modern slavery in our supply chain.

Our risk assessment and audit process

Aesop uses the Supplier Ethical Data Exchange (Sedex) as our primary platform to monitor and manage risks of modern slavery in our supply chain.

In 2023, we increased the number of third-party independent audits undertaken as part of our due diligence program by 19% in comparison to 2022.

95%
of our annual direct supplier spend is with Sedex members

How Sedex works

Sedex is an ethical trade service provider that provides tools to members to allow them to share, manage and report on their responsible and sustainable business practices. Sedex covers labour standards, health and safety policies, environmental management, and business ethics.

We require all our Direct Suppliers to become members of Sedex and complete an annual Self-Assessment Questionnaire (SAQ). We then use the Sedex risk assessment tool, which combines data from these questionnaires with sector risk information to identify suppliers operating in high-risk environments or with workers more vulnerable to labour exploitation.

2023 update

At the end of 2023, 72% of our Direct Suppliers (by count) had become active Sedex members. This represents 95% of our annual direct supplier spend which is a 1% increase from 2022. Aesop will continue to work with our suppliers to increase this further in 2024.

Looking ahead

In 2024, Aesop is transitioning its audit process to align with L'Oréal Groupe systems. As part of this process, we will support our Direct Suppliers to deliver on corrective actions that have been highlighted during our risk assessment and audit process.

Supplier Code of Conduct & Ethical Commitments

It is vital that Aesop ensures we engage with suppliers who share our ethical standards on human and labour rights, working conditions, environmental standards and overall business integrity.

We are committed to supporting suppliers to meet these standards, whilst also having the courage, if necessary, to end relationships with those who fall short.

Prior to the L'Oréal Groupe acquisition in 2023, these standards were outlined in our Code of Conduct. At the time of the acquisition, 80% of our Direct Suppliers by count (up from 69% in 2022) had signed up to our Code of Conduct. This represented 94% of our annual direct supplier spend (91% in 2022).

These standards are now included in and replaced by the L'Oréal Groupe Mutual Ethical Commitment Letter (MECL). Aesop is working on receiving formally executed letters from our suppliers. As we roll out the MECL, we are expanding our reach to include both Direct and Indirect suppliers.



Critical raw materials

Aesop must source a diversity of raw materials to create our formulations, some of which can have significant environmental and social impacts through their harvesting, cultivation and/or manufacturing processes.

In 2023, we maintained our focus on five critical raw materials - palm oil, soy, cotton, paper and ethanol. These are materials we require in our formulations or packaging, that are also inherently high-risk for labour and environmental exploitation. Our goal was to achieve traceability and/or certification for these five ingredients by 2025.

Going forwards, we are expanding the scope of these raw materials by aligning with the L'Oréal for the Future commitment:

“By 2030, 100% of the biobased ingredients for formulas and packaging materials will be traceable and will come from sustainable sources”.

Our previous approach to material traceability and certification will align well with this new commitment and we are looking forward to expanding our remit to include all biobased raw materials.



Palm oil

Palm oil has significant impacts in the areas in which it is grown and harvested. When grown unsustainably, palm oil can damage forests and endanger communities and wildlife. There have been calls to boycott palm oil because of these negative impacts.

However, switching to alternative vegetable oils – such as sunflower, rapeseed and soy - wouldn't necessarily reduce these impacts. Because they have much lower yields per hectare than palm, they require more land to produce an equivalent amount of oil.

Millions of farmers work on oil palm plantations and smallholdings. When procured sustainably and equitably, this provides them with a fair wage and decent livelihoods.

For this reason, Aesop is pursuing sustainable palm oil, that is farmed, processed, and distributed responsibly with respect for the needs of people and planet.



The Roundtable on Sustainable Palm Oil (RSPO)

Our goal is to have all palm sourced as RSPO certified by the end of 2025. In 2023, 46.59% of our palm was RSPO Supply Chain Certified (up from 22.87% in 2022).

When palm oil has been grown in line with RSPO standards, it means the workers and communities behind its production have been treated fairly and respectfully. It also means forests with areas of High Conservation Values (HCV) and High Carbon Stock (HCS) are protected and managed. This helps protect the habitats of many different species of endangered flora, animals and birds – from Sumatran tigers to South American macaws.

In 2023, a further three of our Contract Manufacturers achieved RSPO Supply Chain Certification, adding to the four that were certified in previous years. Having our Contract Manufacturers become RSPO Supply Chain Certificate holders ensures that the RSPO Chain of Custody has been maintained throughout the entire supply chain and enables Aesop to publicly claim RSPO certified materials in our reporting.

46.59%
of our palm oil was RSPO
Supply Chain Certified in 2023



Action for Sustainable Derivatives

Last year, we took part for the second time in a transparency study run by the Action for Sustainable Derivatives (ASD) to improve traceability and accountability in our palm oil supply chain.

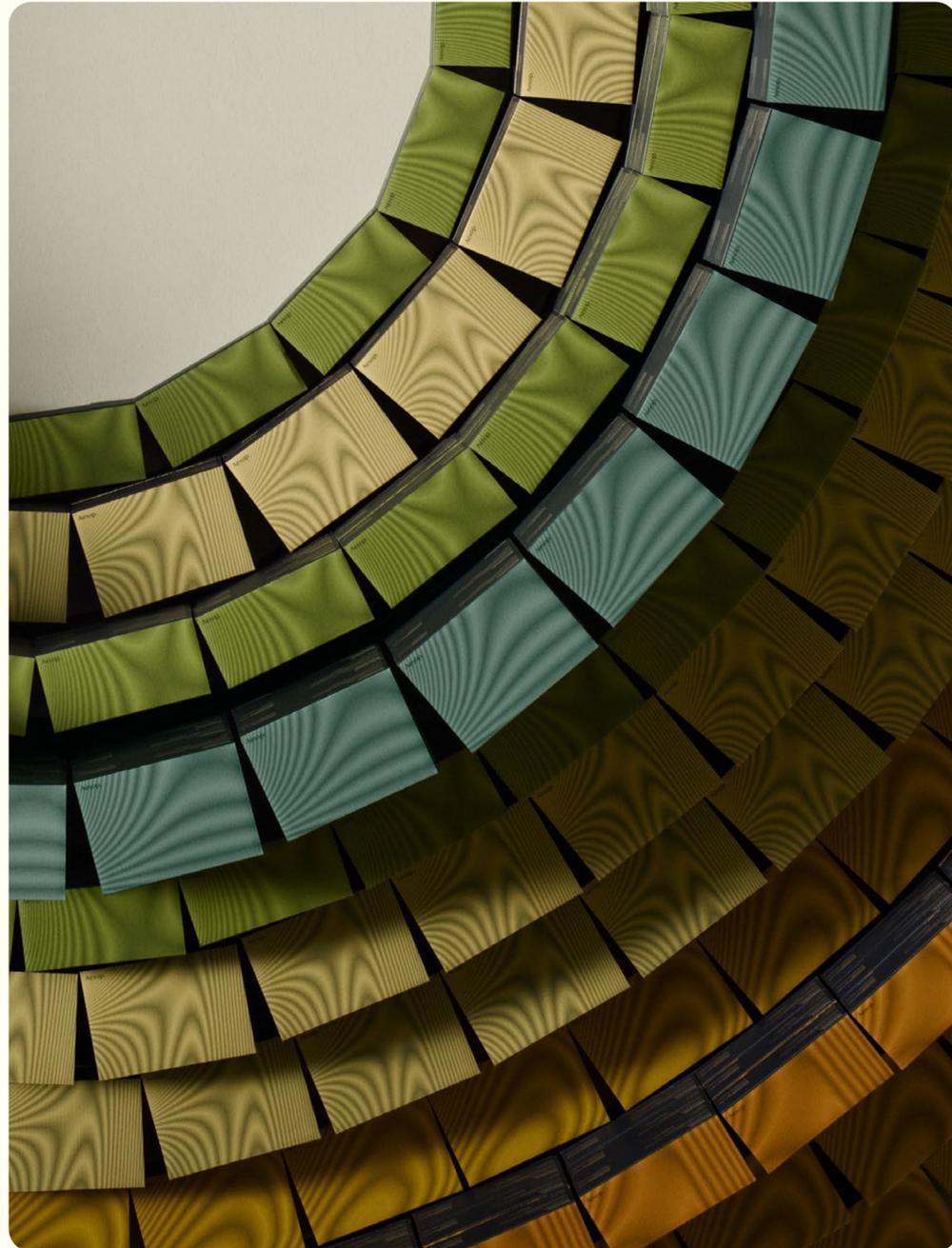
We were able to trace 83% of our palm oil back to the refinery level, 75% back to the plantation level and 25.4% back to the plantation level. This was a decrease compared to our results in 2021. However, the number of suppliers in scope had almost doubled, from 10 to 19.

