

One Health

WELEDA
Seit 1921

ANNUAL AND
SUSTAINABILITY REPORT 2021
WELEDA GROUP AND WELEDA AG

One Beauty



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FINANCIAL KEY FIGURES

BRIEF PROFILE

NET SALES IN 1,000 EUR

19 %
Pharmaceuticals

↑
+0.2 %

424,781

81 %
Natural and
organic cosmetics

EMPLOYEES



↓ -1.0 % 1,680 female

↓ -1.0 % 807 male

↓ -1.0 % 2,487

WELEDA IS REPRESENTED ON ALL FIVE CONTINENTS AND IN OVER 50 COUNTRIES.



RESULT FOR THE YEAR IN 1,000 EUR

↓
-11.0 %
6,843

EBIT IN 1,000 EUR



13,258

↓
-40.6 %

INVESTMENTS IN INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT IN 1,000 EUR



21,407

↑
+72.8 %

EQUITY RATIO



54.1 %

↑
+0.3 percentage points

Proportion of waste that is reused

95 %
↓
-3 %

Reuse through composting, repurposing, recycling, recovery, thermal use or other utilisation

Organic proportion of plant-based raw materials

80 %
→
± 0 %

Minimum organic portion requirement implemented for new raw materials

Proportion of renewable electricity

92 %
→
± 0.0 %

The aim is to also switch all rented buildings to green electricity

Recycling pro-portion of primary packaging (cosmetics)

45 %
↑
+ 5 %

Changed calculation: based on the weight of all packaging produced including the closure system

Economy

Weleda Group - key figures

	2021 in 1,000 EUR	2021 in 1,000 CHF ¹	2020 in 1,000 EUR	2020 in 1,000 CHF ¹	Change in % 2021/2020 based on EUR values
Net sales	424,781	459,193	424,059	45,937	+0.2
Net sales natural and organic cosmetics	343,011	370,799	333,182	356,657	+3.0
Net sales pharmaceuticals	81,770	88,394	90,877	97,280	-10.0
Operating result (EBIT)	13,258	14,332	22,317	23,889	-40.6
EBIT in % of net sales	3.1 %		5.3 %		
Consolidated result for the year	6,843	7,397	7,690	8,232	-11.0
Cash flow from operating activities	15,102	16,325	38,017	40,696	-60.3
Net assets (+) ²	68,601	71,081	73,277	79,253	-6.4
Investments in intangible assets and property, plant and equipment	21,407	23,141	12,385	13,258	+72.8
Full-time equivalents (FTE) as at December 31st	2,168		2,169		+0.0
Balance sheet total	298,382	309,169	284,824	308,051	+4.8
Shareholders' equity	161,487	167,325	153,257	165,755	+5.4
Equity ratio	54.1 %		53.8 %		

Weleda AG - key figures

Result for the year		8,704		10,625	-18.1
Shareholders' equity		104,040		95,432	+9.0
Distribution in % of nominal value		7.0 % ³		7.0 %	

¹ At balance sheet date or average rates for the year

² Cash and cash equivalents and securities less current and non-current interest-bearing liabilities

³ Pursuant to the proposal made by the Board of Directors to the General Shareholders' Meeting on May 20th 2022

Value added statement

	2021 in million EUR	2021 in %	2020 in million EUR	2020 in %	Change in % 2021/2020
Origin					
Revenue (sales, other income and interest income)	428.3		427.3		+0.2
Input (cost of materials, changes in inventory, depreciation and amortisation and other inputs)	-247.2		-246.8		+0.2
Value added	181.1		180.5		+0.3
Distribution					
To employees (employee income, as well as social contributions and Pension Fund)	165.6	91.4	158.7	87.9	+4.3
To public authorities (taxes)	5.9	3.3	11.3	6.3	-47.8
To charitable organisations (donations), pursuant to paragraph 2 (3) of the articles of incorporation	2.6	1.4	2.6	1.4	+0.0
To lenders (interest expense)	0.2	0.1	0.3	0.2	-33.3
To shareholders (distribution)	0.9 ¹	0.5	0.9	0.5	+0.0
To the company (retained earnings)	5.9	3.3	6.7	3.7	-11.9
Value added	181.1	100.0	180.5	100.0	+0.3

All information based on average rates for the year. Comments to the value added statement: see page 60.

¹ Pursuant to the proposal made by the Board of Directors to the General Shareholders' Meeting on May 20th 2022

Weleda is the world's leading manufacturer of certified natural cosmetics and anthroposophic pharmaceuticals. The product portfolio comprises more than **1,000** pharmaceuticals worldwide and a wide range of extemporaneous pharmaceutical preparations, as well as **120** natural and organic cosmetics. They are developed based on a unique understanding of people and nature. For decades, nearly **1,000** substances from nature have formed the foundation of our products, which contribute holistically to people's health and well-being

Weleda products are available in more than **50** countries. The company employs **2,487** people¹ worldwide to develop, produce and market its products. The Swiss stock corporation is headquartered in Arlesheim (Switzerland), with its largest branch in Schwäbisch Gmünd (Germany). The Weleda Group comprises **27** companies in **20** countries.

Anthroposophy inspires the philosophy at the heart of Weleda's purpose: Unfolding health and beauty in harmony with nature and the human being.

Group structure and shareholders

34 per cent of the capital and 77 per cent of the voting rights of Weleda AG are held by two principal shareholders: the General Anthroposophical Society (AAG, Dornach, Switzerland) and Klinik Arlesheim (KA, Arlesheim, Switzerland), formerly Ita Wegman Klinik AG. The remaining voting and non-voting shares are in diversified holding. Under the company's articles of incorporation the registered shares of Weleda AG may be transferred only with the written permission of the Board of Directors of Weleda AG. Acquirers must be members of the General Anthroposophical Society, Dornach. In order to be valid, the transfers have to be registered in the company's share register.

Capital structure of Weleda AG²

	Number of shares	Nominal capital in CHF
Nominal registered voting shares CHF 1,000	3,478	3,478,000
Nominal registered voting shares CHF 112.50	6,880	774,000
Nominal registered voting shares CHF 125	3,984	498,000
Nominal registered non-voting shares CHF 500	19,000	9,500,000
Total nominal capital		14,250,000

¹ Number of persons including trainees, apprentices, marginally employed staff, volunteers.

² The share capital is fully paid. As at December 31st 2021, there is neither authorised nor contingent share capital. Every registered voting share entitles the bearer to a single vote in the General Shareholders' Meeting.

EDITORIAL

Dear Readers,

This Annual and Sustainability Report provides a snapshot of our business at the end of 2021 and our targets for the coming year. Since the end of the last financial year, the world has changed dramatically. The inconceivable has happened: a war is being waged in Europe, with unforeseeable consequences. As I write these words, I can only hope that something has changed for the better in the weeks until you receive the report. And I hope that concerted attention will once again turn to how we, as the entire community of human beings, can tackle the existential threats facing our wonderful planet. At Weleda, we will continue our work to address them together.

“One Health. One Beauty” is the central theme of this year’s report. 100 years ago, our founders developed a new understanding of health and beauty. Now we are building on this knowledge to create products offering solutions to the pressing challenges of our time. For more climate protection, more biodiversity and healthier soils. For the health of people and nature. We are convinced that growth can be sustainable. Read more about our approach on pages 14–15 and 20–21.

In 2021, the entire Weleda Group became part of the movement of B Corporations – B Corp for short. Like other B Corps, we are using our business model to balance financial and ethical value creation in our work; maximising profits at all costs is not the focus. Find out what B Corp certification means for Weleda on pages 16–17.

The pharmaceutical industry is facing major challenges. The urgent need to protect the Earth’s water is just one reason why the pharmaceutical industry needs to better align with environmental and sustainability goals. Discover how Weleda wants to become even greener in the interview with Dr. Aldo Ammendola, Chief Research & Development Officer, on page 35.

Each of us is the sum of the health and beauty of our body, soul and spirit. The health and beauty of human beings and the Earth are one. Holistic health only comes about when we live in peace with ourselves, our fellow human beings, and nature. Peace will only come when our political, economic and social systems are healthy – Weleda strives to help make this a reality.

