

THE  
NUE  
CO.

SUSTAINABILITY  
+ IMPACT REPORT  
2021-2022

# When our planet is sick, we are all sick.

From microplastics in personal care products polluting our oceans and food chains, hazardous pesticides being used on crops, to airborne pollution responsible for 4.2 million deaths per year – we believe we can be part of the problem, or part of the solution.

Our belief is that health is an ecosystem: comprising your physical, mental, social and environmental wellbeing. Our collective health is intrinsically connected to the health of the planet and we believe it's our responsibility as a business to raise the bar for our sector through operating in a way that respects and preserves our environment.



# We believe we can be part of the problem, or part of the solution.

The Intergovernmental Panel on Climate Change (IPCC) report released earlier this year states we have 9 years to limit global temperatures from rising 1.5C above pre-industrial levels. Globally, we would have to curb carbon emissions by at least 49% of 2017 levels by 2030 and then achieve carbon neutrality by 2050 to meet this target. It has never been more important to act.

Sustainability is woven into everything we do as a business, from product development to supplier sourcing and auditing, packaging choices to operations and logistics. We believe that it's through a holistic approach we can drive real change and also support in educating our customers about the interconnected ecosystem making up their health.

Accountability is one of the most important steps in ensuring sustainability is a driving factor in business-wide decision making, and this year we set that in motion by appointing our Vice President of Sustainability & Product, Flo Glendenning. Co-Founder, Charlie is also a year into his Masters Degree in Sustainable Leadership at Cambridge University.

We are proud to share our first public sustainability report, laying out the work we have undertaken in the last year and the steps we've committed to for 2022 and our Sustainable Ecosystem Action Plan.

Long-term, we want to create a business that is not just net-zero (no additional harm to our planet) but NET-POSITIVE, making the world better off because of our actions. We believe that it's through collective effort and an open dialogue that we'll achieve real change – for both the planet, and our health.

**Jules & Charlie**

Founders

The Nue Co.



# Contents

EMISSIONS	05	MANUFACTURING, SUPPLIERS + SOURCING	18
2021 Greenhouse Gas Emissions Report	06	Manufacturing & Supplier Conduct	18
Climate Positivity	07	Sourcing	19
2022 Action Plan	10	Community sourcing	20
		Organic	20
SOCIAL IMPACT + SUSTAINABILITY	11	Third Party Verified Ingredients	20
2022 Action Plan	13	2022 Action Plan	21
PACKAGING	14	2023 & BEYOND	22
Current Status: Breaking Down Our Packaging	15	Sustainable Ecosystem Action Plan	23
Reduce, Reformat, Recycle	16		
Reduce	16		
Reformat	16		
Recycle	16		
2022 Action Plan	17		



# Emissions

Cutting the world's carbon emissions is the fastest way we can collectively preserve the environment and limit global warming.

There is no getting away from the fact that the beauty industry has a sizable carbon footprint and immediate action must be taken.

For context, the average American has an annual carbon footprint of 16 tonnes (one of the highest rates in the world) and a large-scale beauty business has a footprint of around 10,000 tonnes.

The COVID-19 pandemic and ongoing global supply chain crisis has pushed up Scope 3 emissions for many businesses significantly as challenges around freight charges, raw materials and components continue. Our goal is to find a way to limit our Scope 3 emissions through taking proactive steps, as the supply chain disruptions continue into 2022.

