



NEOM


ORGANICS • LONDON

IMPACT REPORT 2022

 neomorganics

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 neom.organics.london

 neom-organics-london

Certified



Corporation

WELLBEING HEROES

These products work hard to really turn the dial every day to wake you up, lift your mood, create your calm and get those zzz's.



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A LETTER FROM OLI, OUR CEO

I am thrilled to introduce our first impact report. NEOM was founded with the purpose to provide natural and sustainable products that improve your wellbeing through small steps, big difference. My co-founder, Nicola Elliott, and I were driven to create a business that would make a positive impact on the world and we are proud to see our vision coming to fruition.

As a CEO in a fast-paced world, striving to balance the impact we make against all odds, my personal mission is to lead by example and create a business that we can all be truly proud of. We are committed to continually improving and making the right decisions, even if they are difficult and or often complex, in order to achieve our goal of building a business that really does put people and the planet first. This report is a testament to our commitment to transparency and accountability in regard to our social and environmental impact. But this is not enough.

We are committed to continually improving and making the right decisions, even if they are difficult and often complex

We cannot rely on government regulation to save our planet. We cannot rely on waiting for others to do the work. The responsibility is ours. You and me. That's why I felt it was critical that we set the course of our business in a direction whereby it acts as a force for good where our planet, and its people, are concerned. Our mission is to supercharge wellbeing. Of our communities and of our planet and to leave both in a better place.

I am proud to say that we have already taken significant steps towards this goal, such as purchasing 100% renewable electricity across our Wellbeing Hubs, supporting NGOs and charities that help improve the wellbeing of those in need, implementing a waste management system across all our sites and reformulating products to ensure the survival of endangered species within our supply chain. Our packaging choices, including the use of glass, recycled plastics and cardboard, are part of every decision within our product development to uphold our commitment to sustainability.

One of our most recent achievements and personally my proudest since starting NEOM, is becoming part of the B Corp community. As a certified B Corporation company, we are held to meet high standards of social and environmental

performance, accountability and transparency. The journey to becoming a B Corp was a long and challenging one, but it has set us on this path to make a meaningful impact on the world.

Becoming a B Corp is not just a "tick in the box" exercise, it is a commitment to continuously improve and make a positive impact. Improving the wellbeing of people and the planet is now ingrained into our DNA and we have permanently set NEOM on a trajectory to have a meaningful environmental and social impact in the world.

This is a movement of change. Working together with our team, suppliers, customers and community to drive the positive impact we want to see. We look forward to sharing more initiatives and updates with you in the future and hearing your ideas on how we can do better.

As I always say to my team, let's all build a business we can be super proud of.

Oliver

Oliver Mennell, CEO of NEOM Organics



ABOUT US

We are a wellbeing brand that launched in 2005 with one aim...
to boost your wellbeing through small steps that make a **BIG DIFFERENCE**.

We blend 100% natural fragrances with high levels of natural or naturally derived ingredients to create effective and luxurious products for the body, bath, home and skin that not only have the most amazing scent but help you on your wellbeing journey to better sleep, less stress, more energy and a better mood. **NEOM** provides moments of wellbeing for everyone.

So, whether it's the deeply relaxing bath that prepares you for **BETTER SLEEP**, the candle that creates a calm zone and **LESS STRESS** in your busy family home, the shower wash that helps you have **MORE ENERGY** and ready to kick ass at 6am, or the hand balm in your bag, with the power to give you a daily **MOOD BOOST**. The powerful naturally fragranced products boost your wellbeing and make you feel good.

NEOM WELLBEING: SMALL STEPS. BIG DIFFERENCE



100% NATURAL FRAGRANCES
TO BOOST YOUR
wellbeing

NATURAL FRAGRANCES
TO BOOST YOUR
wellbeing

NEED BETTER SLEEP?
90%
HAD A GOLDEN NIGHT'S
SLEEP AFTER USING
THE SLEEP ROUTINE
NEOM

NEED LESS STRESS?
91%
FEEL MORE RELAXED
AFTER USING THE
STRESS ROUTINE
NEOM

SEE
20%
SLEEP CHANGE
NEOM

OUR RESPONSIBILITY MISSION

OUR PLANET

At NEOM, we're committed to being **GOOD** to our planet through small sustainable steps. We believe we have no success today unless it's sustainable for the future.

We use our voice, our leadership and our natural-based products to help improve wellbeing for everyone. We're on a mission to supercharge wellbeing far and wide and hope to leave our community and planet in a better place.

Our planet rocks... Yet it's in crisis. We will be part of the solution and have a positive impact for everyone's future. We channel our efforts into leaving the planet in a much better place than it currently is because our planet is precious and we all want it to stay that way.

OUR PEOPLE

Our communities are our heartbeat. They mean **EVERYTHING** to us. Our communities are diverse - from our employees and customers to our suppliers and partners. We celebrate our differences and exist to boost the wellbeing of everyone by supporting as many people as we can.

NEOM is the home of wellbeing with a culture that is honest, respectful and kind and has a positive impact on our team's wellbeing. It's our duty to continuously review ways to make this better.

(This mission statement was written by our team based on their feedback on NEOMs voice for impact).



ABOUT THIS REPORT

This is our first Impact Report and we are excited to share our journey and progress with you.

This is our opportunity to bring you into the world of NEOM, covering our progress, highlights, and ambition towards truly being a business for good.

We will take you through our top moments of 2022, from our people, planet, key policies, progress (and our no B.S guide to impact) and most importantly what's next!

Join us and step into the world of NEOM and see how we boost the wellbeing of people and the planet.



PROUD TO BE A B CORPORATION

We are so proud to be a Certified B Corporation. What a journey and **NATURAL** next step for us as we join the other +1000 UK businesses that are now certified. Imagine a world where all businesses work together to support a collective vision of an inclusive, equitable and regenerative future – that is what B Corp businesses do.

The B Corp certification isn't just a mark – it's a global movement of companies that go beyond business as usual to make their mark on the world.

To reach certification, we undertook the BIA assessment which, in a 360° approach, digs deep into your business to ensure you are meeting high standards of social and environmental impact, accountability and transparency on brilliant things like our employee benefits, charitable giving and supply chain practices. Across five impact areas, companies need to score at least 80 points to submit their assessment, and we feel seriously **PROUD** to have completed our assessment with 88 points.

This seal of approval means everything to us as we keep-on-keeping-on with those small sustainable steps that make a big difference **EVERY. SINGLE. DAY!** We're committed to doing the right thing for our people and our planet.