Warm regards,



Thomas Jorberg
President, Board of Directors

BOARD OF DIRECTORS OF WELEDA AG



Members of the Weleda Board of Directors (left to right):
Elfi Seiler, Thomas Jorberg (president), Andreas Jäschke, Harald Matthes, Monique Bourquin and Ueli Hurter

EXECUTIVE BOARD OF WELEDA AG



Nataliya Yarmolenko
Markets and Communications



Aldo Ammendola
Research and Development, Quality



Michael Brenner
Finance, People, Sustainability



Alois Mayer
Operations

«We know that
we can only master
the challenges of
our time together.»

ALOIS MAYER



One Health

One Beauty



P

Reserving the health and beauty of people and nature is rooted in our history. Doing business in harmony with our environment with a constant awareness of the consequences of growth is our mission. Weleda has been producing cosmetics and medicines for over 100 years. What drives us is our sense of respect and responsibility for people and nature.

Our medicines activate the body's own ability to heal itself, and they help people become healthy and stay healthy in a natural way. Our natural and organic cosmetics care for the face, body and hair - so that our customers feel good in their skin. We strive not only to make people healthier but to protect the environment and preserve its beauty.

Beauty is diversity: OUR MOTIVATION

Weleda is committed to a healthy, diverse and beautiful world. Because only when nature is intact can human beings also be healthy. For 100 years, we have been using only natural ingredients and active substances in our cosmetic products and medicines. All our products are 100 per cent biodegradable and free of microplastics, genetically modified raw materials and petroleum-based materials.

From cultivation and harvesting to processing and delivery, our operations are as environmentally friendly and respectful as possible. We ensure that biodiversity is preserved throughout our cultivation and supply chain and that resources are used sustainably. We work with suppliers and farmers on a long-term basis and help them secure their livelihoods.

As a business enterprise, we want to use our growth to make a positive impact and continue to make business more sustainable and humane. To be fit



for the future, we must grow as a business, but not at any price – and certainly not at the expense of our environment. At Weleda, organic growth always occurs in dialogue with, and with the greatest respect for, the environment.

We have already achieved a great deal. Since 2021, Weleda's energy consumption has been arithmetically climate-neutral. 80 per cent of the raw materials in our products are sourced from certified organic cultivation, and 20 per cent are biodynamically cultivated. Around the world, we ourselves farm nearly 235 square kilometres according to organic standards – that's an area equivalent to almost 35,000 football fields, and an important contribution to protecting the climate, biodiversity and our soils. Weleda is the first natural cosmetics company to become a member of the Union for Ethical BioTrade (UEBT) and bears its "Sourcing with Respect" label. This guarantees environmentally friendly and responsible raw material sourcing and supply chains in which all parties are treated with respect and paid fairly. Since 2021, B Corp certification confirms that Weleda is operating in a responsible and environmentally sustainable way and adding value to society. Weleda promotes organic seed breeding and strengthens local organisations working for soil conservation. In addition, Weleda cultivates eight of its own gardens worldwide according to biodynamic principles and supports more than 50 sustainable and social cultivation projects around the world.

For a better, healthier, more beautiful world: OUR MISSION

Climate change is one of the most pressing challenges of our time – for every individual, but also for industry in particular. Not only are we aware of our responsibility, we also want to actively drive the change to a more sustainable and socially responsible way of doing business. For us, climate protection is not merely a matter of politics but an opportunity to continue developing innovative ideas for more sustainable consumption. We are open to new impulses and partner with like-minded people in other businesses and organisations. Among other things, we support the Soil Fertility Fund of the Swiss Organic Foundation. Because only together will we be able to take on all the challenges and truly make a difference.

Our founding vision has stood the test of time. Today, our sustainable approach is more relevant than ever before. Protecting the health and beauty of nature is more important to us than making the greatest possible profit. That

«The health and beauty of people and nature are our top priority.»



is why it is not enough for us to fulfil legal requirements. We want to make a significant contribution to a better, healthier, more beautiful world and be a role model for other companies.

Our path forward continues into the future: in 2022, all Weleda products are to become arithmetically climate-neutral. To achieve this goal, we are using even more renewable energy and investing in more efficient production, climate protection measures in our agricultural supply chains, and offsetting measures. We continue to reduce our overall climate footprint by operating our buildings in a climate-neutral manner. Our new logistics centre in Schwäbisch Gmünd, Germany, is being built from ecologically sustainable materials such as wood and clay. It will carry the DGNB Platinum certificate – the highest rating level issued by the German Sustainable Building Council. Weleda is developing environmentally friendly packaging made from organic materials; we will complete our switch to recycled materials by 2030. From 2022, we will invest one per cent of our sales in innovation and organisations for climate protection, biodiversity and soil conservation. By 2025, we aim to operate a total of 60 sustainable and socially responsible cultivation projects and continue to support cultivation projects around the world to create better working conditions. And we strive to increase the amount of biodynamic raw materials we use to 40 per cent by 2025. We further inspire and enthuse our customers through our publications and social media channels for a sustainable lifestyle.

We look back with pleasure on what we have achieved, but we do not rest on our laurels. We will continue to operate according to mission: the health and beauty of people and nature are our top priority.



GROWTH CAN ALSO BE SUSTAINABLE

How do we solve the most pressing issues facing the future? Nataliya Yarmolenko and Michael Brenner discuss why Weleda places purpose over profit – and why business growth remains vital.

«With the 1 % programme, we are investing an additional one per cent of our global gross sales to take responsibility for nature and the environment.»

MICHAEL BRENNER

Weleda is a stock corporation. How can a “purpose over profit” approach be reconciled with the owners?

MB The owners have to support this approach. And they showed their support by anchoring the purpose in our articles of incorporation. The purpose is the foundation for everything that the company does. We have two main shareholders who also put purpose first. To put it in concrete terms, they allow us to use our profit not only for dividends but in order to implement our purpose in the world.

Is Weleda giving up on profit? How does this focus affect its market development?

NY The question is, what is our attitude toward profit? Do we want to maximise our profit? No, we put our purpose above profit in everything we do. But we need profit to live our purpose: to invest in sustainability and, in the future, to be resilient and independent. That is how we see profit.

In terms of finances, is it even enough to break even?

MB Breaking even is not enough because we want to remain independent. We want to be able to finance our targeted growth from our own resources – that also requires profit. We also want to generate enough profit to be able to use it for our purpose. One example of this is our 1% programme.

NY In terms of cosmetics – and we see the growing trend for sustainable natural and organic cosmetics – we con-

MICHAEL BRENNER is a member of the Weleda Executive Board and is responsible for Finance, HR, Sustainability and Strategic Sourcing.



NATALIYA YARMOLENKO is a member of the Weleda Executive Board and is responsible for Markets and Communications.



tinue to pursue our growth strategy. I want to mention this because we often hear the question: How can a growth strategy be compatible with purpose and sustainability? The way we have answered this question for ourselves is that we do not want to grow for the sake of growth but to achieve relevance and impact. The more people buy sustainable products, the better it is for the environment. Furthermore, we are promoting awareness of the connection between people and nature. Because it is only if nature and the Earth are healthy that we humans can also remain healthy. That's the idea behind our “One Health. One Beauty” concept (see page 9).

Speaking of the 1 % programme: What are Weleda's most significant investment and innovation areas for the future?

MB We will naturally continue to invest in our product range. For example, we will focus more strongly on research and development in pharmaceuticals. If we want to be successful, we have to work on the proof of concept for our medicines. To this end, we will be making investments in the double-digit million range in the future. Our second area of investment is sustainability. With the 1% programme, we are investing one additional per cent of our global gross sales to take responsibility for nature and the environment – that's well over four million euros per year. Of course, we will also invest in infrastructure and processes, such as our new logistics site in Schwäbisch Gmünd, Germany, which has been designed to the highest sustainability standards.

Is the connection between people and nature developing and becoming more robust in the markets?

NY Yes, I can attest to that, and market research reflects it,

«Weleda has been guided by its corporate purpose for 100 years. We've always put purpose over profit»

NATALIYA YARMOLENKO

too: people's longing for nature continued to grow, even during the pandemic. Especially during lockdown, nature was an important retreat. In addition, consumers have a growing need for honest communication. It's tricky to navigate the greenwashing jungle; many statements out there are misleading. We see it as our responsibility to set standards and provide orientation for our customers – through the NATRUE seal for our natural and organic cosmetics, the UEBT seal for our raw material supply chains, and now with B Corp certification for the whole company. This is how we are showing what it means to be an authentically sustainable company.