# 2021 Greenhouse Gas Emissions Report

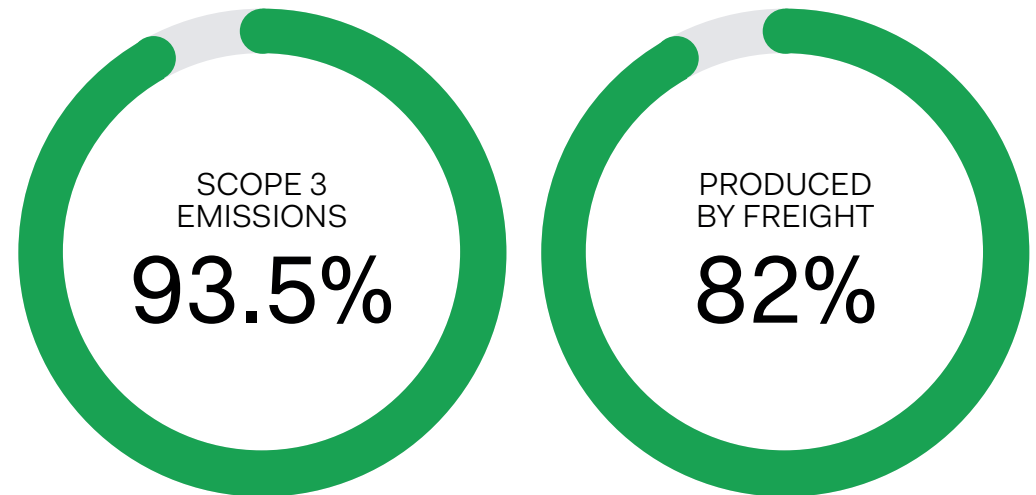
Over the last 12 months, we have produced 258.44 tonnes of CO<sub>2</sub> with 93.5% of our emissions being classed as Scope 3, or value chain emissions. These are emissions are defined by the Environmental Protection Agency (EPA) as the result of activities from assets not owned or controlled by the company. Scope 3 emissions tend to be the largest emissions contributor for all businesses.

TOTAL CO<sub>2</sub>

## 258.44 tonnes

Over 82% of our Scope 3 emissions are being produced by freight. For our business this is the movement of stock from manufacturer to warehouse, onwards to retailers or the transportation of packaging components. The bulk of these emissions are being driven by air freight rather than sea or land transport.

The second largest contributor within our Scope 3 emissions is procurement, this covers items purchased by the company (excluding components to produce products). Our largest sector within this category is electronics which are responsible for 71% of our procurement related emissions.



# Climate Positivity

## In 2021 we became a certified Climate Positive Business.

Rather than aiming for carbon neutrality or carbon zero status, we wanted to take one step further. Climate positivity goes beyond striving to counter emissions with carbon reductions, and instead looks to purposefully remove more carbon than we produce and create environmental benefits through our actions.

Our efforts have focused on emissions removal through investing in projects that support carbon sequestration such as reforestation and blue carbon projects. These projects not only ensure that GHGs (greenhouse gases) are removed and stored, but they also can act over a much longer period of time. Helping not only to reduce in the present, but acting as a carbon sink going forward.

TOTAL CO<sub>2</sub> OFFSET

284.63  
tonnes



110%  
↑

We have offset 110% of our total emissions. This is equivalent to removing the impact of 2 million kilometers driven in a car, or 71,158 cheeseburgers.

## OUR INVESTMENTS

- ### Mai Ndombe REDD+ Project

Focused on protecting the world's second-largest intact rainforest but also about helping local communities through education and providing vital medical care. This REDD+ project is found in the heart of DRC in the Congo basin, the second most important rainforest in the world after the Amazon.

It not only reduces forest and biodiversity loss but is providing community prosperity through vital investments into the local area. It has protected 300,000 hectares of vital bonobo and forest elephant habitat as well as some of the most important wetlands in the world.

- ### REDD+ Brazil Nut Concessions

A world-class project focusing on rainforest conservation in the heart of Peru. Run by Bosques Amazonicos SAC (BAM) it aims to reduce deforestation in over 300,000 hectares of the Peruvian Amazon and reduce millions of tonnes of carbon dioxide from entering the atmosphere due to illegal deforestation.

In total over the whole period of the project, an estimated 64'668,764 tCO<sub>2</sub>e will be secured from deforestation as stored carbon within the trees and soil. Without this project deforestation would destroy approximately 34% of the project area by 2040.

- ### Mangrove Planting: Madagascar

A project led by Eden Reforestation Projects has reforestation and poverty alleviation at its heart. Mangroves pack some punch when it comes to carbon sequestration but also provide a whole load of other natural benefits such as storm surge protection and a vital habitat for many species. The project has already planted over 300 million trees and created over 3 million work days.

To date, they have planted over 334 million trees across 8 countries, and created 3.3 million days of work for local communities. By 2025 they aim to plant 500 million trees each year.