For total transparency about our score assessment, please find NEOM in the B Corp directory [here](#).



OUR HERO MOMENTS OF OUR B CORP CERTIFICATION

The assessment is sectioned into five categories that require the highest level of commitment to social and environmental impact



GOVERNANCE

We actioned a legal change locking in our triple bottom line values that require consideration of all stakeholders in any decision-making

We set social and environmental goals with the team as well as business level objectives to track our impact progress like volunteering hours, waste management goals, employee engagement and energy reduction

We joined the Better Business Act working towards a change in the UK law to ensure every company in the UK aligns their interests with those of wider society and the environment

In the early stages of our B Corp journey, we held a culture workshop to get feedback about the issues that are most important to our team. This help set our business targets and launched our new responsibility mission



ENVIRONMENT

We moved to purchase 100% renewable electricity for our stores becoming carbon neutral for our Scope 1 and 2 emissions and implemented a company-wide waste management system

We reformulated over 29% of our essential oil blends to remove Brazilian Rosewood and to protect the survival of endangered species and continue to source raw materials for more sustainable alternatives

We began building the foundations for a carbon reduction strategy, attending training, leadership workshops, setting ambitious product targets, creating data collection systems and travel policies

We started the process of measuring our significant environmental impacts like carbon footprint, water use, packaging recyclability, and ingredient sustainability



COMMUNITY

We continued to work with our charity partner, the Mental Health Foundation to donate over £35,000 in 2022

Our 'Do Good, Feel Good' programme gives our team 4 days a year to give back to volunteer for charities and causes in our local communities - we have given back 195 volunteering hours in 2022

We donated over 20,000 NEOM products to various charities including NHS hospitals and sites, Ukraine Aid and Toiletries Amnesty in 2022

Using our supplier code of conduct, we began working with our biggest suppliers to set expectations for social and environmental impact



EMPLOYEES

We became a Living Wage Employer. This is an independently calculated rate to make sure our wages can meet the cost of living

We offer our teams four Wellbeing days a year with Mental Health Support central to the culture of our business backed by individual Wellbeing Support Plans available to everyone

We are proud to be led by a leadership team made up of over 50% women.*

(*75% above UK Retail benchmark measured by MBS Intelligence 2021)

We measure employee satisfaction, wellbeing and engagement on a regular basis and currently have a 70% engagement rate (-4% behind our industry benchmark*)

*Culture Amp 2022 Consumer Goods Benchmark



CUSTOMERS

We launched a **SLEEP PLAN** backed by User Trial tests and supported by a Sleep Expert, as part of our Wellbeing Thought-Leadership, to help boost the sleep and wellbeing of our customers and communities. We manufacture products that deliver with purpose and real results

We created a formal policy to review the accuracy and ethics of our marketing and advertising

We continuously listen to our customers and take on their feedback to shape our New Product Development and product improvements by continuing to complete independent user trials

We have a formal Data and Privacy Policy, publicly accessible



OUR GROWTH

Our people are how we do what we do - nurturing their creativity, and encouraging them to challenge ideas and viewpoints to be leaders in our field.

We have achieved growth year on year across our employee headcount seeing a **67% increase** over the past two years. This consisted of a total of 52 employees in our Wellbeing Hubs and 80 employees based in our Head Office Team.

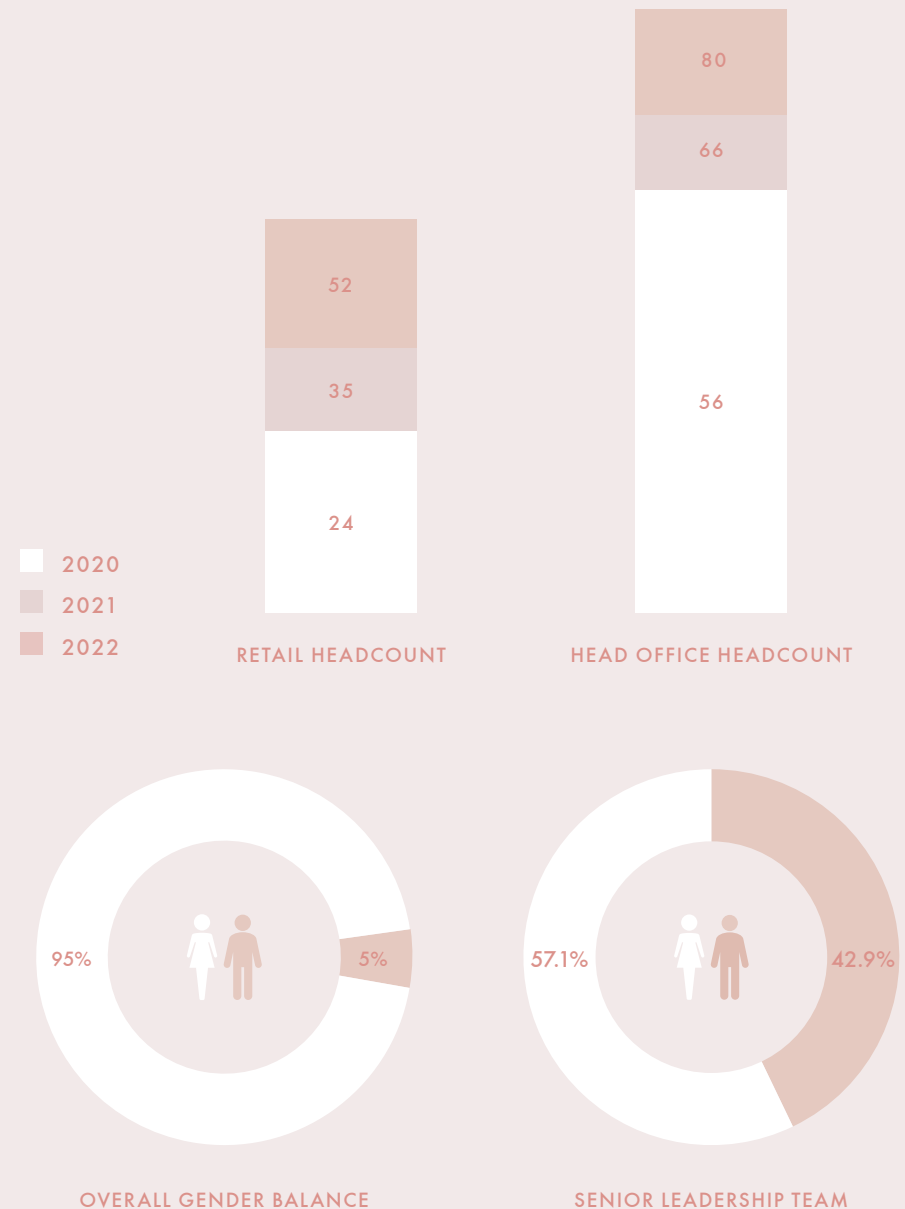
Development and progression of our team has been integral to our success and we are proud to have facilitated 12 internal

promotions (9% of our team) and a **+25% job growth rate** in 2022.