Weleda not only celebrated its 100th anniversary in 2021 but also closed the year on an exceptional note.

NY We have been certified as a B Corp since October 2021. To achieve this, we underwent a rigorous process evaluating our corporate governance, employee rights and our impact on the environment and society. More than 100 people in the company were involved in the assessments. We were thrilled that we successfully passed this test at the end of our anniversary year.

It is a strong signal of the company's environmental and social responsibility. What is behind the B Corp certification?

MB B Corp certification is backed by an international movement comprising some 4,500 companies to date. Their work is meaningful, and their goal is to make a difference in the world. We underwent a very comprehensive and rigorous certification process. It is comparable to the Gemeinwohlökonomie (Economy for the Common Good) in German-speaking countries but goes even further. For instance, we had to change our article of purpose in the corporate bylaws. B Corp certification is granted only if the company's commitment to making a significantly positive impact on the common good and the environment through its business activities is anchored in its statutes.

More and more companies seek a better balance between people and nature, business and the environment. To what extent are these values reflected in Weleda's history?

NY Weleda has been guided by its company purpose for 100 years. We have always put our purpose above profit. In this sense, Weleda is a pioneer. So B Corp certification is the icing on the cake for us.

OUR CERTIFICATIONS

For over 100 years, we have been committed to a world in which human beings and nature thrive in harmony. To do so, we ensure strict certification standards. An overview.

B Corp

Shaping the global culture change together

Creating a fairer world, less poverty, a healthier environment and more meaningful jobs define the corporate purpose of so-called B Corporations or B Corps for short. Since October 2021, the global Weleda Group has been part of the global B Corp movement as a certified B Corporation. Like other B Corps, we are using our business model to balance financial and ethical value creation in our work. With this approach that is still unusual for business enterprises, B Corps are a new type of company for whom profit maximisation is not the main driver of success. B Corps do not compete to be the best companies – they compete to be the best for the world. “Making business a force for good” is the vision behind this movement to change the system.

To obtain B Corp certification, a company needs to score at least 80 points out of a possible 200. Weleda well exceeded the minimum score with 106.9 points. The process involved answering and providing evidence for over 200 questions addressing all aspects of the company: corporate management, employees, community, environment, and customers. More than 100 employees worldwide were involved in completing the B Impact Assessment. One of

the prerequisites for B Corp certification is anchoring stakeholder governance commitments in the company statutes. So in June 2020, the owners of Weleda amended its charter; it now clearly states the aim of using its business activities to make a significant positive impact on society and the environment – a commitment that Weleda has consistently pursued for 100 years.

The non-profit organisation B Lab monitored the certification process and assessed the entire company. Their analysis showed that many of our corporate activities already create added value and positively impact the common good. This includes certified Weleda natural and organic cosmetics and our equitable relationships with cultivation partners. Our MUNDI sustainable development centre in Schwäbisch Gmünd, Germany, also made a positive impression on B Lab. School classes, clubs and companies can visit the centre to experience sustainability first hand. Our collaboration with sustainable banks was highlighted as a further positive aspect of our operations, along with our publications, which offer readers inspiration for a green lifestyle.

Weleda in the markets: Brazil


Local sustainability strategy In 2021, Weleda Brazil developed a local sustainability strategy based on the company's global strategy. All aspects of the B Corp assessment served as a guide in assessing the current sustainability status, including a carbon emissions inventory of operations in Brazil. Five pillars have now been defined as areas of focus until 2025: sustainable products, environmentally sustainable and responsible operations, climate protection, diversity and social inclusion, and ethics and leadership.

CLIMATE NEUTRALITY

The feedback from the certification process was one of the impulses for us to pursue ambitious climate protection targets. For example, with our 1 % programme, we are investing an additional one per cent of our sales mainly in climate protection, soil health, and biodiversity. At the product level, all Weleda natural cosmetic products and medicines worldwide will become arithmetically climate-neutral from 2022. This applies to the company's overall carbon footprint as well as everything needed for the products – such as transport, supply chains, the cultivation of raw materials, and packaging, including production and disposal. Our goal is to continuously improve and meet ever-higher standards. This development will be re-evaluated for our recertification in 2024.

B CORPS WORLDWIDE ACHIEVEMENTS THROUGH SUSTAINABLE BUSINESS ACTIVITIES


200,000 ha
Land protected


16 M
Tonnes of carbon offset


225 M
Litres of water saved



B Corp certification is issued by the global non-profit organisation B Lab. There are currently around 4,500 certified B Corps worldwide from over 150 industries and 77 countries.

For a better world



How does B Corp certification benefit natural cosmetics users?

Customers are increasingly aware of the impact of consumption on our planet and society. People are quite rightly demanding that brands and companies address the consequences. Not only has this become a key aspect of the product and brand promise, it also helps make the world a better place.

Does this also apply to Weleda medicines?

As the industry leader in certified natural and organic cosmetics and anthroposophic medicines, we gladly build on this momentum to increase our impact. The pharmaceuticals industry is not as far along as the beauty industry in terms of sustainability, so we want to take a pioneering role in this sector as well.

Dr. Stefan Siemer is head of sustainability at Weleda.

NATRUE

Why the EU chemicals strategy poses major challenges for the natural cosmetics industry

The European Union has launched the European Green Deal. Its main goal is for Europe to be climate neutral by 2050. But what is less well known is the new EU chemicals strategy this entails. How will it affect natural and organic cosmetics?

The EU wants the environment to be toxic-free. The plan involves assessing how “dangerous” each chemical substance is, regardless of how factors such as concentration, for example, influences its effects. This new approach poses major challenges to the natural and organic cosmetics industry. Natural substances are often complex combinations of many different substances, and that is how they have been considered so far. Now it is required to prove that each individual substance is hazard-free. For us, undertaking this task would cause expenses to skyrocket. And it would be required even though we already know that the vast majority of natural substances can be used safely – something that has been proven by many centuries of experience.

What does it mean for Weleda if the EU chemicals strategy is successful?

It would affect not only the essential oils but also the natural extracts and fatty oils we use in our products. We would have to identify the exact composition of each natural raw material and the hazard potential of every single substance it contains. If there is no existing data, we would have to produce it – that means costs in the seven-digit range. And insufficient data on a single substance might mean that we would no longer be allowed to use the natural substances that contain it. The EU has not yet grasped the complexity of the situation. Of course, we are intensely engaged in ensuring a better understanding of the matter.

Are there any other challenges?

Almost daily, we encounter products that pretend to be natural. Greenwashing remains a threat to true and trustworthy natural and organic cosmetics. One relatively new trend is “Clean Beauty”. These cosmetics promise consumers that they are particularly safe and “clean” despite their use of chemical and synthetic substances. But their marketing implies that they are natural and sustainable.

NATRUE monitors political and regulatory developments for natural and organic cosmetics at both the European and international levels. What actions is the non-profit organisation taking to protect natural and organic cosmetics?

Defending natural raw materials and especially essential oils is currently a central task. Through our NATRUE office in Brussels, we are lobbying EU committees and growing our network through collaborations. For example, we are working together with the IVDK, the Information Network of Dermatological Clinics, who collect data on contact allergies from the entire DACH region. Through scientific documentation, we want to prove that natural substances – especially essential oils – are not drivers of allergies. There will be an initial publication of the results in the first half of 2022.



Dr. Bernhard Irrgang is head of research and development for Weleda natural and organic cosmetics and has been president of NATRUE since 2019.



NATRUE is an international non-profit organisation that promotes and protects authentic natural and organic cosmetics. The NATRUE label sets high standards to ensure quality and integrity. natrue.org

UEBT

How we will measure biodiversity in the future with a satellite-based pilot project

In 2021, we committed to working with our suppliers to develop measures to preserve biodiversity. To this end, we will implement the Biodiversity Action Plan, which comprises a comprehensive catalogue of actions drawn up by the Union for Ethical BioTrade (UEBT) to actively promote biodiversity in various supply chains. The goal: To preserve good soil and clean water, protect natural ecosystems, renaturalise landscape structures and support beneficial organisms.