In 2024, we are engaging our suppliers earlier so they have more time to improve their traceability and insights.

As well as ASD's transparency study, we also participated in their Sustainable Palm Index, a secondary study to assess our suppliers' sustainability procedures and practices. 14 suppliers were evaluated this year on their 2022 volumes with 43% of suppliers demonstrating 'best-in-class' practices.

Paper

In 2023, we increased the volume of paper items sourced in line with our sustainable procurement policy to 94.6% (up two percentage points from 2022).



Soy

In 2023, 24% of our soy was sourced in accordance with our sustainable procurement policy. This represents a 22% decrease from 2022, which occurred because of improved data quality. Our Ethical Sourcing team undertook a data collection exercise to refresh cultivation origin data for materials containing soy and soy derivatives.

Ethanol

We know where 90% of the ethanol feedstock we used in 2023 was cultivated, which represents an identical level of traceability to 2022.

Cotton

In 2023, 95% of the cotton we sourced aligned with our sustainable sourcing policy, up from 58.14% in 2022. This was thanks in large part to the full transition of our Aesop cotton bags to a recycled organic cotton blend.



95%
of the cotton we sourced
aligned with our sustainable
sourcing policy



Nurturing communities and individuals

We believe in serving the communities in which we live, work and operate. Our philosophy is one of radical acceptance; by investing in people and places, we can promote healing and harmony.

In practice, this means everything from philanthropy to ensuring our company practices and policies create belonging and empowerment.



Philanthropy and Social Impact

The Aesop Foundation

The Aesop Foundation exists to create just and safe spaces where all people can thrive. From humble gestures at the store level to significant donations to charity partners, Aesop seeks to contribute in ways that help fulfil unmet needs.

The Aesop Foundation aims to prioritise support for the communities in which it operates but also embraces the need to go beyond, as global citizens with a responsibility to all people and the planet.

Progress update

2023 was a significant year for the Aesop Foundation with the formal launch of our first ever global giving strategy and a financial pledge of AU\$40 million in donations by 2030.

Our new strategy has an updated theory of change, with a clear vision and goals. First and foremost, the Aesop Foundation will be an ally to organisations that amplify the voices of communities who have experienced exclusion and are working to tackle humanity’s biggest challenges.

Our strategy sets out three areas of focus:

- **Society for All:** To cultivate inclusive communities
- **Liveable Earth:** To nurture just and joyful relationships with the earth
- **Safekeeping:** To keep people safe from harm

As before, all our granting is unrestricted and multi-year. We firmly believe that our partners know best about what to do with the funds they receive from us; we know from experience that longer term funding is critical to establishing real change.

Aesop Australia staff assisting with packing 200 Asylum Seeker Resource Centre catering festive boxes.



AUD\$2.8m
total Foundation giving in 2023

28,744
volunteering hours globally

AUD\$100k
for a variety of employee-led causes

AUD\$2.6mn
worth of product donated to a variety
of key philanthropic causes

3
philanthropy committees

COMPASS

The Aesop Foundation exists to create just and safe spaces where all people can thrive.

“At the Aesop Foundation, we believe that through unwavering dedication, the power of partnerships, and collaboration, we can transform our new strategy into reality, creating just and safe spaces for present and future generations.

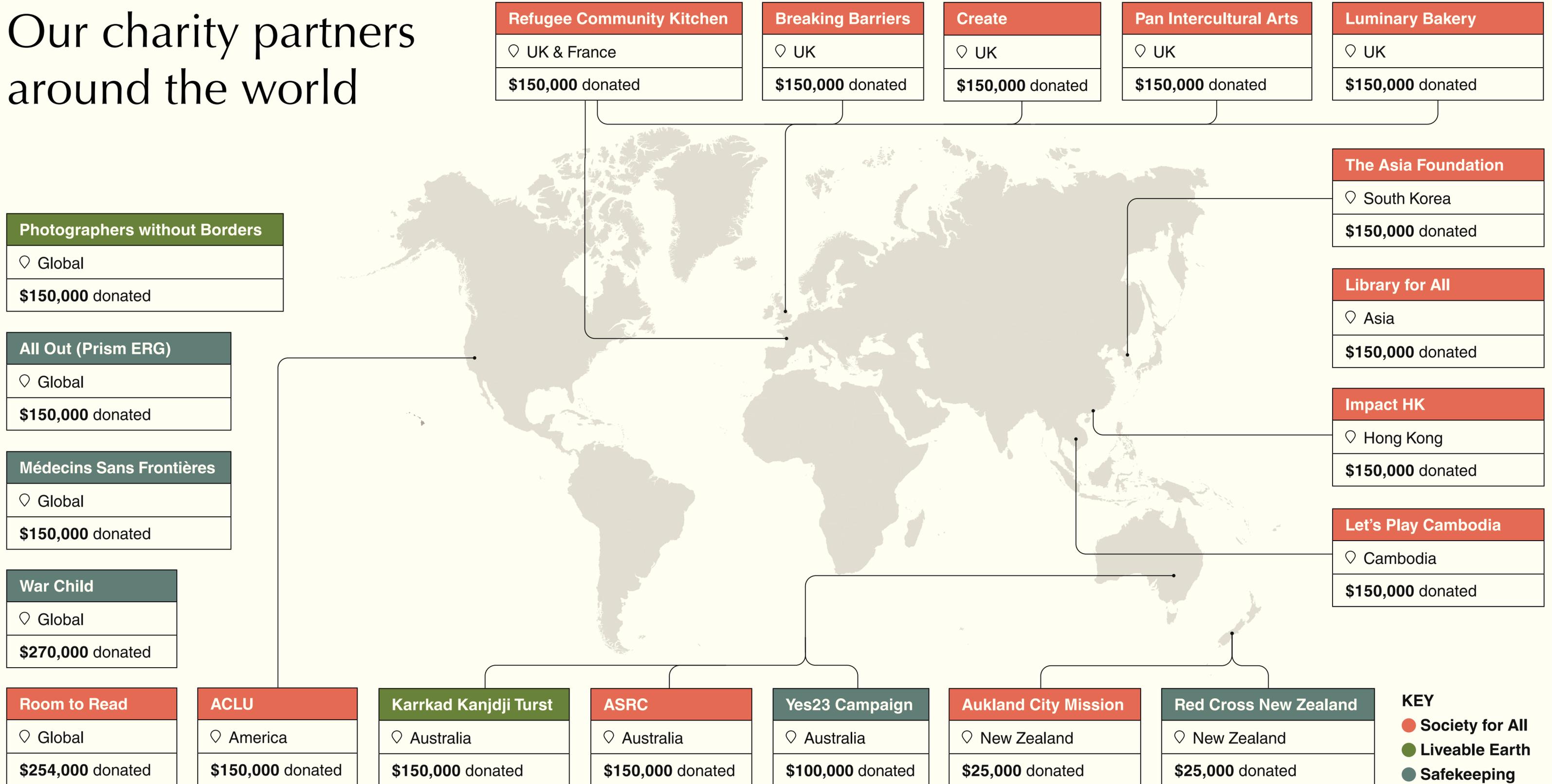
The programmes we support have a rigorous model to project delivery approach; their monitoring, evaluation and reporting frameworks attest to their aims and objectives affecting social change.

The Foundation is currently working with more than 20 partners globally. We will continue to build out our portfolio during 2024. All of our partners live their values; lifting up the individual and their communities with passion and integrity. We couldn’t be prouder of what they have collectively achieved”.

Catherine O’Dea,
Board Chair, the Aesop Foundation



Our charity partners around the world



KEY
● Society for All
● Liveable Earth
● Safekeeping

Goal 1 - Society for all

Our goal is to cultivate inclusive communities

In today's world, many people feel isolated or fear they do not belong. Together, we can cultivate inclusive societies where everyone can participate, feel welcome and be connected.

- Children have the foundational skills for education.
- Refugees feel accepted and settled in their new community.
- Aesop has strong connections with its communities, embodying a spirit of generosity

Room to Read

We supported Room to Read with a five-year grant totalling AUD\$1,270,000. The organisation is now our leading strategic education partner in Asia. Room to Read exists to break the cycle of illiteracy within families, combining the science of learning to read with the magic of loving to read.