Led by our founder, Nicola Elliott, we are proud to be represented by a leadership team made up of over **50% women*** supported by a workforce of 95% who identify as women** with an overall gender balance of 95/5.*

***74% above** UK Retail benchmark measured by MBS Intelligence 2021

****74% above** Women Representation in Major FMCG Companies 2021 by Global Data

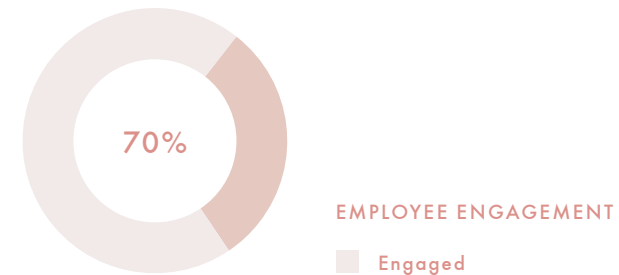




ENGAGEMENT

We truly believe feedback is healthy and important and is most powerful when it comes from your team. It drives change, allows us to focus energy in the right places and gives insight into what we are doing well (and not so well). We measure employee engagement twice annually alongside our Pulse Point check-ins to allow us insight into key topics like wellbeing, work balance and team productivity.

We take pride in our culture. We have worked hard to embody a culture that is open, safe, encourages creativity and one that all employees feel engaged, have opportunities to develop and are aligned to our mission.



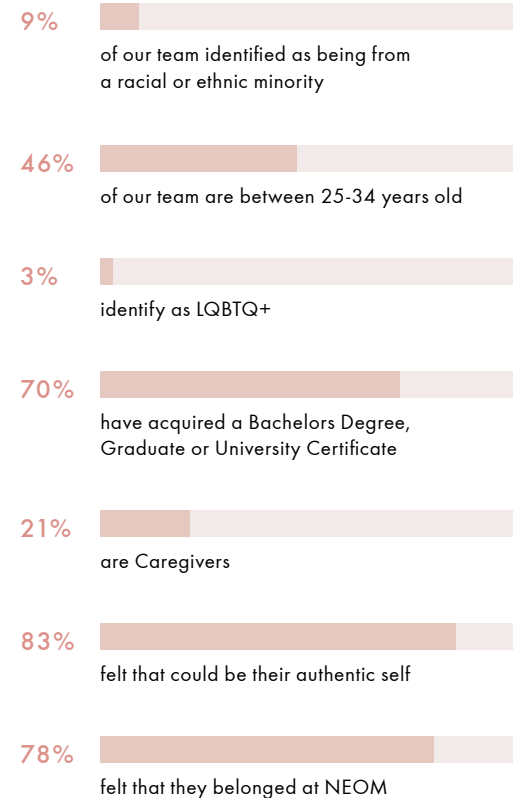
In our 2022 Employee Engagement survey, 96% of our team said they felt proud to work at NEOM* (+7% above benchmark*) and we measured a **70% overall Engagement Rate** (-4% behind benchmark*) with 82% recommending NEOM as a great place to work (in line with benchmark*).

*Measured against the benchmark for Consumer Goods 2022 Culture Amp.



INCLUSION AT NEOM

We track the attributes of a diverse workforce through our employee surveys collecting demographic data on socioeconomic status, ethnicity, gender, age, disability and LGBTQ+. The below results are taken from our 2022 survey.



In 2022, we partnered with Unleashed, a “far from HR” partner who believes in putting the people experience at the heart of any growth strategy.

We aligned with their foundational principle of inclusion first, diversity second on the aim that creating an inclusive culture and environment will allow diverse individuals to thrive. We facilitated training courses for the entire business around how to mitigate bias to maximise inclusion, examining the impact and how to manage it effectively.

The training enabled our team to build personal awareness of bias, enhanced their ability to lead with empathy and strengthened their confidence and capability to lead conversations internally. We took this forward by reviewing the feedback against our Employee Survey results that highlighted that 83% of our team felt they could be their authentic self and 78% felt they belonged at NEOM and were able to create goals to improve.

In 2023, we aim to address what success looks like for Inclusion and Diversity at NEOM, addressing how we can remove any barriers to ensure we are not under-serving underrepresented groups.

WORKING AT NEOM

We strongly believe that everyone should have the opportunity to nurture their wellbeing, caring for our bodies and minds so we can live our lives to the full.

As we spend a lot of our time at work, it is SO important (imperative, in fact) that we prioritise and embed good mental health into every strand of NEOM's culture with a structure on how to achieve this. We are making mental health a part of the development process for all new leaders. We want to empower managers to ask the right questions, know how to handle those discussions and ensure the varied departments across our business have wellbeing at the heart of their goals.

We are creating an environment where all employees feel safe to have an open conversation about their mental health to ensure good mental health is never compromised. When we push ourselves too hard, our mental health can decline, motivation can suffer, and we are at risk of burnout. We understand our business will not fire on all cylinders with overwhelmed and overworked employees. Following the pandemic, we became even more aware of the triggers that can affect our mental health.



WELLBEING DAYS

We give the team four Wellbeing Days per year allowing them the chance to take time out, rest, reboot and look after their mental health, putting them in the right headspace to be happy and healthy for work

Our aim in offering an initiative like this is to reduce employee absence, create a happy workplace, attract and retain our team and support them at work and in life

In 2022, 50.5 wellbeing days were taken across the company



WELLBEING SUPPORT PLANS (WSPS)

A personalised, practical tool to help us identify what keeps us well at work, what causes us to become unwell, and how to address a mental health problem at work

They allow employees to open up a dialogue with their manager too;

- have a better understanding of their needs and experiences
- ultimately, provide increased support for their mental health
- support remote workers to overcome any barrier this style of working could present
- support the return to work process if time has been taken off work due to mental health, providing a structure for conversations around what support will help and what reasonable adjustments might be useful

Overall, they support greater productivity, better performance and increased job satisfaction



PULSE POINT CHECK-INS

1. In our 2022 "pulse point" check in survey;

71% of our team felt that their manager strikes a good balance between high performance and caring about their teams wellbeing

40% rated their current work at a level of strain*

67% felt workload is divided fairly amongst the team.**

2. Our action following these results was to implement "team reboot" time between 12pm-1pm and 3-3:30pm every day where no meetings are to be booked allowing the team to have that needed time out. We offer Mental Health at Work training facilitated at every level of NEOM, and we were nominated in 2022 for the 'This Can Happen Awards' for 'Best New Approach to Mental Health.'