Weleda natural and organic cosmetics carry the UEBT seal, a globally recognised standard for ethical trade in natural resources. During the audits of our raw material suppliers, we check whether the requirements of the Union for Ethical BioTrade are being met. This has shown that we need to work more closely with our suppliers to promote biodiversity. We need tools to measure and document biodiversity. Easy-to-use monitoring systems are needed to carry out such measurements, derive suitable support measures from them, and check them continuously. At the same time, the effort required of our suppliers to use these tools should be kept as low as possible. In 2022, we will implement the Biodiversity Action Plan in specific supply chains. With the wide variety of raw materials we source, we look for cost-effective solutions. Together with UEBT and other strategic partners, we are working on a satellite-based pilot project. Before we introduce the new measuring technology to our raw material suppliers, we will test it at our German medicinal plant garden in Schwäbisch Gmünd. Using the collected geospatial data, we can quantify and evaluate the ecological impact of cultivation. Based on our evaluations, we will develop plans to improve long-term biodiversity in the cultivation and harvesting of natural raw materials. The protection and regeneration of biodiversity is one of the most critical tasks for the future.

OUR SUPPLY CHAINS FOR NATURAL AND ORGANIC COSMETICS



Approved supply chains



Natural raw materials-related



Suppliers

UEBT certification is issued to companies whose raw material sourcing meets strict standards on the ethical treatment of people and biodiversity. The slogan says what the non-profit organisation promotes: how companies and suppliers can extract raw materials so that biodiversity is preserved and used sustainably.



The UEBT label guarantees that biodiversity is preserved during the use of natural raw materials and that all supply chain participants receive equitable treatment and fair pay. ethicalbiotrade.org

MORE EFFECTIVE AND TRANSPARENT CLIMATE PROTECTION

We have set ambitious targets for a climate-friendly future. Our first goal has already been achieved: Weleda has been a climate-neutral company since 2021.¹



Climate-neutral company¹

We have achieved climate neutrality at the company level through various measures with a long history. For many years now, we have been reducing the energy consumption of our buildings, production sites and vehicle fleet and increasing their energy efficiency in the process. In addition, we are continuously increasing the share of renewable energy we use. For example, by switching to more biogas in Germany and Switzerland, we were able to increase the global share of renewable energy in our buildings by 7 per cent year on year, to over 55 per cent in 2021. Several of our subsidiaries already use 100 per cent electricity from renewable sources. The remaining 2021 emissions of 7,041 tCO₂e have been more than offset by high-quality carbon certificates. It is important to us that climate protection also includes the protection of the soil and biodiversity and is implemented throughout our core business activities wherever possible.

Climate-neutral products

Our goal for 2022 is for all Weleda products to be arithmetically climate neutral. This enables our customers to make a conscious contribution to protecting the climate through their product purchases. In addition to corporate emissions, our product-related climate footprint includes emissions from packaging, raw materials and the transport of goods. Our initial analysis for 2019 showed a product-related climate footprint of approximately 100,000 tCO₂e, with an accuracy of about 20 per cent. Since 2021, we have been able to base our calculations on more detailed data. As a result, we can realistically expect a significantly smaller product-related climate footprint. We fully offset these emissions through high-quality carbon certificates. But not reducing our emissions would be no better than greenwashing. So we are currently developing a climate action plan, including a concrete emissions reduction path, to implement our targeted emissions reductions.



The path to climate neutrality

Weleda is also answering the call to support the goals of the Paris Climate Agreement. The core aim of the agreement is to limit human-caused global climate warming, if possible, to below 1.5 degrees Celsius. What part does Weleda play in this, and is our climate protection plan adequate? To answer these questions, we use the complex and innovative X-Degree Compatibility (XDC) model.

XDC measures a company's climate impact in relation to global warming and the economic sector in which the company operates. Put simply, the model measures a company's emissions (CO₂e) and calculates how much global warming could be expected if the entire world operated at the same emission intensity as the company analysed. The result is expressed in a tangible degree Celsius number: the XDC. Learn more about the methodology at:

➤ right-basedonscience.de/xdc-modell

COMPANY CLIMATE FOOTPRINT: PARIS COMPATIBLE

According to the XDC model, Weleda achieves a value of 1.4 degrees Celsius at the company level (Scope 1 and 2) for the year 2021, thus meeting the main target of the Paris Climate Agreement. We effectively reduced the climate impact of our energy consumption through appropriate measures and also offset it for 2021.

PRODUCT CLIMATE FOOTPRINT AND OTHER INDIRECT EMISSIONS (SCOPE 3 GHG PROTOCOL): NOT PARIS-COMPATIBLE

We decided to be transparent about all the climate-impacting activities that Weleda needs so it can operate as a business. These include a pension fund for employees in Switzerland as well as the energy consumption for heating water to take a shower and use our Aroma Showers. Depending on how broadly our activities are accounted for, the XDC calculation deviates from the baseline scenario aligned with the Paris Agreement by the following amounts:

- + 0.5 degrees Celsius (according to GHG Protocol, excluding product use phase and pension fund, wages and salaries, taxes and bank balances)
- + 1.2 degrees Celsius (according to GHG Protocol with product use phase, excluding pension fund, wages and salaries, taxes and bank balances)
- + 1.3 degrees Celsius (according to GHG Protocol with product use phase and pension fund, wages and salaries, taxes and bank balances)

The XDC analysis shows that we are on the right track. By the end of 2025, we aim to improve our overall climate impact by around 350,000 tCO₂e annually – equivalent to just under a third of our current emissions. If we achieve this goal, our overall reduction path will align with the Paris Climate Agreement.

Weleda in the markets: Czech Republic

A year of responsibility 2021 played a special role in the protection of healthy soils: Weleda Czech Republic became a partner of the Partnership Foundation, one of the largest environmental organisations in the country, and was a sponsor of the workshop series "How to make the world healthier with Weleda". 22 municipalities participated in the workshops. In addition, as part of the partnership, a Weleda garden was established at a public garden in Brno. The garden often hosts informational events and is especially popular with families.

¹ According to Scopes 1 and 2 of the Greenhouse Gas Protocol

Reduction and compensation

In 2021, we balanced the Weleda energy footprint at the company level.¹ In addition to reducing our own emissions we are supporting a number of offsetting and insetting projects.

● **Sekem Farm, Egypt**

Weleda and Sekem Farm in Egypt have a long-standing partnership. Since 1977, Sekem has transformed over 680 hectares of Egyptian desert into fertile land. Our activities with the farm include sourcing biodynamic-quality jojoba oil and support of a new project focusing on climate protection.

● **Sekem Farm, Egypt**

Sekem Farm's "Greening the Desert" initiative aims to reclaim another 1,000 hectares of desert soil. We are supporting this project by purchasing carbon offset certificates, which Sekem generates through its solar plants, among other things.

● **Bio Foundation, Switzerland**

We support the Soil Fertility Fund of the Swiss Bio Foundation to maintain and rebuild soil fertility on 45 hectares of farmland in Switzerland and Germany. The aim is to create a carbon sink by increasing carbon sequestration by approx. 1,100 tCO₂e over 20 years.

● **Peatlands in Jasmund National Park, Germany**

We financed the rewetting of two small moors, Schlangenwiese and Wesselsche Wiese, at Jasmund National Park on the island of Rügen. This is expected to increase carbon sequestration by approx. 1,950 tCO₂e over 30 years. Intact moorlands sequester large amounts of carbon. Restoring habitats for indigenous peatland animal and plant species increases biodiversity.



● **Offsetting projects**
Purchase of carbon credits from climate protection projects that sequester or avoid CO₂e.

● **Insetting projects**
Acquisition of carbon credits from climate protection projects in the Weleda supply chain that sequester or avoid CO₂e.

● **Reduction of emissions**
Purchase of carbon credits from climate protection projects that sequester or avoid CO₂e.

● **Further engagement**
Positive climate impact without generating eligible carbon credits.

● **Switzerland**
The Weleda headquarters in Arlesheim has been supplied with 100 per cent renewable energy since July 2021. This applies to both our buildings and our energy-intensive production processes. Since July 2021, we have also been sourcing 100 per cent biogas from a nearby plant.