# 2022 Action Plan

## Our long-term aim is to move beyond net-zero, working towards becoming net-positive.

We want to create a positive social and environmental impact through our actions as a business. Our overall target is to reduce Scope 3 emissions by 50% in 2022. Here's how we will work towards our goal.

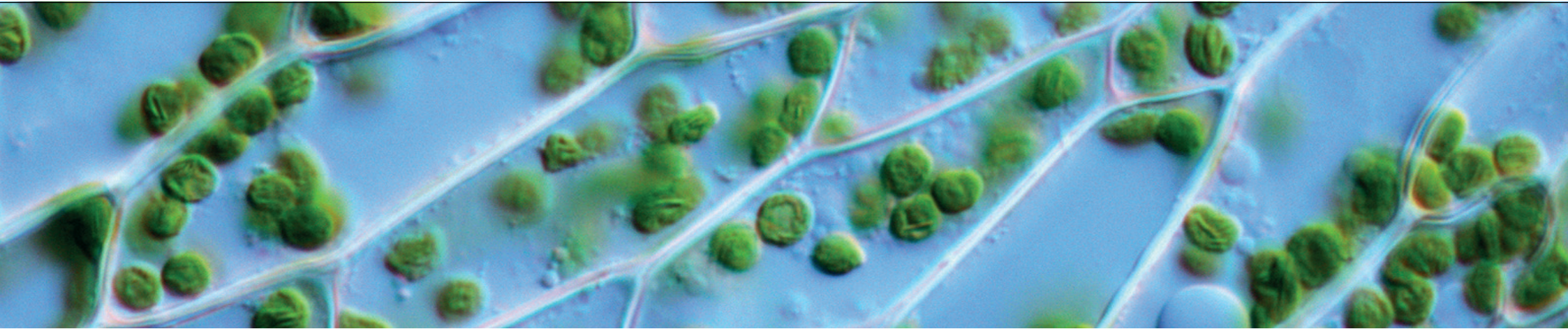
- Identifying carbon hot spots in our supply chain (i.e. air freight) and creating targeted reduction plans with our logistics and operations team.
- Analysing our end-to-end manufacturing process to identify energy efficiency and cost reduction opportunities working with our key suppliers.
- Ensuring that by the end of 2022, 65%+ of our suppliers run on renewable energy only.



# Social Impact + Sustainability

We believe that our health is interconnected with the health of our community, and the health of the planet – we call this the “we” in wellness. Since 2020, we have worked with a number of not-for-profit and smaller scale initiatives to support communities and sustainability on both a local and global level.





- **charity: water**

We have been working with charity: water since 2020, donating 1% of proceeds to help support their mission of bringing clean and safe water to every person on the planet, something that a staggering 785 million people live without access to.

In spring 2021, our donations to date were transferred to local charity partner, World Vision Malawi. The organisation has since begun work on drilling a well, which will bring clean water to an entire community. The whole process takes around 21 months to complete, including obtaining construction permits, purchasing supplies and training the community on safe hygiene practices.

- **1% for the Planet**

We have committed to donating 1% of our revenue to supporting social and environmental causes - putting people and the planet over profit.

Founded to prevent greenwashing, certify reputable giving and provide accountability, 1% for the Planet drives critical philanthropic support to address the most urgent environmental and social justice issues of our time. Recognising that we cannot solve the climate crisis without acknowledging the disproportionate impact of environmental issues. To date, 1% for the Planet have certified over \$250 million in accountable environmental and social giving.

- **Terra Carta**

We are proud to have been named supporters of the Terra Carta from HRH The Prince of Wales' Sustainable Markets Initiative. The Terra Carta provides a roadmap to 2030 for businesses to move towards an ambitious and sustainable future; one that will harness the power of nature combined with the transformative power, innovation and resources of the private sector.