3. In 2023 we are training 12 Mental Health Allies.

*Based on 82% participation rate

**13% above benchmark for Consumer Goods 2022 Culture Amp

TEAM HUDDLES

Continuous, clear and transparent communication creates an engaged workforce, promotes inclusive work environments and drives employee feedback integral to our progress. Huddle Days at NEOM allow the team to get together in person at our Head Office in Harrogate, North Yorkshire or virtually using it as a platform to communicate the overall company strategy, key updates (including financial), campaign, sustainability and operational progress.

Key Highlights from our 2022 Employee Engagement Survey

70% of the team feel that the leaders of NEOM have communicated a vision that motivates them: 1% behind benchmark*

84% feel they are part of a team: 1% behind benchmark

(*measured against benchmark for Consumer Goods 2022 Culture Amp)



TEAM NEOM



DO GOOD, FEEL GOOD

At NEOM, we love giving back to our communities, supporting them with our time and talent. We want everyone to be able to **DO GOOD AND FEEL GOOD**. So, we've made it simple! Each staff member can take one volunteering day per quarter, every year. These can be taken in hourly slots, half days or full days.

This company benefit gives the team the chance to use work time to join together, volunteer individually and use the time to give back. Volunteering your time, even in simple ways can help those in need and

improve your overall health and happiness. It can connect you with others, build self confidence and self-esteem, benefit your physical and mental health, allow you to learn new skills and can give a sense of purpose.

We racked up 195 hours in 2022. You will have found us lifting furniture at the local charity shops, de-weeding and prepping local wildflower parks, spending hours picking litter on the Thames, planting trees and even a morning at a care home giving NEOM hand massages!

FUNDRAISING SUPPORT

To support our team in their own passion projects that may happen outside of work, whether training for an event, spending time with a cause close to their heart, NEOM is here to support them in any fundraising efforts.

We match the total amount raised to a maximum contribution of £500. In 2022, we supported the team in raising money for their passion projects supporting Autism Angels, 4Louis, Breast Cancer Now and British Red Cross.

TRAINING & DEVELOPMENT

In 2022, we set an Impact Strategy with a focus on Employee Wellbeing setting an aim to create a high performing motivated and appreciated team who feel that they are constantly growing and learning, paving the way for future career paths.

We recognise that within a company with a fairly flat structure, the opportunity for formal progression is not always possible. Therefore setting a target to focus on development to create an Employee Alumni programme, developing the team for a future at NEOM (or elsewhere) ensures that our employee engagement, training and development opportunities are of the highest priority throughout an individual's experience whilst at NEOM.

Our training roadmap each year focuses on skills based, cross-job and life skill training from Anti Corruption Practices: Anti Bribery, GDPR, Fraud Prevention, Health and Safety, beginner and advanced Excel, EDI, personality insights and stress awareness, the below shows the participation throughout 2022:

TRAINING PARTICIPATION 2022

75+%



Skills based training

75+%



Cross-skill training

50-74%



Life skill training



Measured in our 2022 Employee Engagement survey, 82% of our team felt they knew what to do to be successful in their role however only 60% felt that NEOM is a great company to contribute to their development. We got straight to work after this valued feedback going through an organisation restructure throughout 2022, appointing a Managing Director, reorganising clear Head Of Department roles, Line Managers and offering more entry-level roles too.

We now have a robust structure led by our Leadership Team with paths for progression and development. We are passionate about improving this area in 2023, so we are setting targets to ensure we;

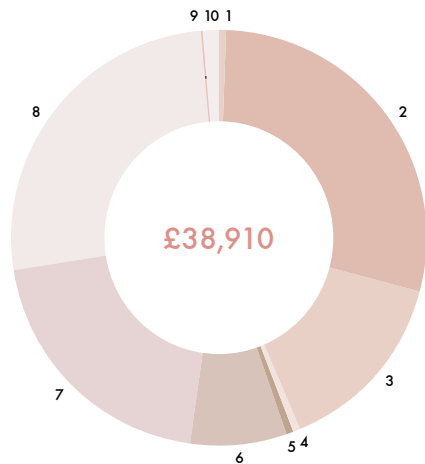
- Identify the NEOM values and drive throughout the organisation
- Execute robust and transparent performance review process
- Offer professional development and career management opportunities
- This will be measured by our eNPS and reviewing the percentage of positive exit interviews



CHARITY PARTNERSHIP

The Mental Health Foundation’s vision is a world with good mental health for all. The charity’s mission is to help people understand, protect and sustain their mental health. Prevention is at the heart of what they do, because the best way to deal with a crisis is to prevent it from happening in the first place.

Since our partnership began in 2020, we have worked closely with the charity on various projects and have raised **£65,604 with over £35,000** raised in 2022.



MENTAL HEALTH FOUNDATION FUNDRAISING 2022


Clockwise:

1. Mental Health Awareness Week
2. Charity Candle
3. Sleep School
4. World Mental Health Day
5. Give Back Tuesday
6. Staff Raffles
7. Yorkshire 3 Peaks Challenge
8. Christmas Campaign
9. Team Bake Off
10. Store Events

“We believe more than anything that everyone should have the opportunity to nurture their wellbeing, every day, and that the small steps will really make a difference to our wellbeing. Which is why we’re so passionate about our partnership with the Mental Health Foundation whose vision is for a world with good mental health for all and who champion prevention with their researched backed moments of self care.”

Nicola Elliott, NEOM Founder





11,200

hand sanitisers donated
to the NHS

2,502

products donated to
Toiletries Amnesty

8,500

products donated
to the Ukraine Aid

OUR COMMUNITY

Our community is everything to us. In any way that we can, we want to support them and any challenges that are thrown their way.