● **Spain**
Introduction of a home office policy, resulting in fewer employee commutes and lower consumption of energy and operating materials.

● **Australia**
Switch to 100% electricity and energy from renewable sources.

● **Germany**
At our largest site, we doubled the share of biogas to 20 per cent and increased the share of electric cars.

● **France**
Service vehicles with combustion engines are being phased out and replaced by electric cars. A new cooling system enables more efficient production.

● **South Korea**
Introduction of a home office policy, resulting in fewer employee commutes and lower consumption of energy and operating materials.

● **North America**
Introduction of a digital onboarding process for new employees (no paper, less travel).

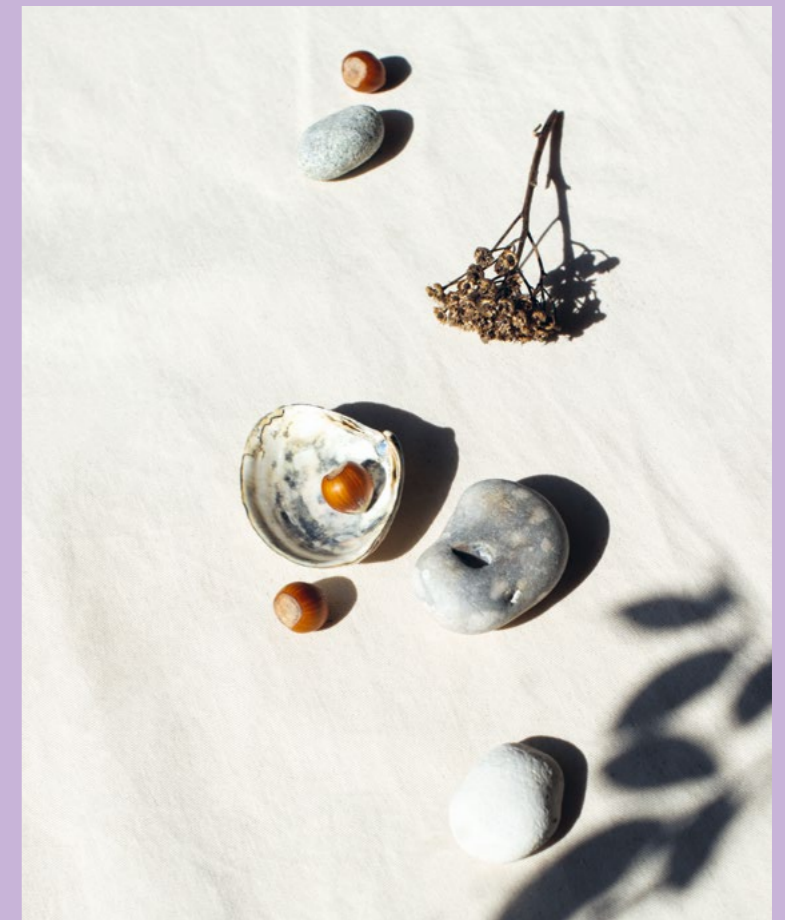
● **DACH (Switzerland, Germany, Austria)**
Introduction of a mobility-home office policy, resulting in fewer employee commutes and lower consumption of energy and operating materials.

¹ Energy footprint of the company: Mainly energy-related emissions for Scope 1 and 2 according to the Greenhouse Gas Protocol

Infludo® oral solution is a tried and tested cold remedy among Weleda's medicines - also for children aged 6 and above.

One Health

The pharmaceutical industry is facing great challenges
– because only if nature is healthy can people be healthy. Weleda has its own answers to these challenges.



HEALTH FOR PEOPLE AND NATURE

Medicines need to be more strongly linked to environmental protection and sustainability because healthy plants, animals and microorganisms are a prerequisite for healthy people.



The pharmaceutical industry needs to become greener. This is the stated goal of the European Union's new Pharmaceutical Strategy, which calls for reducing the "harmful impacts on the environment" of pharmaceutical substances. Germany's new Supply Chain Act also obliges German manufacturers of pharmaceuticals to fulfil their global responsibility to protect environmental standards and human rights in other countries, too. And the websites and annual reports of many pharmaceutical companies also testify to efforts to make their production climate-neutral, use more environmentally friendly packaging, establish lower CO₂ transport solutions, and compensate for unavoidable emissions with environmental projects around the world.

One of the most urgent tasks industry and politicians face is to reduce the number of pharmaceutical substances that enter water bodies. This became clear in a study conducted in 2019, which for the first time examined the risks posed by pharmaceutical residues in freshwater at a global level. Using trace amounts of an antibiotic and an epilepsy medication in water as a basis, an environmental scientist at a Dutch university developed a prediction model that can determine water contamination levels even in regions for which data is poor. Based on this model, since 1995 the risk of environmental damage from pharmaceutical residues in the water has increased 20-fold in some regions.

The focus is on residues of antibiotics, which are designed to kill bacteria. These residues can cause severe damage to ecosystems in streams and rivers and seriously disrupt the purification process in sewage treatment plants by eliminating "useful" bacteria. Residues of hormones such as those contained in birth control pills are known to make alligators infertile and feminise them, and antidepressant residues are known to make fish aggressive. These residues and their degradation products enter the water primarily through excretions flushed down the toilet or incorrect disposal via sinks, as well as from farms where animals are treated with medicines.

Of the approximately 3,000 active substances approved for use in Germany and contained in more than 9,000 human and veterinary medicine products, only very

«One of the most urgent tasks industry and politicians face is to reduce the number of pharmaceutical substances that enter water bodies.»



Stay calm, even in challenging times: Neurodoron® strengthens the nerves with potentiated gold and quartz and can help to alleviate symptoms of exhaustion and fatigue.



low concentrations, which according to current knowledge are harmless to humans, have been detected in the environment. Nevertheless, because of their effects on other organisms, these pharmaceutical residues should be kept out of the environment as far as possible. The German Environment Agency therefore also sees an "increased need for action" aimed at reducing the release of pharmaceutical substances into the environment.

THERE ARE NO EXCLUSIVE SPACES

The need for action is all the more relevant for pharmaceutical companies that have outsourced parts of their production to Asia. The state of the soil and water in the areas surrounding these factories is frequently deplorable, and the working conditions at the factories themselves can be inhumane. The laxer environmental and social standards in these countries make production cheaper, but the supply chains to Europe and North America are more vulnerable, and the carbon footprint is larger.

Protecting bodies of water is just one example of how crucial it is to ensure that medicinal products are more closely linked to the issues of environmental protection and sustainability. While it is true that efficacy and tolerability have priority, questions such as where the raw materials come from, under what conditions they are processed, how medicines are packaged and disposed of, and how they degrade in the environment must also be relevant for manufacturers, distributors, doctors and pharmacists, and also for patients.

While there is already considerable awareness of the environmental impact of foodstuffs, textiles, and other products, there is considerable catching up to do in the case of medicines. In a world where organic foods and eco clothing are widely available, and various labels and certifications

provide information about their CO₂ footprint and environmental and social compatibility, the time has come to introduce organic medicines sold at organic pharmacies.

In the health sector, too, there is no alternative to a large-scale green revolution. In a world that is more interconnected than ever before, whose inhabitants all breathe the same air, drink the same water and obtain their nourishment from the same soil, there are no exclusive spaces. Healthy plants, animals and microorganisms are a prerequisite for healthy humans. Only if the planet is healthy can its inhabitants be healthy. Globalisation must therefore evolve into green globalisation – and the pharmaceutical industry into a green industry.

«While there is already considerable awareness of the environmental impact of foodstuffs, textiles and other products, there is considerable catching up to do in the case of medicines.»

Euphrasia® Eye Drops contain herbs to soothe itchy or burning eyes. Arnica Bumps & Bruises Skin Salve 30 % provides relief for muscle aches, sprains and bruises.



Weleda invests in research

In February 2022, the medical journal "Evidence-Based Complementary and Alternative Medicine" published the results of an observational study of the Weleda medicine Neurodoron®, which contains a complex composition of minerals and metals (ferrum quartz, gold and potassium phosphoricum). Dr. Claudia Rother, a scientist and employee at Weleda, coordinated the study, which was conducted at 74 German pharmacies. Cristina Semaca, a biostatistician at Weleda, analysed the data of the 175 patients in total.¹

The results²

71 %

of all patients said that their stress score was reduced after 3 weeks of treatment with Neurodoron®.