Their Literacy Programme includes developing and publishing quality children's books, establishing child-friendly libraries, comprehensive teacher support and instructional design, and family and community engagement. Our grant will enable Room to Read to transform education systems across Asia, deliver positive learning outcomes for children at scale and support the programme expansion to Hong Kong.



Luminary Bakery

Since 2022, we have supported the incredible Luminary Bakery, with a total three-year grant of AUD\$300k. Luminary is a social enterprise that offers opportunities to women to build a future for themselves. The organisation uses baking as a tool to equip women with transferable skills for the working world, taking them on a journey to employability and entrepreneurship. In 2023, the Luminary Bakery supported 105 women. Of the women completing their two-year programme, 89% were in employment, education or training.



Goal 2 - Liveable earth

Our goal is to nurture just and joyful relationships with the earth

Climate change poses the most significant threat to the future of humanity and the planet. We will take action to nurture more just and joyful relationships with the earth.

- Indigenous communities are recognised for their contributions as the custodians of nature.
- Essential oils smallholder farmers take action to mitigate and adapt to climate change.

Karrkad Kanjdi Trust

The Karrkad Kanjdi Trust (KKT) was established in 2010 and supports Indigenous rangers in Australia to manage 50,000 km of country across Arnhem Land. We have partnered with KKT since 2017 and continue to support their ambitions of promoting environmental conservation, cultural heritage preservation and the intergenerational transfer of fragile Indigenous knowledge across the region.



Photographers without Borders

We also supported Photographers without Borders (PWB), a community of photographers and filmmakers protecting land and water through ethical storytelling. Each year, PWB funds photographers who wish to complete a project that requires global attention and centres an environmental issue. Indigenous photography is a powerful tool to share traditional practices and methodologies for conserving natural resources.

Our multi-year grant totalling AUD\$450,000 is already enabling PWB to support these revolutionary storytellers.



Goal 3 - Safekeeping

Our goal is to keep people safe from harm

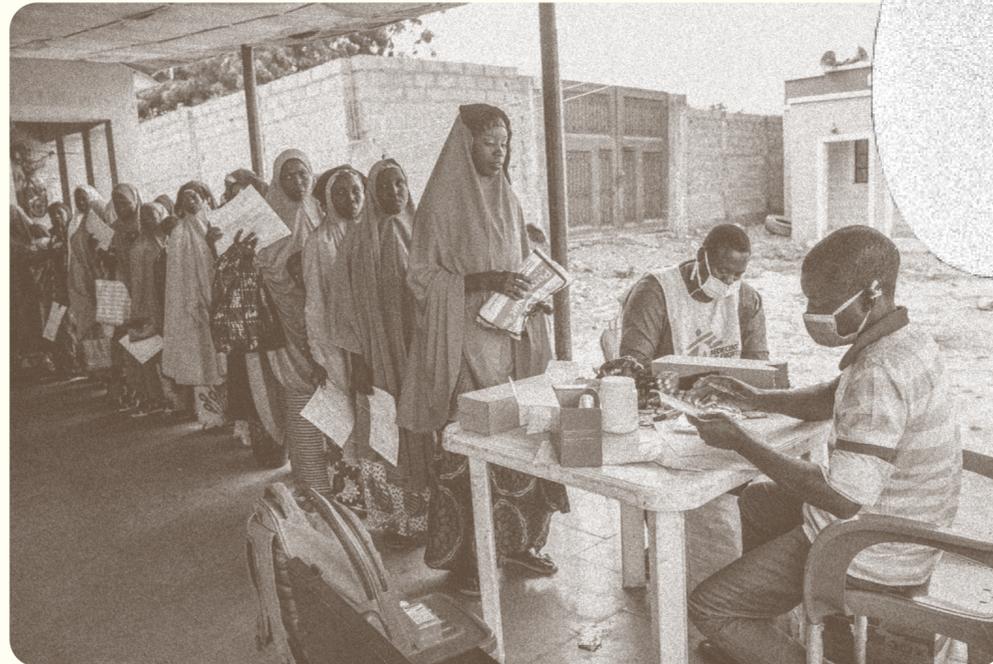
Every year, millions of people suffer worldwide. Together we can create a safer world where every- one is valued, protected from harm and lives a long, healthy life.

- Safeguarding women and children from violence
- Emergency health care, saving lives in times of crisis
- Human rights and freedoms are promoted and protected

At Aesop, we continue to feel horror at the scale of suffering in today’s world, from the impacts of natural disasters to the ongoing humanitarian crises caused by conflict. We have two strategic humanitarian partners, Médecins Sans Frontières (MSF) and War Child, who in 2023 responded to multiple emergencies in places like Sudan, Gaza and Afghanistan.

On 6 February 2023, two powerful earthquakes and several aftershocks hit the region of southern Turkey and northwestern Syria. The quakes and their aftershocks killed over 59,000 people and left an estimated eight million displaced across both countries.

Following the earthquakes, many Aesopians made personal gifts to MSF and War Child, who mobilised a response, working through local community partners who know the areas well. Across Syria and Turkey, the organisations immediately provided emergency lifesaving care, including clean water and shelter to thousands of families who lost everything. In the aftermath, support has been given with medical assistance, mental health consultations and psychosocial support to thousands of men, women and children.



Médecins Sans Frontières

AUD\$420,000

donated to Médecins Sans Frontières and War Child to provide emergency lifesaving care to families displaced from earthquakes in 2023



Giving back to our communities

Everyone at Aesop is entitled to paid volunteering leave. This equates to 1% of our working year. Many employees volunteer for local causes close to their own hearts with others opting to volunteer with Aesop Foundation partners as a way to provide additional, meaningful support.

The Aesop Foundation partners with the Refugee Community Kitchen (RCK) providing a multiyear unrestricted grant. Since 2015, RCK has served nutritious food without judgement to those fleeing war, poverty, persecution and climate change and living in Northern France and the UK.

During 2023, 144 Aesop employees volunteered with RCK, helping to prepare nutritious and delicious meals for clients using their service in London. The relationship with RCK has seen many colleagues volunteer regularly with them, over and above their volunteer leave entitlement.

144
Aesop employees volunteered with
Refugee Community Kitchen in 2023



“We are volunteers. We chop. We stir.
We serve. We believe food is a human right.
Everyone deserves food that we’d be happy
to eat at our own tables”

Refugee Community Kitchen



Diversity, Equity and Inclusion

Our D, E & I approach

Aesop is a unique place, and we are proud of who we are. But we are also committed to continually building and fostering a more inclusive, diverse and equitable culture and workplace, and a stronger sense of belonging for all.

Our mission is to unlock opportunities and enable progression for our colleagues from all backgrounds, to drive a broader agenda of equity where all colleagues are treated with fairness, dignity and respect, and to shape a culture that values difference and authenticity.



National Coming Out Day



International Women's Day



An update on our DE&I Goals

Gender balance: 50% women on board / senior team by 2023.

We have made progress towards achieving our goal of 50% representation of women at Board and Senior Leadership level. The breakdown of our gender representation data indicates that overall, 50% of our Board and Senior Leadership level is made up of women, based on those who have disclosed their gender. As a majority female organisation, we continue to work towards measuring and maintaining this level going forward.

50%
of our Board and Senior Leadership level
is made up of women

Inclusion in management of under-represented groups.

We take into account racial or ethnic, sexual diversity and gender identity (LGBTQIA+), socioeconomic disadvantages and physical or mental disability.

As a large global organisation, capturing this data is complex and involves sensitive personal data that is subject to data protection laws and anonymity requirements for our employees across multiple jurisdictions. However, we are committed to continuing to measure our progress and sharing with our colleagues the importance of understanding our demographic baseline. It is also key that we continue to progress on our DE&I goals in this area through holistic talent practices and policies that covers talent acquisition, belonging, development and retention for colleagues.

Equitable pay, closing the gender gap by 2023.

Aesop has been partnering with leading consulting firm Mercer in gender pay equity review since 2020. Our approach goes beyond the standard reporting requirements of international governments. The outcome of the study helps us understand what is driving any inequalities, which enables us to make meaningful changes without detriment to the flexibility of work and career opportunities offered to women across the organisation.

The unexplained pay gap for Aesop globally stood at -0.88% as of October 2023, representing an improvement relative to -1% in 2021, but a slight increase relative to -0.58% in 2022. It is important to note that that by standard reporting practices globally, discrepancies of the 1% point and below are not reported. However, we believe that any gap must be addressed and remedied, and continually reviewed.