Since COVID-19, we have supported the NHS across various sites including Leeds, Harrogate, York, Herefordshire, Liverpool, Leicester and London through our 'Clean and Happy Hand Sanitiser' buy one, give one programme. Since 2020, we have donated over **32,000** Hand Sanitisers to NHS Sites.

We also donated over **8,500** products to **Ukraine Aid**, a mission working from day two of the Ukrainian crisis sending over 751 trucks of aid and over **11,000** products donated to **Toiletries Amnesty**, a social, ethical and environmental organisation that makes access to hygiene essentials easy for those in need while stopping masses of surplus products from going to waste. **DOING GOOD** and giving back comes in all shapes and sizes, and we're making small steps that make the **BIG DIFFERENCE**.

“

“A big thank you to everyone at NEOM Organics, your generosity is very much appreciated across all Leeds Hospitals, and will have a massive impact on all staff and patients!”

Leeds Hospital Charity

“

“Your support achieves far more than what is possible through core government funding, funding projects that benefit our staff and volunteer wellbeing, extend our reach through recruiting lifesaving volunteers, and provide enhanced training - ultimately providing better patient care”

London Ambulance Service

“

“This lovely donation of sanitizer will be distributed to #teamHDFT colleagues to help brighten up their day and make their working life a little bit easier”

Harrogate Hospital & Community Charity





OUR WIDER COMMUNITY

Our community extends beyond our team and charity partnerships - here is a look at who makes up our wider community.

We are committed to responsible procurement both socially and environmentally. We will actively make our choices and purchasing decisions for all materials, products and services based on supporting our communities and our environmental and performance goals.



AUSTRALIA
Sandalwood

BRAZIL
Tonka Bean

BULGARIA
Lavender
Rose

CHINA
Eucalyptus
Geranium
May Chang
Wellbeing Pod Mini
Wellbeing Pod
Wellbeing Pod Luxe

COMORES
Fresh Basil

EGYPT
Geranium
Jasmine

FRANCE
Lavender
Mimosa
Myrrh

HATI
Vetivert

INDIA
Black Pepper
Sandalwood
Tuberose
Wild Mint

INDONESIA
Nutmeg
Patchouli

ISRAEL
Grapefruit

ITALY
Bergamot
Lemon

MADAGASCAR
Ylang Ylang

MEXICO
Lime

MOROCCO
Mimosa
Moroccan Blush Rose
Orange Blossom

NORWAY
Pine

SOMALIA
Frankincense

SPAIN
Bergamot
Lemon
Mandarin

SRI LANKA
Black Pepper
Cinnamon

TUNISIA
Neroli
Rosemary

TURKEY
Rose

UNITED KINGDOM
Chamomile
Candles
Essential Oils
Body Products
Skincare

USA
Cedarwood

VIETNAM
Basil

MOOD BOOST?

MORE ENERGY?

LESS STRESS?

BETTER SLEEP?

WELLBEING PODS

STRESS, YOU CAN DO ONE

GET YOUR ZZZ'S ON

SCENT YOUR HOME. BOOST YOUR WELLBEING.

It's simple, select the mood you want to create and with one touch of a button your room will be filled with natural scent within minutes... Genius!

- 1. Pick your Wellbeing Pod.
- 2. Choose your Essential Oil Blends.





OUR OPERATIONS

Each NEOM Hub has been lovingly designed to give the ultimate NEOM wellbeing experience. A perfect physical representation of NEOM wellbeing, our stores offer a truly unique shopping experience, including complimentary consultations, recommendations on our beautiful, 100% natural fragrances and luxury gifting, as well as all encompassing wellbeing advice from expertly trained NEOMologists.

OUR CARBON FOOTPRINT

We began tracking our Carbon Footprint back in 2020, allowing us to have full transparency of our footprint, with a focus first on our own direct and indirect emissions (Scope 1 & 2) across our sites whilst also beginning to expand into inbound and outbound freight, employee travel, waste and water (Scope 3). We worked closely with our external partner, Carbon Responsible, who verified our data against the GHG Corporate Reporting and Accounting Standard, using UK Government Reporting and Conversion

methodology and conversion factors. We have been carefully monitoring our scope 1 and 2 emissions and until we can reduce them further, we have been reviewing emissions to identify reduction opportunities, additionally investing in Gold Standard offsetting programmes until these can be actioned.

We rolled into action straight away and are now purchasing 100% renewable electricity tariffs across all of our stores and implemented a company wide recycling system.

We worked hard in lobbying landlords to move away from fossil fuel energy at our Head Office site but unfortunately were unsuccessful amidst the energy crisis in 2022. We are not content with offsetting this impact with carbon credits so we are currently in the process of relocating and are considering environmental management factors strongly in our new HQ selection process... watch this space!

Our total emissions have reduced by 9.17% in 2022 compared to 2021

GHG EMISSIONS

SCOPE 1

Our Scope 1, natural gas consumption impact has increased by +2234.28% from 6.23 tCO₂e to 145.5 tCO₂e. We predict this is due to a return to normal activity levels post Covid19 restrictions in 2022 relative to 2021 where some restrictions were still in place. We recorded our owned vehicles for the first time in 2022, albeit their impact is small at 1.79 tCO₂e.

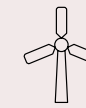
SCOPE 2

In Scope 2, electricity consumption impact has increased by +46.84% from 13.94 tCO₂e to 20.47 tCO₂e. Again, we believe this is due to normal business resuming and also the addition of our store in Edinburgh towards the end of 2022.

- Our carbon intensity has increased in the past year and this is largely down to an increase in natural gas consumption at the sites where there is gas powered heating
- Though we increased the Scope 1 emissions our total emissions reduced in absolute terms, (even when we ignore our renewable electricity tariffs as we know there is still work to make the regulation of the renewable energy market stricter). We reduced our freight emissions, our water consumption and our employee travel
- Our emissions calculations still have room for improvement, and as we develop in our carbon reporting maturity we may have to revisit our baseline again to make sure we are always reporting figures that are as accurate as possible. We aim to include more data on inbound freight and purchased goods in our 2023 report
- We are reviewing emissions and sources to create a reduction pathway to achieve 5% reduction in our measured scope 1 and 2 emissions in 2023, compared to the 2022 baselines