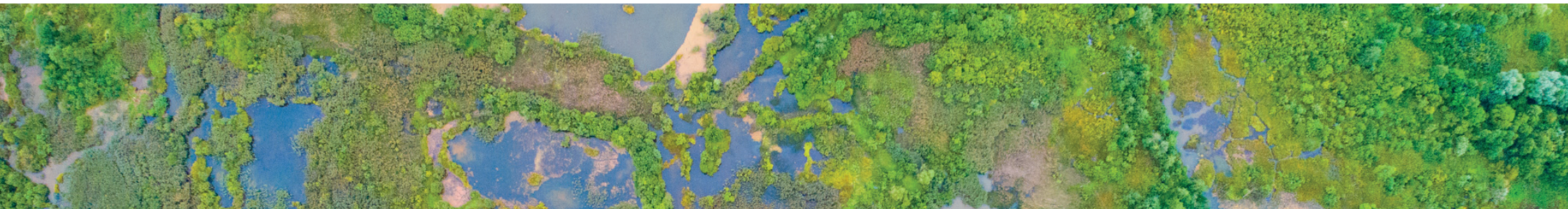
The new global business proposition outlines 10 areas for action and comprises nearly 100 actions for business as the basis of a recovery plan that puts nature, people and planet at the heart of global value creation.

# 2022 Action Plan

## Our aim for 2022 is to become a Certified B Corporation

Certified B Corporations are businesses that meet the highest standards of verified social and environmental performance, public transparency, and legal accountability to balance profit and purpose. Required to consider the impact of their decisions on their workers, customers, suppliers, community, and the environment.

B Corps are accelerating a global culture shift to redefine success in business and build a more inclusive and sustainable economy. Society's most challenging problems cannot be solved by government and non-profits alone. The B Corp community works toward reduced inequality, lower levels of poverty, a healthier environment, stronger communities, and the creation of more high quality jobs with dignity and purpose. By harnessing the power of business, B Corps use profits and growth as a means to a greater end: positive impact for their employees, communities, and the environment.



# Packaging

Since we launched in 2017, we have been committed to making the most environmentally sensitive decisions when it comes to our packaging. We have always housed our products in glass because it is the easiest material to recycle in standard waste streams and is also infinitely recyclable, unlike plastic or paper.

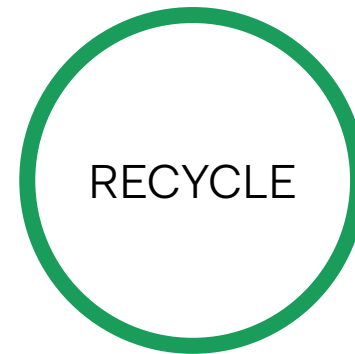


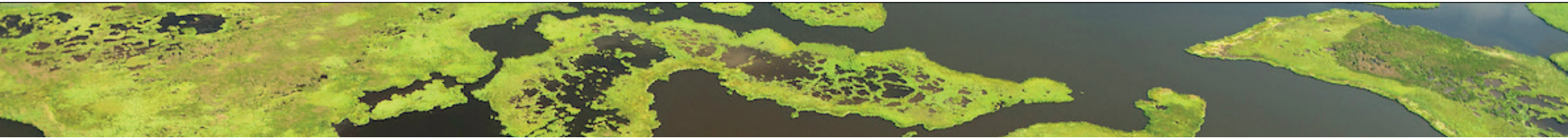
# Reduce, reformat, recycle

# 95% of our packaging is infinitely recyclable

Something we're proud to have achieved, however there's still more we can do. Our focus throughout 2021 has been to evaluate our packaging, working with experts to analyse materials and best practices, sourcing best in class suppliers and creating a sustainable model when it comes to procurement.

This ongoing work can be broken down into 3 categories:





## Reduce

### PLASTIC

We have developed an 18 month action plan to reduce (in fact, remove) hard-to-recycle plastic from our packaging. The main focus has been on the lid for our jars, which is a category 7 plastic. By late 2021 we will begin to roll out our new 100% post-consumer recycled PET lid on certain SKUs. These are produced by a specialist supplier in Germany who are able to filter plastic quality to develop an entirely post-consumer recycled plastic, which most importantly can go on to be recycled again with ease.

### WEIGHT

We launched our refill packs in 2020, with the goal of reducing our shipping weight by 75% and associated carbon footprint for monthly subscription customers. Our refill packs are made of 28% PCR plastic and are recyclable through household waste streams. During 2021 we have rolled out all our capsule formulas into refill packs and coming in 2022 they will also be available through select retailers.