Living wage (or above) for all by 2023.

In 2023, we maintained a 98% living wage across the business. This year we calculated this using the L'Oréal Groupe methodology, which considers the annual family living wage, with fertility rate and adjusted with income earners.

98%
of Aesop employees are on a living wage



Progress update

In 2023, we continued to embed our DE&I ways of working, policies, and behaviours across the organisation globally.

Inclusive hiring practices

We continued to raise our awareness, understanding and commitment to hiring talent inclusively. Our 'Hi to Hire' unconscious bias e-Learning module was completed by 180 People Managers. Our Talent Acquisition teams We continue to encourage every People Manager who hires for roles to complete the training every six months to ensure that that they continue to refresh their knowledge and awareness about how bias can show up through each stage of the recruitment process, the candidate experience, and when making hiring decisions.

DE&I learning and awareness

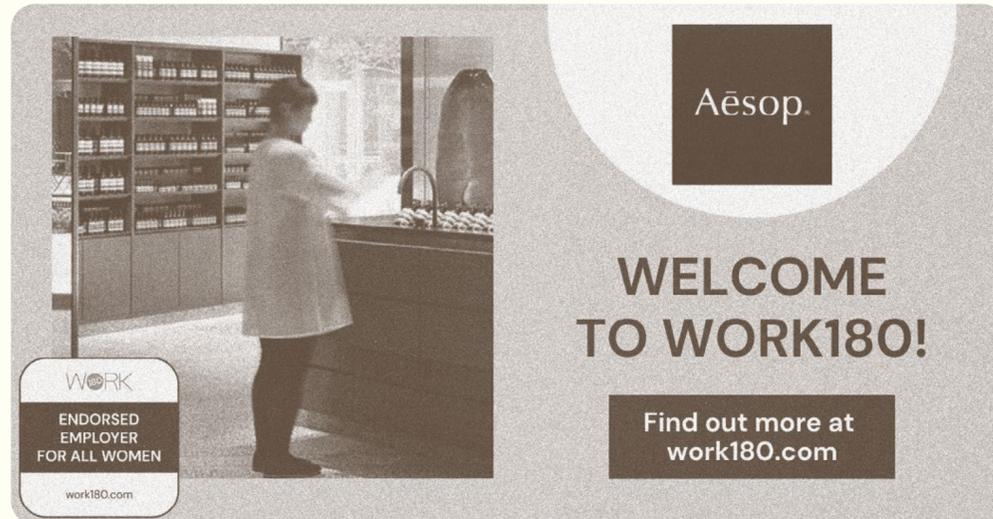
We ran 35 externally facilitated Mind Gym workshops, which focused on psychological safety, inclusive leadership, conscious inclusion, and allyship. These took place in seven languages and four regions, and saw a total 1,085 hours of training take place. 65% of all Aesop users active on LinkedIn Learning were also viewing DE&I digital learning content.



Endorsements and recognition

Work 180, Australia

In June 2023, Aesop ANZ became a Work180 Endorsed Employer for Women. Established in 2015, Work180’s mission is to raise organisational standards so that all women and marginalised communities can choose workplaces where they can thrive. Six months in and following the external Work180 DE&I Audit, which assessed Aesop against ten standards for equity in the workplace, we are in the top 14% of all endorsed employers.



HR Asia Awards, Hong Kong

For the second year in a row, Aesop Hong Kong was recognised by HR Asia Awards as an employer of choice. In 2023, we also received the Diversity, Equity, and Inclusion Category Award.

Employee Resource Groups

In 2023, we strengthened Aesop’s Employee Resource Group (ERG) programme, reaching 500+ members in 2023.

Aesop’s employee-led groups have continued to drive awareness on key issues, while also acknowledging and celebrating key cultural moments and celebrations. In 2023, 16 events, workshops, speakers, and collaborations were organised by our ERGs.



Aesop Women ANZ

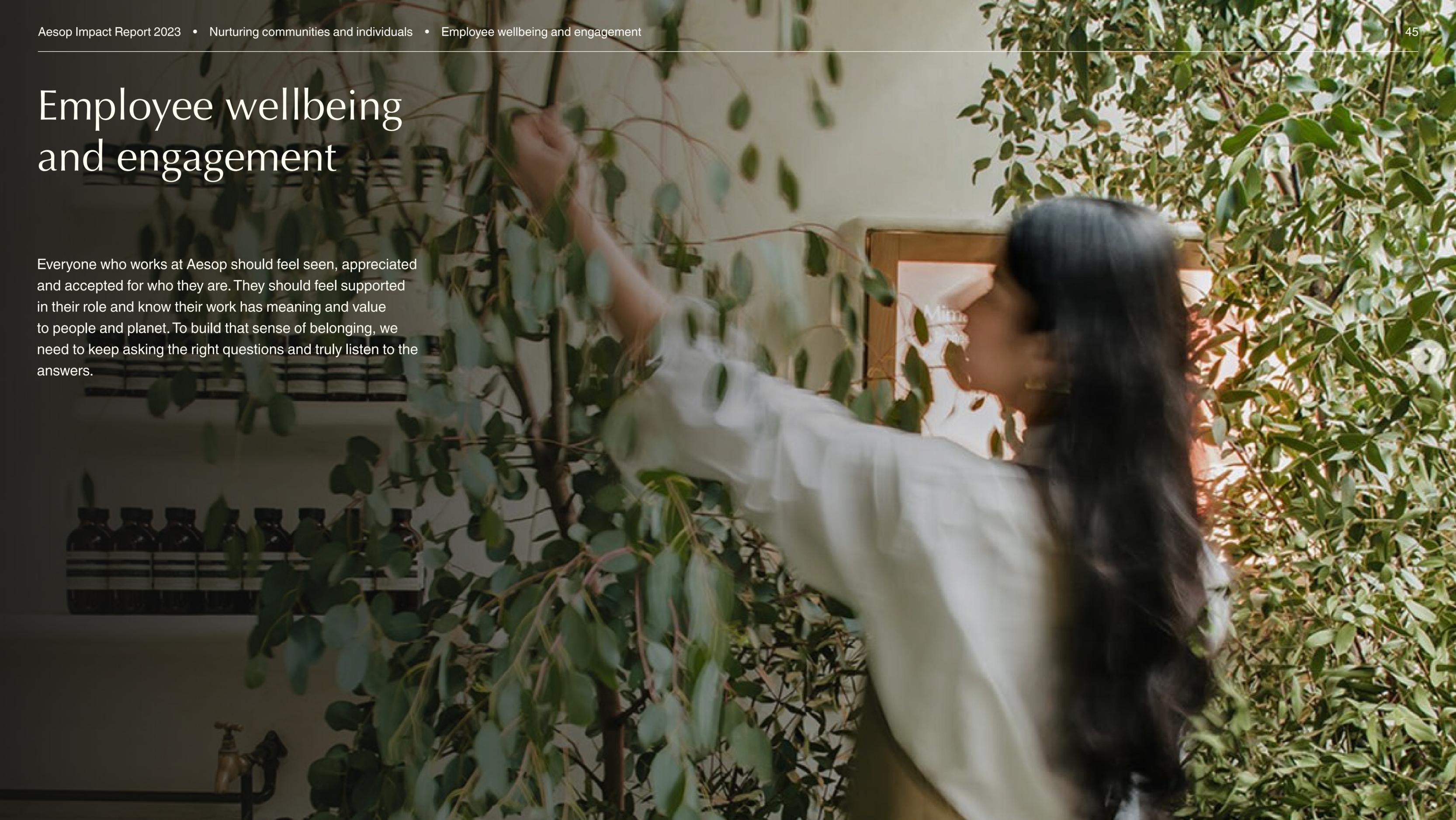
Our ERGs are:

- **Aesop Women** - A place for everyone to thrive, equitably, regardless of their gender. In 2023, Aesop Women led celebrations to mark International Women’s Day, as well as hosting a range of workshops on key topics.
- **Ubuntu** – To cultivate Aesop as a place of belonging for marginalised communities. In 2023, Ubuntu led gestures and activations for Black History Month US, Ramadan Guidelines, Juneteenth, Notting Hill Carnival, Black History Month UK, and Diwali.
- **Prism** – Promoting awareness through education and engagement for the LGBTQIA+ community. In 2023, Prism led events for LGBTQIA+ History Month, Pride, National Coming Out Day UK, and Trans Awareness Week.