39

individual symptoms were examined more closely. The sum score showed a significant decrease in stress-related symptoms, from 18.1 to 12.1 points.

76 %

of all patients rated the effectiveness of Neurodoron® as "good" or "very good".

97 %

of all patients rated the tolerability of Neurodoron® as "good" or "very good".

Observational studies like this one provide a good body of "external evidence" in medicine, showing how well a medicinal product performs in practice. This is an important supplement to "internal evidence", which shows how well the medicinal product works based on randomised clinical trials, or in other words, in comparison with a control group. This was also demonstrated for Neurodoron®.³ As a research-based pharmaceutical company, Weleda will invest millions of euros over the next few years to deliver both external and internal scientific evidence for the effectiveness of its medicines through clinical studies. At the same time, our researchers are looking for new, effective medicines to treat the diseases of our times.

«"For over 100 years, biodiversity, animal welfare and high ethical standards in our dealings with employees and suppliers have been at the heart of what we do»

DR. ALDO AMMENDOLA



Nature's pharmacy

Ferns, willow leaves, bittersweet nightshade: in Weleda's medicinal plant garden near the city of Schwäbisch Gmünd, Germany, renewable raw materials thrive and are also used in over-the-counter anthroposophic medicines.

At the end of June, it's all hands on deck at Weleda. At sunrise, even employees who normally work in the office or in production are out in the medicinal plant garden in the village of Wetzgau, north of Schwäbisch Gmünd in southern Germany. This is the time of year when the calendula blooms **1**, and it takes many hands to pick the orange flower heads. Still dew-fresh from the field, the flowers are then processed for our relaxing Baby Calendula Bath. Weleda's Cuts and Grazes Skin Salve also contains calendula, as well as witch hazel flower extract **2**. Weleda's 23-hectare medicinal plant garden is one of nature's pharmacies. Spread out across flowerbeds and fields, more than 1,000 plant species thrive here, around 160 of which are processed into tinctures for medicines and natural and organic cosmetics. By sourcing renewable raw materials from its own biodynamic agriculture, Weleda also avoids sourcing difficulties, especially when it comes to rare species like the purple-flowered bittersweet nightshade **3** contained in Dermatodoron Ointment. Tall swaying yellow gentian **4**, centaury and chicory **5** provide the bitter extracts for Weleda's Amara Drops. Other plants that are harvested here are the male fern **6**, silver willow leaves, osier and golden willow **7** for Digestodoron tablets, as well as cotton thistle **8** for our Cimicifuga drops to treat menopausal symptoms. The ubiquitous stinging nettle **9** is also used, for instance, in Weleda's Combudoron Gel.

"Here in our own garden, we can watch out for the best moment for harvesting," says Dr. Christian Birringer, head of tincture production. "And we also know the biography of the plants," he adds. The raw materials used in anthroposophic medicines should have as clean a history as possible. Ideally, the plant comes from its own soil: Weleda gardeners harvest about 90 per cent of the seeds they use from plants they have grown themselves - ready for the next season.

Guided tours through the medicinal plant garden:
www.weleda.de/erlebniszentrum/veranstaltungen/fuehrungen-garten





**In rhythm
with nature**
8 medicinal plant
gardens across the globe

Once Weleda's gardeners in Wetzgau, Germany have picked the last calendula flowers, the sowing of seeds begins at our garden in New Zealand. For Weleda, the gardening year is cyclical in two respects. Not only does it follow the rhythms of nature but also those of the company's eight medicinal plant gardens scattered across the globe – in addition to its largest garden in Germany, it has seven more in France, Switzerland, England, the Netherlands, Argentina, Brazil and New Zealand. The plants themselves tell the gardeners what they need for healthy growth. "The communication requires attuning the senses," says Claire Hattersley, head gardener at Weleda's garden in Ilkeston in central England. She explains that medicinal plants fare better in locations that correspond to their natural habitat; cowslip, for example, is grown in a wildflower meadow there. Her colleague Jorge Giusto even lives in the Weleda garden in Argentina, at an altitude of 1,285 metres. And the eucalyptus oil for Weleda's Soothing Chest Rub comes from the garden in New Zealand.

Taking a holistic approach

Weleda develops medicines using an integrative approach – combining traditional knowledge from phytotherapy, naturopathy and anthroposophic medicine with cutting-edge scientific research methods.

According to surveys, three-quarters of Germany's population is in favour of integrative medicine – the therapeutic approach in which conventional medicine and complementary therapeutic systems such as anthroposophic medicine complement each other in a meaningful way. As a research-based pharmaceutical company and manufacturer of anthroposophic medicines, Weleda attaches great importance to generating evidence through preclinical studies – for example, on the specific effectiveness profile of arnica extracts, which are made from the whole plant including the root, as opposed to preparations made from only the arnica flower. This means that integrative medicine is no less science-based than conventional medicine. The integrative approach is based on a holistic understanding of human beings in all their physical, mental, social and spiritual dimensions. Healing in this sense means not just overcoming acute illness but also strengthening a person's ability to self-regulate in the long term. Integrative regulatory medicine using medicines made by Weleda aims to bring the systems of an organism that are out of balance back into a dynamic equilibrium, for example, in cases of stress-related illnesses or disorders of the digestive system.

«We need to become even greener.»

Micro- and molecular biologist Dr. Aldo Ammendola explains why our medicine will continue to be an integral part of an environmentally sustainable health system in the future.

How green is Weleda?

Ecology and environmental sustainability are hard-wired into our DNA: for over a century, we have been producing plant-based medicinal products – made 100 per cent from plants grown using organic or biodynamic methods. Incidentally, most of the medicinal plants we use are grown in our company's own garden in Schwäbisch Gmünd. We do not produce these medicines in low-wage countries with weak environmental and social standards, but regionally, in Germany and Switzerland, for example. "For over 100 years, biodiversity, animal welfare and high ethical standards in our dealings with employees and suppliers have been at the heart of what we do. In both our divisions – medicines and natural and organic cosmetics – 80 per cent of our plant-based raw materials come from organic cultivation, including 20 per cent from farms using biodynamic methods. So we're already quite green, but we want – and need – to become even greener.

What action do you plan to take?

We are planning a wide range of small and larger measures. We want to double the proportion of raw materials from biodynamic agriculture in our products to 40 per cent company-wide. This year we are launching our 1 % programme, which means that we will invest an additional one per cent of our turnover in climate protection, biodiversity and soil health. We aim to make all our products arithmetically climate neutral, and we also want to improve in the areas of sustainable packaging, resource-saving research, environmentally-friendly production, pharmaceutical substances disposal and wastewater pollution. For example, in our production processes, we use environmentally friendly bioethanol, which can be made using much less energy than conventional industrial alcohol. And we want to help our customers and patients to navigate the jungle of



Dr. Aldo Ammendola is a member of the Weleda Executive Board and responsible for Research and Development and Quality.

greenwashing by establishing meaningful, verifiable labels and certifications. For Weleda, sustainability is not just a fashionable "add-on" but forms the core of our company's identity. We want to continue to be a pioneer and role model in the long-overdue green revolution of the pharmaceutical industry.

How green can Weleda afford to be in a highly competitive industry?

Like other companies, we also strive to make a profit – but only as a means to an end. We describe ourselves as a purpose-driven company, meaning that we do not focus on maximising profits at any cost. Our company's mission is to contribute to health and beauty – in harmony with people and in harmony with nature.

Plant power: Skin Food Body Lotion
nourishes very dry skin with plant extracts
such as soothing chamomile.



One Beauty

Healthy soils, vital plants,
beautiful skin; many things must
come together for natural and organic
cosmetics to be truly sustainable.

Weleda is constantly
developing in this respect.



GREENWASHING OR AUTHENTICITY?

Even when something is labelled “organic”, it doesn’t always mean that it is organic on the inside. With growing demands for natural and organic cosmetics, the supply is growing, but so is the thicket of labels.