## Reformat

### SECONDARY BOXES

You might have noticed that our boxes aren't smooth and shiny, this is because we choose not to laminate our boxes. Most laminate finishes are plastic based and can impact the recyclability of paper. Our paper is always 30% post-consumer recycled (minimum), Green Seal and FSC-Certified. However, since we choose to use glass as our primary packaging, it needs a little more protection in transit than other materials which is why we use an inner flute of card. During 2021, we have worked on reformatting our box structure focusing on reducing headroom in most products by 5 -10% and restructuring the carton to remove the requirement for a flute. This has reduced the amount of paper used by 40% per product.

### NEW MATERIALS

In some cases (first example being our trial sized Debloat+, launching late 2021) we are removing boxes entirely. We have also run an ongoing assessment into moving certain heavier weight products into lighter weight pouches. In mid-2022 we will relaunch our Probiotic Plant Protein into a plant-based BioFilm pouch, made from 100% plant materials.

## Recycle

### OUR SCHEME

95% of the materials we package our products in (glass, paper and card) can be recycled at home through household waste streams. However, to handle some of these harder to process materials we launched an in-house recycling scheme in early 2021. When customers collect 3 or more jars or bottles they can request a shipping label from our Customer Support team and send the items back to us to be recycled or reused.

In November 2021, we became a CERTIFIED PLASTIC NEUTRAL brand offsetting our total plastic usage (lids, caps and operational plastic use) by investing in waste removal programs, infrastructure support and developing circular economies. Working with projects like the one below in Hyderabad, India which is focused on recovery and processing of low-value, single-use plastic waste such as multi-laminate plastic (MLP). Projects like these not only stem the flow of plastic waste into our ecosystem, but also provide employment for thousands in the local communities.



# 2022 Action Plan

By 2023, our aim is to have removed all virgin or category 7 plastics from our supply chain.



# Manufacturing + Supplier Sourcing

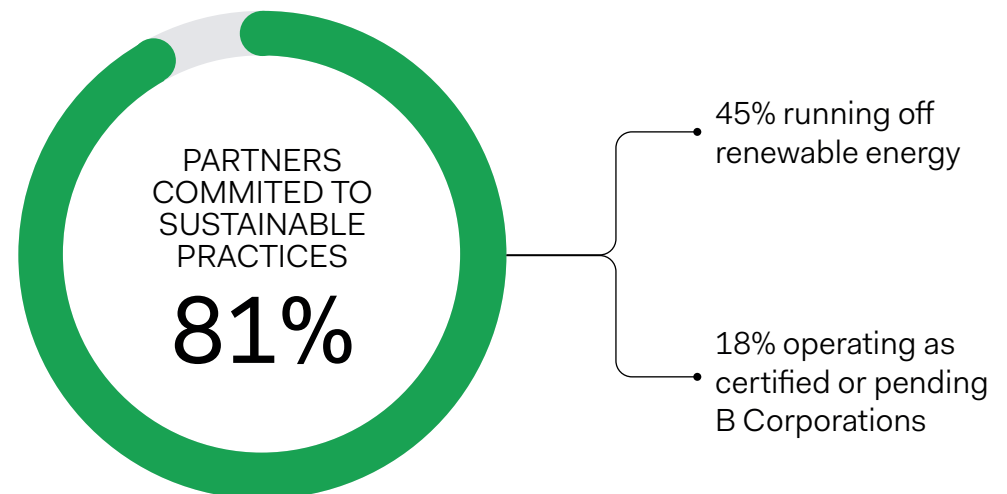
## MANUFACTURING + SUPPLIER CONDUCT

You're only ever as good as who you work with, and we're lucky to work with some of the best in the business when it comes to packaging, ingredients and product manufacturing. Currently, 81% of our manufacturing partners have a written business commitment or external accreditation for sustainable practices. With 45% running off renewable energy only and 18% operating as certified or pending B Corporations.