16
events, workshops, speakers and
collaborations organised by ERGs

Employee wellbeing and engagement

Everyone who works at Aesop should feel seen, appreciated and accepted for who they are. They should feel supported in their role and know their work has meaning and value to people and planet. To build that sense of belonging, we need to keep asking the right questions and truly listen to the answers.



Progress update

At Aesop, we are constantly seeking to create a place of work in which everyone feels seen, appreciated and accepted for who they are. Our focus on improving employee wellbeing is iterative, intersectional and always evolving to meet the needs of our people in a constantly changing environment.

Ultimately, we want every Aesop colleague to feel supported in their role and know their work has meaning and value to people and planet.

One of the ways we cultivate this atmosphere and create positive change in our employees' experience is by gathering, listening to feedback from our people and taking action to evolve our ways of working. Not only does this feedback provide vital insight, it helps our people feel supported, recognised and listened to.

In 2023, we embedded meeting free Fridays and summer hours in our offices, and wellbeing leave in retail. We launched wellbeing month globally hosting over 110 events for our people across the globe and we evolved our approach to employee listening by launching a people manager support tool in Glint to help people managers make positive changes based on insights.

Listening to our people

We conducted two employee surveys in 2023. The response rate for our latest survey was 88%, which means 3334 out of 3795 of Aesop employees sent responses. We are pleased to report this is significantly higher than the benchmark response rate of 75%.

We received 9,234 comments, 62% more than our previous survey. The questions with the most comments related to communication and one of our new topic areas, barriers to execution.

The survey results showed that our strengths are speak my mind, empowerment, and equal opportunity for our office-based employees. Among our retail employees, key strengths were workload, collaboration, barriers to execution, and priorities.

In 2023, we also launched a new way of recording focus areas that supports managers to have meaningful conversations about action planning with their teams based on the survey results.

Looking ahead, our focus areas for 2024 are:

- **Clarity, Focus & Adaptability** - "I know what success looks like and how to prioritise. I know when I am on track, and I get regular feedback that helps me change course as needed and make progress towards my goals."
- **Empowerment, Autonomy & Trust** - "I have access to the information, people, tools and resources to work effectively. I am trusted to make decisions, take risks, and try new approaches in my work."

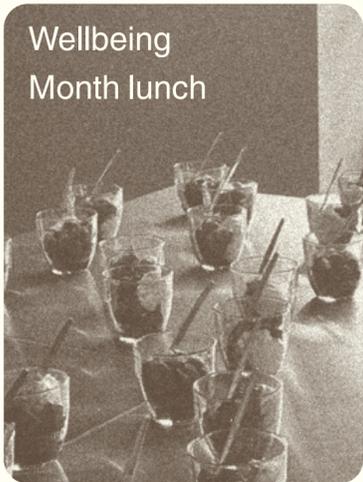
88%
of Aesop employees responded to our
employee survey in 2023

Global Employee Wellbeing Program

At Aesop we take a holistic approach to providing support to all our people to live well by focusing on professional, physical, social, financial and emotional wellbeing.

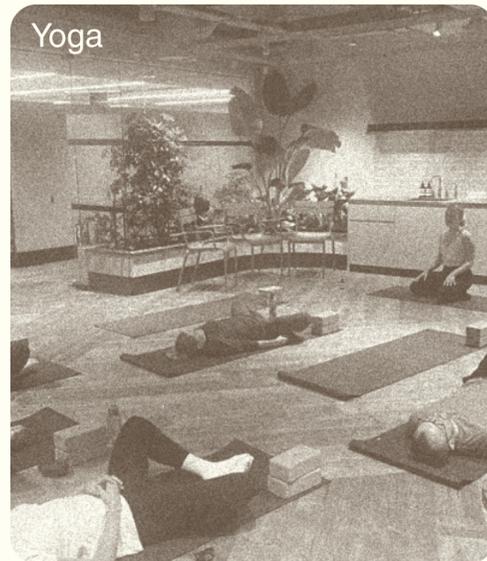
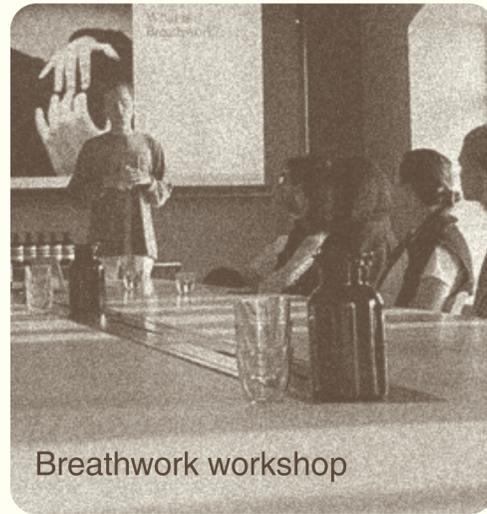
Our inaugural Global Wellbeing Month took place in October 2023, where we hosted over 110 events and workshops globally. These offerings aimed to benefit our Aesopians both inside and outside of work. From yoga and breathwork to Financial Wellbeing and Managing Anxiety training, we took time out of our day to nurture and prioritise our physical and mental health while also socialising and unwinding together.

We hope that going forward Aesopians will feel empowered to create space in their week to better manage their wellbeing thus increasing productivity and general welfare.



80

events took place globally, both virtually and in-person



27
events for
emotional wellbeing

26
events for
physical wellbeing

16
events for professional
wellbeing

13
events for
social wellbeing

3
events for
financial wellbeing

Headspace

Headspace is a popular meditation and mindfulness app. We offer Headspace subscriptions to any employees who would like one.

Since our last report, 678 new people have signed up to our Headspace account. There was also an increase in engagement, with members using content 3085 times in October compared with 2639 times in August. Sleep consistently ranks as the most popular category. During Global Wellbeing Month, the top course was Managing Anxiety, reflecting the theme for Global Wellbeing Month.

Mental Health First Aiders

A Mental Health First Aider is a colleague who has received training in identifying mental health issues, how to listen and communicate effectively with people experiencing any issues and understanding the most effective ways of encouraging them to seek appropriate help. Our Mental Health First Aider community is here for anyone at Aesop to reach out to when you need to talk.

In 2023 we continued to upskill our people in this area and now have 97 Mental Health First Aid accredited individuals across the business who are equipped to support their colleagues.

Using our stores for good

We believe our stores have the potential to positively impact the communities they serve. Alongside everything we do to design and create sustainable stores, we also design and create opportunities for greater inclusivity, wellbeing and growth - for ourselves, those around us and wider society.

Books and libraries

We have a long-standing love of the written word, and believe literature and libraries make the world a kinder, more thoughtful place. In other words, the more books the better.

Queer Library in the Americas, Europe and ANZ

In 2023, our Queer Library initiative expanded to several new locations, giving away tens of thousands of books by LGBTQIA+ authors. Each region focused on a different theme, such as the impact of book banning, literature lost to cultural shifts and inequality, and spotlighting contemporary Australian and New Zealand LGBTQIA+ stories.



10,800
books distributed by stores
in U.S. (+21% YoY)

4,000
books distributed by stores
in London

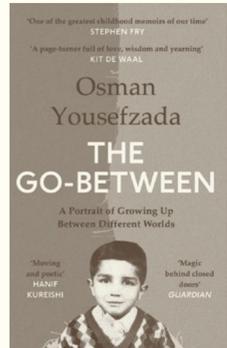


ACLU partnership

In 2023, we partnered with the American Civil Liberties Union (ACLU), providing a grant of USD\$100,000 to help resist the rise in book banning in the US.

The ACLU Foundation works to defend freedom of expression, both in the courts and beyond. A partnership with the ACLU directly supports access to literature and the custodians of books via their campaign to support librarians.

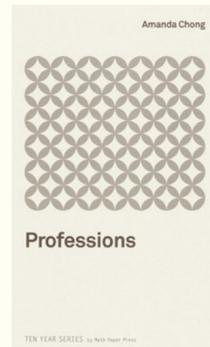
We were also grateful to the ACLU for supporting our Queer Libraries initiative by recommending authors that have been banned or challenged across the US and Canada.