HYDRO



WIND

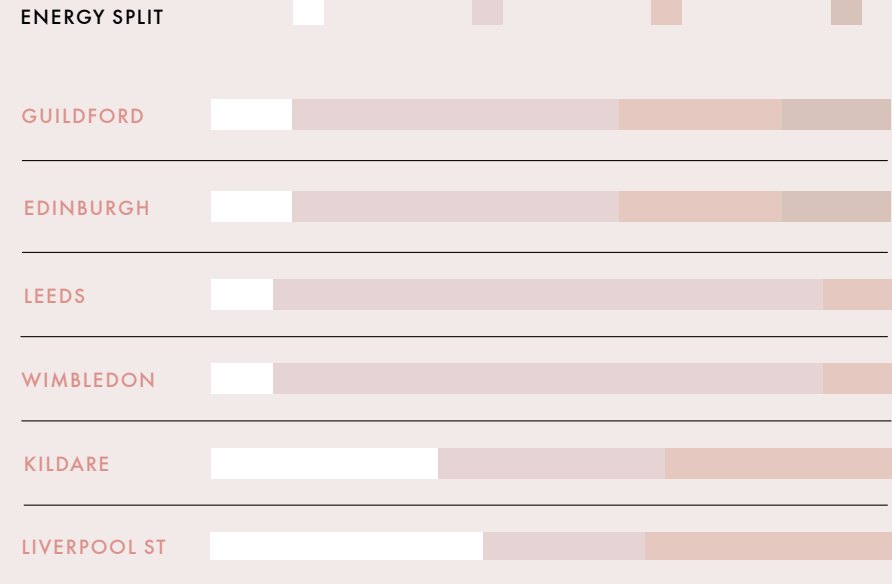


SOLAR

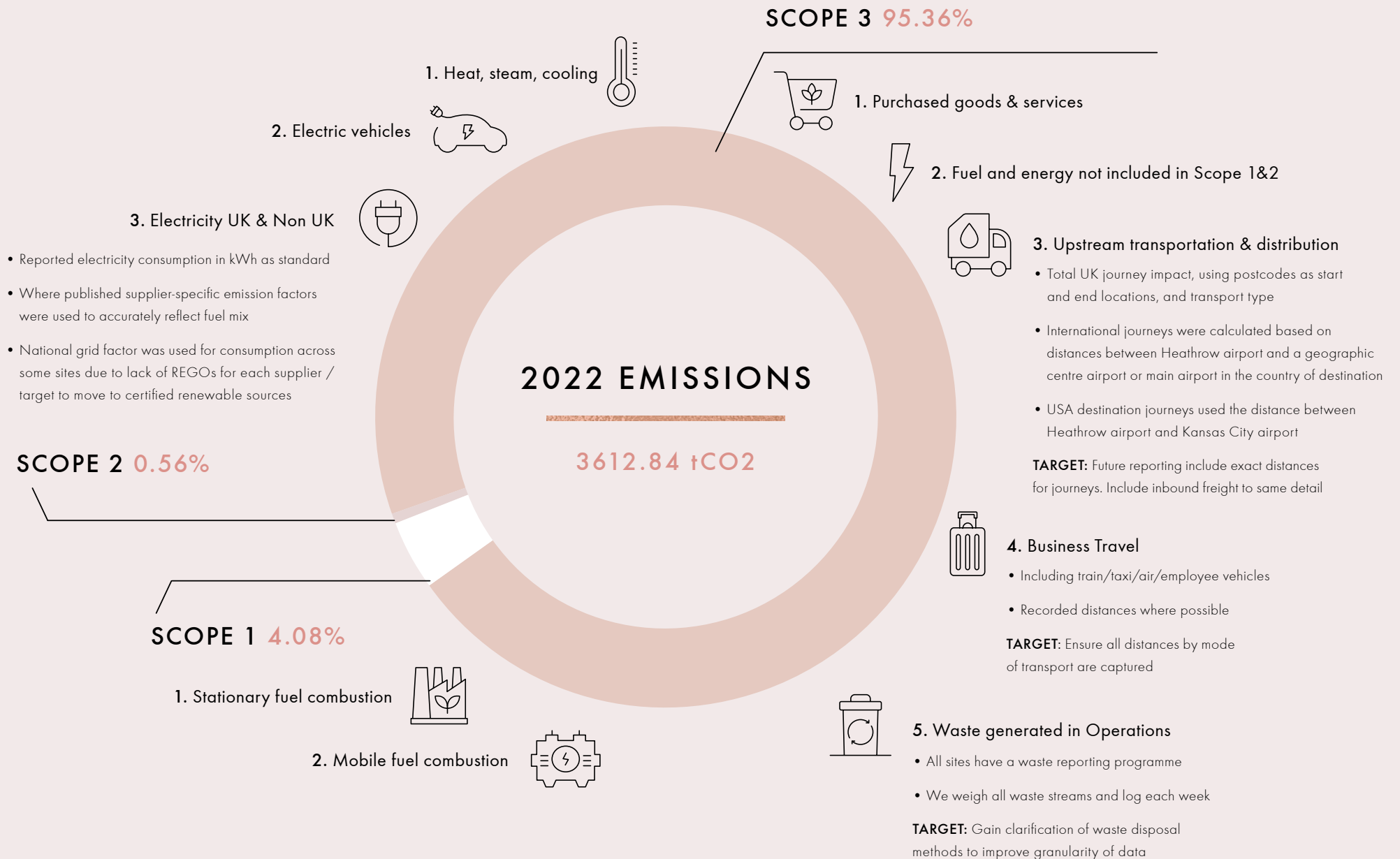


BIOGAS

ENERGY SPLIT



During our baselining exercise we found that just over two thirds of our store electricity use was from renewable sources according to the fuel mix of the suppliers. Our ambition was to move all stores onto renewable energy tariffs in 2022. This became quite a challenge as the energy crisis unfolded taking some of our preferred energy suppliers completely out of the picture. With some determination we prevailed and by the close of the year all stores were moved onto renewable electricity tariffs. On-site renewable generation isn't possible, but we are doing what we can by purchasing renewable tariffs.



OFFSETTING

We believe offsetting the Greenhouse Gas emissions we have already produced with carbon credits is an imperfect solution to a problem that needs an urgent response! Our first priority is reducing our emissions! Admittedly, it takes time to educate ourselves and get our data gathering systems up and running so that we can find our weak spots and opportunities. But we know there is no time to wait. So for now, we will continue offsetting what we have not eliminated. To make sure we are selecting the right projects we choose carbon credits that are verified by an independent third party Gold Standard. Previous projects we have invested in based on internal voting from our team are 'Buenos Aires Renewable Energy Project', 'Utsil Naj - healthy homes for all in Guatemala' and for 2022 we invested in "Mozambique Safe Water Project."