In October 2021

# We developed and shared a Supplier Code of Conduct

It outlines key areas for immediate action, review or improvement covering sustainability, working practices and employee safety. All new suppliers are required to agree to and sign our Code of Conduct and existing suppliers are audited every 2 years.





# Sourcing

Commitment to sourcing ingredients in an environmentally and socially responsible way has always been a requirement for us.

We focus on working with ingredients or extracts sourced from community projects, organic ingredients and branded ingredients with transparent third party supply chains.



## • Community sourcing

Sourcing ingredients through local initiatives means the community growing that ingredient sees direct impact from any commercial success, which then translates into social, environmental and economic infrastructure improvements benefiting the whole community. In the case of the Madagascan clove leaf oil we sourced for our October 2021 launch, MIND ENERGY, the NGO supporting the growers funds a preservation project to replant trees used as firewood in the distillation process. Every year, they plant over 80,000 trees in the local area.

## • Organic

Organic crops are more nutrient dense than non-organic and also have lower contamination from pesticides and nitrates, which may have long-term effects on our health. Organic farming is also safer for those cultivating and harvesting the crop and crucially, also protects the biodiversity and health of our soil. Supporting organic farming practices globally is one of the most comprehensive ways to support the health of the community, the end-user and the planet in one action.

Currently, 23% of our total ingredients are grown organically, with a specific focus on those which are food derived, i.e. brown rice protein or herbal plant extracts.

## • Third Party Verified Ingredients

We tend to work with standardised, or third party verified ingredients wherever possible. For example, our ashwagandha extract, KSM-66 which is sourced using Good Agricultural And Collection Practices (GACP) in Rajasthan, India. KSM-66 is the only ashwagandha extract in the world boasting its own farms, production facilities, testing laboratories, research center and distribution. Working in this way ensures we receive a better quality product, but we also know that the farmers and workers at every stage are supported and treated fairly.

# 2022 Action Plan

Our cross-functional action plan for 2022 covers our supplier practices, ingredient sourcing and how we can improve that transparency for our customers.

We'll work with suppliers or transition suppliers, to ensure 65% of our partners run on renewable energy in their manufacturing by the end of 2022. We'll aim to increase the total percentage of organic ingredients used in our formulas to 33% by the end of 2022, a 10% increase.

To empower customers in their social and environmental decision making we aim to introduce a public scoring matrix per product rating the sourcing, packaging, supplier and ingredient status. This will live on each product page on our website.



# 2023 & Beyond

## Our 5 year plan is to move beyond net-zero to net-positive

This is defined as being a business which improves wellbeing for everyone it impacts and at all scales — every product, every operation, every region and country, and for every stakeholder, including employees, suppliers, communities, customers, even future generations and the planet itself. The steps we have taken in the last year, and the goals we're sharing for 2022 are all a rung on the ladder towards this north star.



ACTION	HOW WE MEASURE	NET POSITIVE
1 Reduce scope 3 emissions.	→ Reduce scope 3 emissions by over 65% of 2021 levels, to 90.3 tonnes of CO <sub>2</sub> .	→ Creating long-term carbon sequestering programs with approved partners.
2 Sourcing a minimum of 50% of our ingredients from organic, community focused or local sourcing initiatives to support social sustainability, soil health and ingredient transparency.	→ Creating a public sourcing matrix factoring in ingredient provenance, organic status and ethical impact.	→ Actively improve the lives in communities where we source through direct sourcing.
3 Using renewable energy and good business practices for climate action.	→ Ensure 100% of our primary manufacturing partners run on renewable energy, and by 2025 aim for 20% of partners to be certified B Corps.	→ Work with manufacturers who have clear sequestering and offsetting programs of their own.
4 Remove all virgin or single use plastic from our entire supply chain.	→ Work with RePurpose Global to measure and offset any plastic usage with approved partners. Roll out updated packaging in 2023.	→ Regardless of our long-term plastic status (aiming for zero content) we will collect and recycle plastic waste for every product sold.
5 Commit to donating a minimum 2% of annual revenue.	→ Donating 1% of annual revenue through our partner, 1% for the Planet.	→ Donating 2%+ of annual revenue to social infrastructure and environmental innovation projects through approved partners.

# Sustainable Ecosystem Action Plan