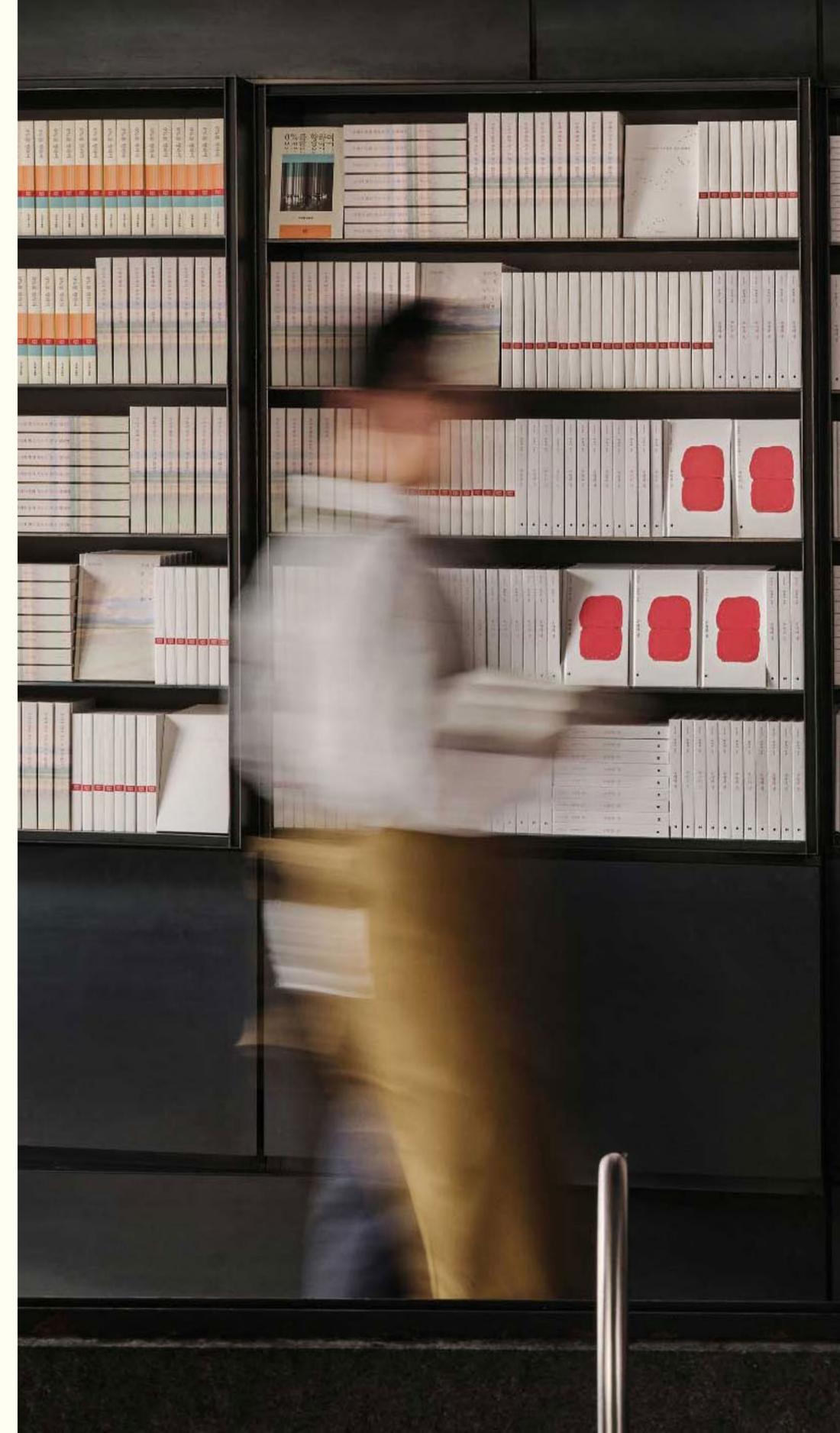
\$100,000
USD grant given to the ACLU
to help resist the rise in
book banning

Women's libraries in China, Malaysia and Korea

In 2023, we continued our women's libraries initiative to elevate women's voices and stories, and foster strength and solidarity. In total, 19,000 books were gifted during our Women's Library initiative to more than 3,000 new visitors.



19,000
books gifted during our
Women's Library initiative to
more than 3,000 visitors

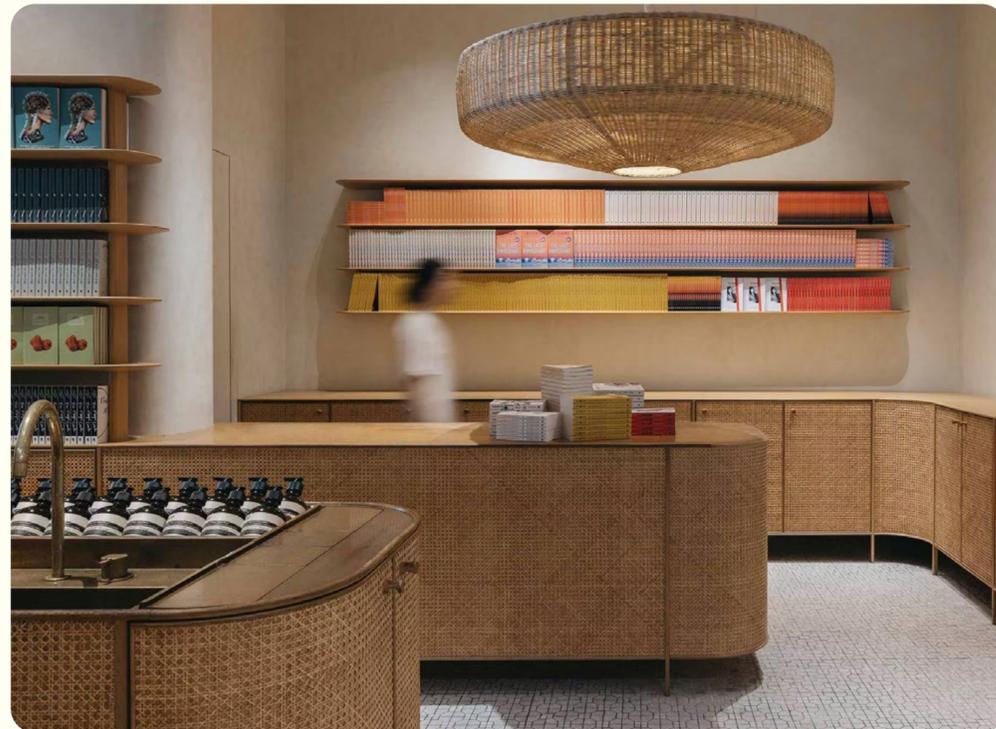


Honouring International Women's Day in Shanghai

Last March, we were proud to invite art critic and writer Qilan Shen to curate our Women's Library in Aesop Shanghai. As a representative of the women's community, Qilan Shen is actively engaged in empowering women's voices. Spanning genres and generations, her selection brought together submissions from four independent bookstores. We purchased over 10,000 copies of 41 different titles from these stores.



10,000
copies of 41 titles purchased from
independent bookstores



We spoke to Michelle Qian, Head of Marketing for China, to peek behind the curtain and find out more...

Q/ What was the focus of the Shanghai women's library?

Sincerity. We partnered with four independent bookstores to support local communities and literature. We made the event special by clearing the store's shelves for eight days and through all the little details, such as a dedicated bookmark and stamp.

Q/ How culturally meaningful is this focus on women and women's authors?

It shows our deep respect for all people and calls for an understanding of different perspectives on women's voices.

Q/ Which authors did you feature during the event?

ZHANG Yiwei is a local Shanghainese author and her novel 《四合如意》 (12 Stories of the Current Generation) tells 12 women's stories who grew up in Shanghai and are navigating the modern landscape.

YU Shi's novel 《有且仅有》 (One and the Only) features a very brave mum who has a son diagnosed with infantile autism. She is a positive lady, a supportive wife and a smart and caring mom raising her son with passion and energy. We believe this group of minorities should be seen and heard.



Constellation: Aesop Taiwan's circularity journey

Installation of art pieces / vessels made from Aesop bottles returned to store by customer as part of the Rinse and Return programme in Taiwan.

To create these vessels, Aesop partnered with LANDHILLS / projects N, a local design firm that draws inspiration from land and the environment. Aesop amber plastic bottles were first broken down into granules, then woven with other recycled materials as thread to feed the 3D printer. Round and round, they are layered to create diverse vessel shapes. The vessels symbolize the depth and inclusivity of minerals, rocks, and land, presented in an organically distinctive design, aiming to evoke people's imagination and longing for the land.



Appendix

Until September 2023, Aesop continued working toward the 2030 goals set out in its previous ownership: Commitment to Life, Natura &Co's Sustainability Vision.