Pure spring water. Plant-based substances. Organic in any case: natural cosmetics are as old as humankind. For millennia, people used what nature offered until the mid-20th century, when big businesses took over the mass production of body care products. From then on, consumers welcomed chemical cocktails into their modern bathrooms and onto their skin. Natural organic cosmetics led a niche existence after that, gathering dust in the first organic shops in the 1970s. What tentatively began out of a desire for a more environmentally friendly and healthier lifestyle has developed into a revolution in awareness.

Ever more customers are turning away from blind consumption. They are leading a sustainable lifestyle based on a new outlook: How can I be conscious of my consumption? How can I reduce waste and my carbon footprint? What products help me do that? Not only do people want cosmetics to have a positive effect on the skin but also on the planet – that their consumption does not cause harm. That means they should be natural, as climate-neutral as possible in their production and use, made with active ingredients from certified organic cultivation, fairly traded and microplastic-free. In Germany alone, around 1,330 tonnes of microplastics from cosmetics contribute to the ongoing pollution of oceans and soils.

Ideally, natural and organic cosmetics should therefore come unpackaged and refillable. What packaging they have should not be made of plastic – or at least be made of recycled and recyclable plastic. In 2020, more than 80 per cent of participants in a survey said they buy natural cosmetics “out of consideration for nature”.

When the motivations for sustainable consumption were researched in 2021, 35 per cent of respondents said they chose sustainable cosmetics “because of better quality”, and 33 per cent preferred cosmetic products without microplastics for sustainability reasons. With the growing prevalence of issues such as climate change, the protection of endangered species and resources, and the Fridays for Future movement, “green” thinking has gone mainstream. In the German cosmetics market, only the natural and organic cosmetics segment is currently growing – by five per

«Ever more customers are turning away from blind consumption. They are leading a sustainable lifestyle based on a new outlook.»



For Mother & Baby: Stretch Mark Massage Oil in the green glass bottle prevents stretch marks with jojoba oil and arnica. Calendula Nappy Change Cream cares for and protects delicate baby skin in the nappy area.



As one of four new shower gels, Energy Aroma Shower helps you feel uplifted and alert with extracts of ginger, citronella and cedarwood.

cent in the first half of 2021 alone. Sales have doubled since 2010 to about 1.46 billion in 2020.

CONFUSING MARKETING PROMISES

This consumer trend has caught the industry's attention. Shelves have long been stocked with "organic" brands bought up by large corporations, alongside products by traditional natural and organic cosmetics manufacturers. The absence of legal requirements for so-called organic, near-natural, natural cosmetics or holistic natural cosmetics has led to a jungle of marketing promises appearing on packaging. How can consumers distinguish between them? How can they know whether to trust "green beauty", "clean beauty" or "conscious beauty" or if they have fallen for "greenwashing"? How are they to know what "natural", "organic" or "eco" entails? Seals can provide orientation, but many boast a wide variety of quality claims. Companies often tailor the certification to their own value system. Even the leading natural cosmetics labels of NATRUE and Cosmos differ in their requirements, despite their strict standards.

Since 2007, the Union for Ethical BioTrade (UEBT) seal guarantees that the raw materials used in UEBT-certified natural and organic cosmetic products have been cultivated and harvested "with respect" – respecting biodiversity and the rights of local communities, including contracts with fair pay and working hours. The Due Diligence Act passed by the German government in the summer of 2021 now requires all companies to ensure they operate in compliance with human rights. While this also applies to companies' direct suppliers, it does not apply to their entire supply chain. The entry of large international brands into the natural and organic cosmetics business has led to a shortage of raw materials, particularly those of organic quality. Over the last two years, the Covid-19 crisis has exacerbated the situation. Es-

tablished natural and organic cosmetics companies have, at least in part, been able to draw on long-standing relationships with producers around the world, and support them in social aspects or with technical know-how, such as in the switch to organic or biodynamic cultivation.

We live in an age where thinking is no longer linear – from manufacturer to consumer, from purchasing deodorant to its disposal in the bin. People are increasingly thinking in terms of cycles. They want to take responsibility and buy products from companies they can identify with in good conscience.

After all, beauty is the sum of what makes a person. It comprises not only appearance but also thoughts, feelings and actions. The beauty of people and the Earth are one.

«People increasingly want to buy products from companies they can identify with in good conscience.»

One Beauty: Effectiveness



Natural feels good!

Certified natural and organic cosmetics have long since ceased being heavy on the skin. Where conventional products continue to rely on chemically derived substances, such as silicones or synthetically produced hyaluronic acid, Weleda finds new sustainable formulations.

Patience, perseverance and detective-like intuition – that's what it takes to make holistic natural and organic cosmetics even better. Countless laboratory tests are needed, for example, until the powdery skin effect of silicones in conventional cosmetics can be achieved with natural substances. "We have now succeeded in doing this with blends of precious plant oils in our Skin Food Body Butter," notes Dr. Bernhard Irrgang, who heads research and development of natural and organic cosmetics at Weleda. "Our new body lotions were tested against conventional products and actually scored better in absorption and skin feel."

Today, naturalness, smooth textures and scientifically measurable performance are complementary factors. The Prickly Pear facial care series is one case in point – Weleda's answer to the moisture booster hyaluronic acid. Hyaluronic acid is produced chemically or with the help of microorganisms, some of which have been genetically modified. "We found an alternative based on a plant extract," explains Dr. Irrgang. "It's something entirely new, and we have filed a patent for the manufacturing process."

Organic prickly pear extract supports the skin's moisture; the plant is a survival artist in low-water environments. "Tests have shown that prickly pear extract significantly increases moisture in the skin," says Dr. Irrgang. In the beginning, there was also investigative work involved. "It helped that we have an incredible knowledge of plants," he adds. Weleda is one of the few natural cosmetics companies producing its own extracts and active ingredients.

Weleda in the markets: Benelux
Weleda City Spa x Van der Valk Hotels Thanks to a collaboration with the well-known Dutch hotel chain Van der Valk Hotels, three new Weleda City Spas celebrated their opening in 2021. Since then, the spas at the three hotels in Vught (NL), Tiel (NL) and Ghent (Belgium) have welcomed nearly 1,500 visitors. The most popular services are the partner and relaxation massages and beauty treatments. In 2022, two more spas will be added – at the hotels in Lelystad and Gorinchem.

One Beauty: Healthy soils



Caring for the soil

Healthy soils store almost as much CO₂ as the world's oceans - thanks to earthworms that convert plant residues into humus. At Weleda's medicinal plant garden in Wetzgau, Germany, they also contribute to its incredible biodiversity.

Most medicinal plants do not like overfertilised soil. They love a "meagre" terrain, where they can develop according to their own nature and structure. A prime example is the Weleda garden in Wetzgau near the city of Schwäbisch Gmünd in southern Germany. Across 23 hectares of soil, some 160 medicinal plants, including the bright orange flowering calendula, thrive in soil fertilised only with compost. "Plants become bloated and produce more leaves than blossoms when they get too much nitrogen from synthetic fertilisers," says Dr. Christian Birringer. The pharmacist manages tincture production at Weleda.

The soil is the foundation: there is no healthy growth without healthy roots. While a small biodynamic garden initially yields around 20 per cent less than conventional cropland, in the long run, it has more harvest cycles - while monocultures impoverish the soil. Since 2019, Weleda has been using true cost accounting (TCA) to compare the total costs of regenerative agriculture with conventional agriculture. Positive and negative effects, including on soil fertility, climate protection and the water balance, are determined in each case and converted into monetary values. For example, TCA showed that the positive effect of biodynamically grown calendula - from sowing to the end product - is 600 euros higher per hectare and year. This year, Weleda will launch a new programme to study biodiversity in conventionally and biodynamically farmed soils in greater detail.

Weleda in the markets: Spain

School projects on biodiversity, agriculture and soil conservation Respect for the environment plays an important role in Spanish schools, where educational projects foster children's engagement. To support this valuable work, Weleda Spain invited schools working on biodiversity, agriculture, and soil conservation projects to participate in a competition in 2021. A total of 24 schools participated and submitted their projects. Their ideas ranged from insect hotels and birdhouses to biodynamic vegetable gardening.