What we have done to drive awareness and reduce our environmental impact:

- Implemented a new travel policy to encourage use of public transport where virtual meetings are not the best option
- Took part in workshops and training programs to educate ourselves on climate change and GHG emissions strategies
- Rolled out an environmental store audit and water and waste tracking program
- Shared best practices with our team
- Built environmental management into our company governance

Right: Mozambique Safe Water Project, Gold Standard





OUR 2023 PRIORITIES

- Replace estimated data with actual activity data, focussing on inbound freight in particular
- Include distances for road journeys included in business travel
- Expand data capture to include Scope 3 employee commuting and purchased goods and services impacts
- Building upon the work undertaken by team members to support the 2022 reporting, appoint internal ESG/Sustainability leads to drive action on reporting, reduction and wider employee engagement
- Develop a clear carbon strategy based upon commercial metrics with an aim to deliver a combination of operational cost and emissions reduction benefits

OUR PRODUCTS

Our business was founded on the principle that our ingredients should be as natural as possible, but we know our environmental responsibility goes beyond what ingredients we source.

We looked at all the aspects of the product that could have an unwanted impact on our planet and we started making plans to address them. Small sustainable steps in the short-term, laying foundations for long-term impact.



100% NATURAL FRAGRANCES TO BOOST YOUR WELLBEING

OUR PRODUCT GUARDRAILS

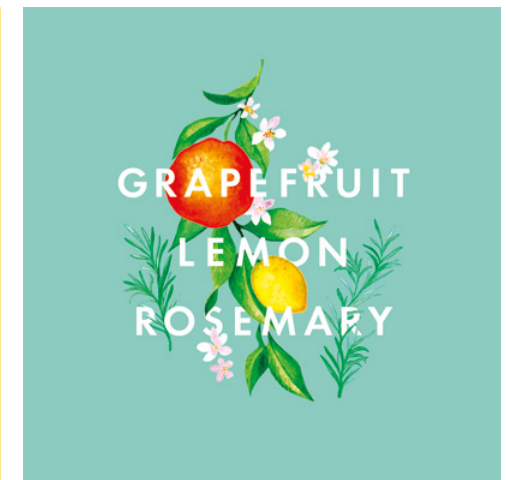
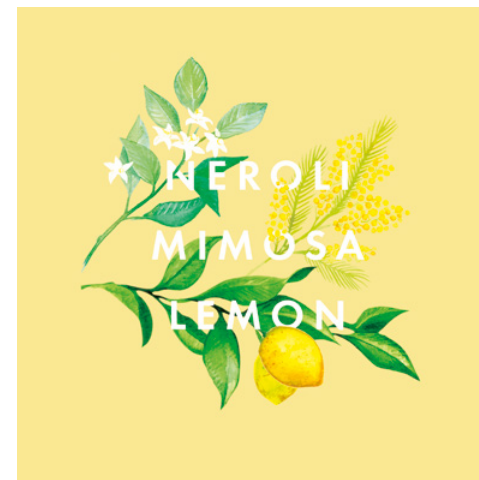
All new NEOM product briefs and suppliers are required to adhere to the following standards, ensuring clarity and transparency for our suppliers and consumers:

- 100% natural fragrances conforming to the ISO 9235 standard (internationally recognised standard specifying the terms and definitions relating to aromatic natural raw materials)
- The highest level of natural ingredient inclusion (between 95-100% wherever possible) adhering to the ISO 16128 standard (internationally recognised standard to calculate the natural and organic origin of a product)
- At least 70% organic content to the ISO 16128 standard and all organic ingredient manufacturers to hold a recognised organic

certification such as COSMOS (unless validated in development that this is not achievable). Our aim is to increase our total organic content each year

- Ingredients should be sourced using the most ethical and sustainable origins; this includes not using any ingredients on the endangered Cites* list or Palm Oil that is not RSPO certified and proactively using upcycled or by product materials from other supply chains (e.g. coffee granules and grapeseed oil from the food industry)
- All formulations, ingredients or packaging components adhere to these guardrails

*CITES, short for the Convention on International Trade in international agreement between governments. Its aim is not to threaten the survival of any species.

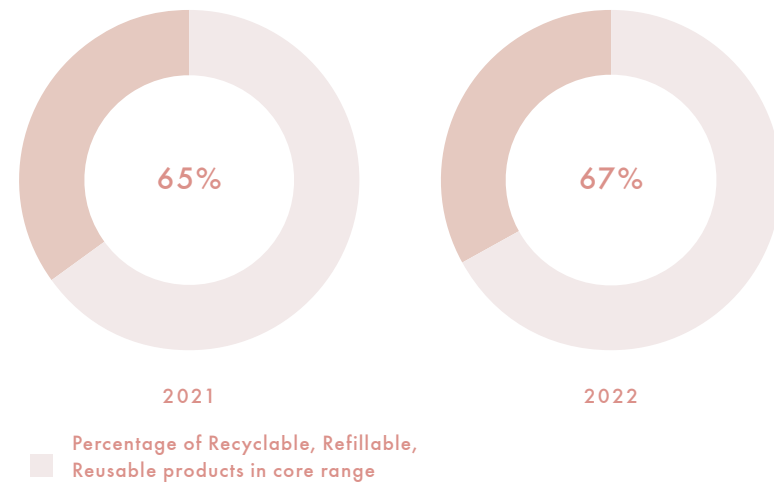




OUR PACKAGING GUARDRAILS

Just like our natural based formulations were part of NEOM’s founding principals, so too was the ambition for them to be contained within sustainable packaging. We now question every packaging decision with an aim to reduce our overall usage, but also strive to increase our percentage of products* that are fully Recyclable, Refillable, Reusable or Compostable year on year.

(*calculated by number of SKU’s not by volume or weight)



(Not including gifting or samples)

HOW WE INFLUENCE OUR SUPPLIER IMPACTS

Our Code of Conduct requires suppliers to sign up to our standards and requirements within five key sections:

1

Operating Ethically (including but not limited to anti-bribery and corruption, origin / traceability, animal testing, quality insurance and recourse)

2

Strengthening Communities (including but not limited to employment expectations, wages and benefits, forced and child labour, fair and equal treatment, training)

3

Investing in People and Workspace (including but not limited to workplace environment, first aid, employee satisfaction)

4

Protecting our Planet (including but not limited to carbon emissions, sustainable packaging, replenishing the earth's resources, measurement and monitoring)

5

Ongoing Improvements (seeking to continuously improve on the above activities and reporting capabilities)

53% of our top suppliers (+£100K spend) have signed our Code of Conduct in 2022.