For the purpose of this reporting year, we will continue to report against these metrics with future reporting being aligned to the L'Oréal for the Future program.



Our progress in 2023

Goal	Metric	Target Year	2022	2023
To Address the Climate Crisis and Protect the Amazon				
Net Zero GHG emission	Become Net Zero	2050	In 2022, our location-based greenhouse gas emissions were 53,255 tonnes of carbon (tCO ₂ e) across Scope 1, 2 and 3 (excluding consumer use of our products).	In 2023, our location-based greenhouse gas emissions were 60,301 tonnes of carbon (tCO ₂ e) across Scope 1, 2 and 3 (excluding consumer use of our products).
	Science Based Targets Initiative (SBTi) for all companies, scopes 1, 2 and 3	2022	Aesop was part of a submission for a 2030 Science Based Target through the Natura group. This target was validated in June 2023.	For the categories falling within the scope of the Natura 2030 SBT we achieved a 5% reduction in our carbon intensity per product unit sold vs 2022.
Biodiversity	Help create targets with a network of partnerships (UEBT, SBTN, BfN, WEF)	2025	In 2022, Aesop was part of the Natura corporate engagement for Science Based Target Network (SBTN).	In 2023, to assess our biodiversity and nature risks and impacts we commissioned a climate, nature and biodiversity risk assessment which will be completed in 2024.
To Defend Human Rights and be Human Kind				
Our People	Gender balance: 50% women onboard/senior team by 2023	2023	46%.	50% *Based on complete records as of 31.12.2023 across grades I-L.
	Equitable pay, closing the gender gap by 2023	2023	-0.58%	-0.88%
	Work towards 30% inclusion, in management, of under-represented groups	2030	Our goal is to reflect the societies in which we operate in our workforce. As a large global organization, this is not an easy task as it involves capturing sensitive personal data in accordance with data protection laws and anonymity requirements in all jurisdictions. However, we are committed to progress and, as such, we partnered with external experts to conduct our first global D&I study so that we can track progress against our goals in this area	9% combined average across race/ethnicity, sexual orientation, disability and gender identity. *Due to the voluntary nature of disclosure for these data categories this number provides a partial view of the representation. The average disclosure rate is 30% of employee base.

Goal	Metric	Target Year	2022	2023
	Living wage (or above) for all by 2023	2023	1A - 98% 2A2C 84%	1A - 98% *For 2023 we have calculated our living wage data following the L'Oréal Groupe methodology, which factors in the yearly living wage with fertility rate and adjusted with income earners.
Our Wider Network	Increase investments in key causes by 20% to U\$ 600 million	2030	A\$ 3.1 million	A\$ 2.835 million
Human Rights	Full traceability and/or certification by 2025 – Palm Oil	2025	Traceability (Mills) - 89.7% Certification - 22.9%	Total % use of fully certified RSPO palm across Aesop's portfolio in 2023 = 46.59% For the remained, we will purchase Book and Claim Credits. We will need to purchase Palm Oil credits for 79.934 tonnes, and Palm Kernal Oil credits for 93.314 tonnes, in order to reach 100% certified in 2023. Traceability to mills - 75.5%
	Full traceability and/or certification by 2025 – Paper	2025	Certification - 69.7%	Certification - 94% Sourced to policy - 94.58%
	Full traceability and/or certification by 2025 – Ethanol	2025	Traceability – 90.0% Certification - 0%	Traceability – 88.68% Certification - 0%
	Full traceability and/or certification by 2025 – Soy	2025	Traceability - 1.9% Certification - 0%	Traceability – 24.13% Certification - 0%
	Full traceability and/or certification by 2025 – Cotton	2025	Traceability – 95.0% Certification - 17.5%	Traceability - 98.93% Certification - 95.34%

Goal	Metric	Target Year	2022	2023
	Adopt robust Human Rights policy in line with UN Guiding Principles by 2023	2023	The Natura &Co Board of Directors approved a Human Rights statement in December 2021. The following year, the policy was rolled out across all four Natura &Co brands.	Until September 2023, Aesop had adopted the Human Rights Statement set out by its then ownership, Natura &Co. Since September 2023, and joining the L'Oréal Group, Aesop is now working under the L'Oréal Groupe Human Rights Policy.
Embrace Circularity and Regeneration				
Packaging Circularity	50% of all plastic used to be of recycled content (in weight)	2030	54.7%	56.50%
	100% of all packaging material: Reusable or Recyclable or Compostable	2030	83.00%	83.08%
	Offset through “collection and reuse” programs to reach 100% responsible disposal where recycling infrastructure not available	2030	Aesop launched its first in-store refill trial launched at South Yarra in late 2021. Aesop have also launched Rinse and Return initiatives across Hong Kong & Macau, Singapore, Taiwan, Malaysia and Korea. Across 2022 these programmes collected 9220kg of used packaging material for local recycling.	Across 2023, our packaging take-back scheme, Rinse and Return collected 10720.98kg of used packaging material for recycling.
Formula Circularity	95%+ renewable or natural ingredients	2030	90.80% of Aesop's ingredients, according to ISO16128 standard, a globally harmonised standard providing guidelines on definitions and criteria for natural-origin ingredients	88.90% of Aesop's ingredients, according to ISO16128 standard, a globally harmonised standard providing guidelines on definitions and criteria for natural-origin ingredients
	95%+ biodegradable formulas	2030	93.40% biodegradability of rinse-off formulations.	92.60% biodegradability of rinse-off formulations.

Employee engagement in 2023

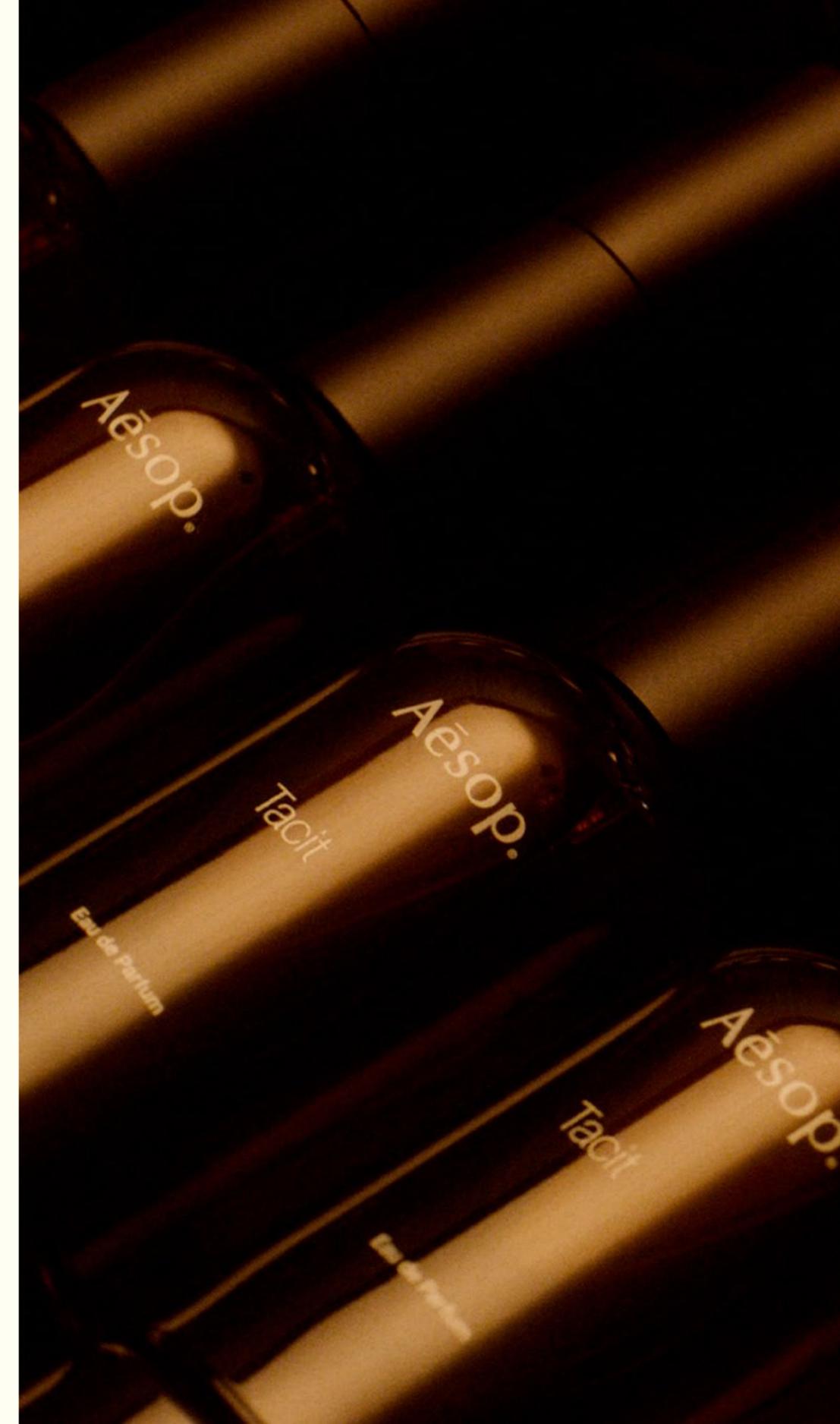
Engaged/satisfied employees by country of origin in 2023	Engagement score	No. of employees engaged	No. survey respondents	%
Americas (South, Central & North) ¹	70	546	454	83%
EMEA (Europe, Middle East & Africa) ²	70	618	527	85%
APAC (Asia & Pacific) ³	70	2280	2,542	90%