LOOKING FORWARD

+5% of suppliers to sign our code of conduct

100% RSPO Palm Oil (including mass balanced) by the end of 2023

72% of our core range to be 100% recyclable, re-usable or refillable

+1-1.5% increase in organic inclusion levels



OUR NO B.S. GUIDE TO IMPACT

At NEOM, we are ambitious in our ability and pride ourselves on setting stretch goals – but when it comes to impact, our optimism doesn't always go to plan. Just like our approach to wellbeing, this details our no B.S. approach to Impact and what we've learnt along the way!



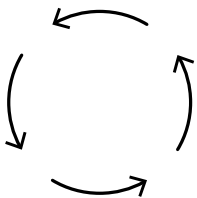
CLIMATE POSITIVE

We need to go a step further than Carbon Neutral, by saving MORE greenhouse emissions than we are using

CLIMATE POSITIVE BY 2030

From the beginning of our impact journey, and at the start of our B Corp progress in 2021, we wanted to aim high and set a target to be Climate Positive by 2030. We now realise what a task this is – the data needed, resource to manage each of our scopes and a planned and detailed budget to hit this target. We are a fast-paced growing business and in all honesty, our focus over the past 18 months has been on getting ourselves in order and setting ourselves up for success. For example, moving all stores over to renewable energy tariffs – we worked hard to transition gas too but even with Renewable Gas Guarantees of Origin, gas cannot be counted as renewable if purchased in this way (for your carbon accounting). There was just not enough to get our landlords to consider the gas they buy for their boilers, which is why we talk about renewable electricity.

We now realise that setting this target before the analysis of our existing data was unrealistic. That is why we are reviewing it and setting new targets. By June 2024, we aim to reduce our measured Scope 1 and 2 emissions by at least 8.39 tCO₂e and achieve a baseline for the entirety of our Scope 3 emissions before we set reduction targets. Alongside this, we will be keeping a close eye on additional emissions entering our Scope 1 and 2 alongside business growth and continue to transparently communicate these.






ZERO WASTE

We focus on waste prevention that encourages the redesign of resource life cycles so that all product are reused

ZERO WASTE BY 2025

Again, following from our ambitious target around our carbon, the reality of becoming Zero Waste by 2025 was not achievable. We aimed to eliminate unnecessary packaging from products with new products launched being recyclable, reusable, or refillable. We wanted our NEOM sites to have reduced waste creation and divert less than 10% to landfill or incineration. Since 2020, 73% of our core, individual NPd product launches have had packaging that is recyclable, reusable or refillable – we are still working to improve this. Now, 67% of our core range is refillable, recyclable, or reusable (calculated by number of SKUs not by volume or weight) and we aim to increase this by 5% by June 2024. Our operational sites now have measured baseline data for waste, and we know currently that 24% is going to landfill and 76% are recyclable. We aim to reduce measured landfill waste by 5% by June 2024.

	IMPACT AREA	2021	2022	CHANGE	CONTEXT
	Operational waste (kg)	NO DATA	1,530.04		We now have a baseline to work on reduction. We aim to reduce our measured non recyclable waste by 5% by June 2024
	Recycled waste (% of total)	NO DATA	76%		
	Operational waste (kg/m2)	NO DATA	1.62		
	Electricity (kWh)	74001	123112	66.37%	In 2022, we opened our Wellbeing Hub in Edinburgh and also had our first year of normal trade since Covid-19. We believe the increase from 2021 to 2022 is a result of this and the data from 2022 is a more reflective baseline for us to use for reduction
	Electricity (kWh/m2)	82.87	130.28	57.21%	
	Gas (kWh)	33997	72205	112.39%	
	Gas (kWh/m2)	38.07	76.41	100.70%	
	Water (l/m2)	0.16	0.18	12.50%	Water data was extrapolated for Edinburgh and Guildford as we did not get raw data for these two sites. Both sites have facilities similar to other UK sites. Kildare has no water. Installing aerators is a goal for 2023
	Scope 1 and 2 (tCO2e) Location based	20.17	167.81	147.64	
	Scope 1 and 2 (tCO2e/£million)	0.48	4.46	3.98	
	Scope 3	3995.78	3445.03	-550.75	
	Scope 3 (tCO2e/£million)	95.75	91.62	-4.13	Our boundary in 2021 included purchased goods and services. Fuel and energy related activities not included in scope 1 or 2, Upstream transportation and distribution and business travel
	Packaging RRR* (% of core range)	65%	67%	2%	Increased due to 81% of core, individual NPD product launches having packaging that is recyclable, reusable or refillable in 2022, (not including gifting or samples)
	Employee engagement	70%	70%	0	Measured on Employee Survey question "I feel like I belong at NEOM" 90% participation in 2021 and 81% in 2022 31 additional headcount from 2021 to 2022
	Belonging score	78%	78%	0	
	eNPS	82%	82%	0	
	Leadership team gender diversity (% Identify as women)	50%	57.10%	7.10%	In 2022, we onboarded a Managing Director and Marketing Director to join our SLT Team
	Hours spent on social projects	16	195	179	Implemented a B Hero's team focusing on internal engagement around volunteering, encouraging teams to have days out to give back rather than only focus on individuals
	Money raised for community wellbeing	£23,151.00	£35,850.00	£12,699.00	In 2022, we focused on internal fundraising giving our team the opportunity to raise money for the Mental Health Foundation alongside our brand commitment. To their efforts, the team raised £18,850 in 2022
	Customer net promoter score	89%	71%	-18%	
	Revenue	£41.4M	NO DATA	NO DATA	Due to our busiest trade falling at the end of the calendar year, in 2022, we decided to change our financial year now reporting from June - July. This means we do not yet have the figures for 2022
	EBITDA	£6.4M	NO DATA	NO DATA	
	PTB	£4M	NO DATA	NO DATA	

SUMMARY



2022 has been a milestone year for NEOM.

We want to thank our team, suppliers, charity partner, customers and community for their continued passion, interest and assistance in all we have been able to achieve.

We look forward to sharing ideas, updates and progress as we move forward in our Impact journey.

We supercharge wellbeing. Of our communities. Of our planet.
We will leave both in a better place.

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