1. The Americas region refers to countries: Argentina, Brazil, Canada, Chile, Colombia, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Peru, United States of America (USA), Uruguay and Venezuela.

2. The EMEA region refers to countries: Bosnia and Herzegovina, Bulgaria, Croatia, Czechia, Estonia, Finland, Georgia, Hungary, Latvia, Lithuania, Moldova, Montenegro, North Macedonia, Poland, Romania, Serbia, Slovakia, Slovenia, Ukraine, Egypt, Morocco, South Africa, Turkey, United Kingdom (UK), France, Netherlands, Belgium, Italy, Portugal, Spain, Germany, Greece, Austria, Switzerland, Norway, Sweden and Denmark

3. The APAC region refers to countries: China, India, Australia, Hong-Kong, New Zealand, Macau, Singapore, Taiwan, Kazakhstan, Kyrgyzstan, Russian Federation, Korea, Malaysia, Philippines and Japan.

4. Aesop's Voice of Customer (VOAR) Program was re-launched in 2022 with a new partner. The relaunch has led to changes in the reporting volumes to better align with customer volumes in certain markets. In the refreshed process, Asia-based markets now account for 45% of survey responses vs. 15% historically which has led to a significant shift in the results but the results are now accurately reflective of global sentiment as they are weighted against market size.



Corporate citizenship and philanthropy

Type of activity	2023 total
Philanthropic grants approved by the Aesop Foundation	20 grants totalling \$2,835 mn AUD
Product donations	AUD\$2.6mn
Volunteering hours contributed by Aesop employees	28744

Packaging materials, Total weight (metric tonnes)

	2021	2022	2023
Glass	790	525.2	602.1
Plastic	468	417.88	445.8
Wood/Paper	43	76.23	138.3
Metal	87	58.85	65.1

Packaging materials, Material from recycled sources

Material used	Total weight (metric tonnes)	Total weight from recycled sources	Percentage from recycled sources
Glass	602.1	247.3	41.10%
Plastic	445.8	251.9	56.50%
Wood/Paper	138.3	47.8	34.50%
Metal	65.1	20.6	31.60%

Energy consumption

Metric	Energy used	Unit
Energy consumed from non-renewable fuels (gas, coal, oil, etc.)	149	MWh
Energy consumed from non-renewable electricity purchased	4,770	MWh
Total non-renewable energy consumption (non-renewable fuels and non-renewable electricity)	4,919	MWh
Total renewable energy (wind, solar, biomass, hydroelectric, geothermal, etc.) purchased or generated	346	MWh
Percentage of renewable energy (as % of the total energy consumed)	7%	%

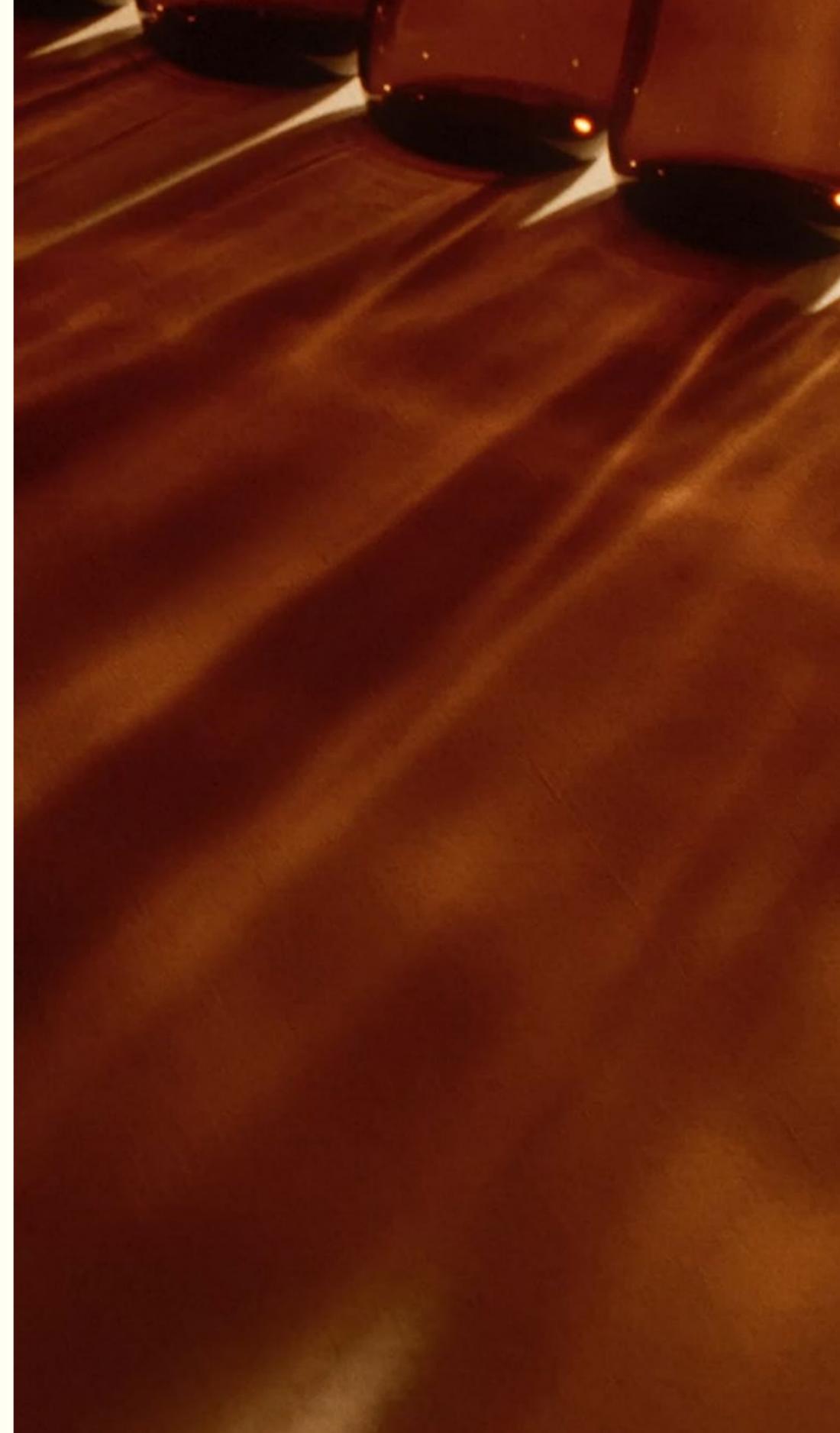
Waste

Waste diverted from disposal (used/recycled/sold) (t) ¹		2023
Aesop		562
GRI 306-4 Waste recovery by recycling (t) ²		2023
Hazardous	Inside the organization (on site)	-
	Outside the organization (off site)	-
Non-hazardous	Inside the organization (on site)	188
	Outside the organization (off site)	0
Total		188
GRI 306-5 Waste directed to disposal (t) ³		2023
Hazardous		-
Non-hazardous		373
Total hazardous & non-hazardous		373

1. The scope covers all global stores and offices

2. Recycling: composting; co-processing and recycling. No data is available for hazardous waste for Aesop because within the scope (offices and stores) it is assumed that no volumes of hazardous waste are removed

3. Total volume of waste directed to disposal is estimated for Aesop as there is no data available by composition. The scope only covers all global stores and offices



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