5 KILOMETRES OF HEDGES

They structure the 23,000 m² site: Bushes and shrubs such as hawthorn and witch hazel, together with horse chestnut and other trees, provide cool spots for shade-loving medicinal plants, nesting sites for birds and retreats for hares and slow worms, and protect deer from sight.

LARGE AND SMALL PONDS

Fish and amphibians like toads and frogs populate the garden ponds and wetlands. Ducks paddle across the water's surface and help maintain biological balance by eating slugs before too many of them feast on the medicinal plants.

DIGGING TUNNELS

Digging up earthworms in the soil pleases blackbirds and shows that the soil is healthy. The rain worms constantly compost plant residues into humus, which keeps the soil moist. Their droppings also serve as a valuable fertiliser in the subsoil. Medicinal plants like to form their roots inside the metre-long tunnels that the earthworms drill into the depths.

PERPETUUM MOBILE

Healthy soil, like that in Weleda's medicinal plant garden in Wetzgau, Germany, provides the basis of a healthy life cycle for mammals, amphibians, microorganisms and plants. Butterflies feed on the nectar in flowers, moving pollen between them and helping to preserve biodiversity.

NEW EARTH

In biodynamic farming, the soil is seen as an organism: the greater its biodiversity, the more valuable it is throughout the garden. Vital soil provides the foundation with its wealth of beneficial bacteria and fungi that break down minerals for plants through metabolic processes, so they need little or no biological fertiliser. Different areas are regularly given time for plant residues to compost and become nutrient-rich humus.

One Beauty: Biodiversity



Sourcing with Respect

As the beginning, so the end: To ensure that customers can buy Weleda products with a clear conscience, Weleda attaches great importance to sourcing raw materials with respect and protecting biodiversity. This is also the case with the wax of the carnaúba palm.

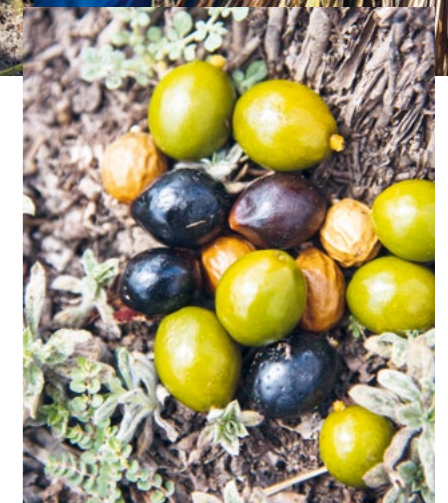
It looks like skyward fishing: in a palm grove in the hot, dry northeast of Brazil, half a dozen workers stretch long, swaying bamboo poles into the air. Each pole has a second bamboo stick tied to it, at the end of which is a sharp hand sickle; they use this tool to cut fan-shaped leaves from the palm treetops, about 15 metres high. A deft jerk with both hands – and the dark green leaves tumble rustling to the ground. Adhering to each leaf are just a few grams of a white, sticky powder containing a coveted substance: the wax of the carnaúba palm. With its high melting point, this wax makes facial care products like lipsticks and creams both smooth and stable. Weleda also uses it for this purpose, sourcing it from a company that produces the wax sustainably, certified since 2019 by the Union of Ethical BioTrade (UEBT, see page 19). The UEBT seal guarantees that raw materials have been sourced with respect for people and nature.

Weleda itself has already been UEBT-certified in its natural and organic cosmetics segment since 2018, and auditing all its supply chains according to the UEBT standard plays an important part. In 2021, slightly more than 80 per cent of the raw materials Weleda purchased for its natural and organic cosmetics were sourced from organic farms (a total of 2,100 tonnes), 16 per cent of which (410 tonnes) were grown according to biodynamic principles. These included numerous plants from Weleda's own gardens. Its proportion of biodynamically cultivated raw materials is expected to double in the coming years.

Some raw materials are sourced through wild collection, such as the arnica flowers that are important for Weleda. A long-standing partnership in Romania ensures that Weleda has a constant supply with consistent quality (several tonnes annually). It also means that the arnica pickers in the Carpathians have a reliable income, so they do not have to move to the city in search of work. Carnaúba wax, of which Weleda only needs about one tonne per year, also comes from wild collection of the plant's young, green leaves.



Protective goggles and a sun hat of carnaúba straw: Harvesting the wax-laden palm fronds (below left) is strenuous and requires experience. The ground and roasted seeds of the palm fruit are a popular coffee substitute.



After harvesting, the leaves are spread out on a large area and dried under the sun. Then they are fed into a machine that chops the leaves, separates them from the waxy powder, and blows the powder through a hose into bags. Carnaúba palms grow for 20 years before yielding a first harvest – only 275 grams per palm with an average of 60 leaves. The complex harvesting process contributes to the conservation of this unique plant and helps preserve biodiversity in the Caatinga thorn bush savanna. When cutting the carnaúba leaves, workers also remove the tendrils of a rampant vine that would otherwise suffocate the palm trees with its thicket.



Unpackaged Less is more

Refillable body oils and showers: launched in 2021, the Unpackaged project was an important step in the right direction. Customers last year could fill their own containers with four popular Weleda skin care products at three branches of the Alnatura organic supermarket – in Frankfurt, Karlsruhe and Freiburg. The offer is one of Weleda's initiatives to reduce packaging waste. "The CO2 balance is up to 20 times better if you use reusable containers over and over again," says Dr. Stefan Siemer, head of corporate sustainability at Weleda. If that is no longer possible, the containers "should return to us in the long term," says Murat Haner, head of packaging development in Switzerland, describing Weleda's vision.

BOTH THIN AND STURDY

Clean, minimalist and good for the environment: Weleda is developing reusable and recyclable packaging using as little material as possible. One example is our Skin Food Body Butter.

THE LID

Conserving resources starts with closure: The eco-design lid of the green glass jar of Skin Food Body Butter is made of lightweight and recyclable plastic. Once the container is no longer needed, the jar can be recycled with other waste glass, and the lid can be recycled with plastics.



LABELS

As much information as necessary, as flat as possible: Weleda is working on packaging stickers with these characteristics. It is also developing a new adhesive, enabling easy label removal. The jar can go on to enjoy a second life, maybe even as a jewellery box...

THE JAR

Nourishing Skin Food Body Butter comes in a jar of green glass with a high percentage of recycled glass. It replaces the previous thicker-walled, partially recycled plastic container. The new jar is both lightweight and shatter-resistant, providing optimum protection for its content.

Weleda in the markets: New Zealand

More sustainable packaging Weleda New Zealand tackled packaging in 2021 to make it more environmentally friendly. Instead of using large quantities of bespoke packaging made of laminated cardboard as before, there are new boxes that come in two standard sizes, with lids made of unbleached cardboard. The boxes are not glued and are sturdy and plain enough to be reused at home for storage or gift wrapping. Moreover, they are compostable and recyclable.

More beautiful with microbes

The skin's microbiome is also an ecosystem. Weleda is taking a closer look at these microorganisms. Seven questions for the food chemist Petra Bach.

Why is the skin microbiome an important topic for Weleda?

Weleda has been working intensively for three years on this topic, which we believe is a perfect fit for the company. We strive to preserve biodiversity in nature's ecosystems. The skin microbiome is also an ecosystem and thrives on the diversity of its microorganisms.

What does this ecosystem look like?

Research currently estimates that one person is populated by about 38 trillion microorganisms – roughly the same as the number of cells in our body. It is not possible to say precisely how many different microorganisms are active on the skin alone, as each person has an individual microbiome.

Is the skin microbiome the same as the skin barrier?

No, the skin consists of three layers, and the outermost layer is the so-called skin barrier. Imagine it as a brick wall: the bricks are horny cells, and the cement between them consists of double lipid layers. The epidermis is the top layer of the skin, and the microbiome lies on top of that like a fine film. The microbiome exists in symbiosis with the skin and serves as its protective shield. As our largest organ, the skin protects our body from external influences, but it also needs protection itself. If the skin is healthy, the microbiome usually is too, and vice versa.

What about the microbiome is Weleda currently working on?

We have started to identify which of our products are "skin microbiome-friendly". This is the case for the Skin Food range, and more of our holistic natural and organic cosmetics products will follow this year. It is important for us to scientifically prove that our products maintain the skin's microbiome in a healthy state and not throw it out of balance.

What challenges does Weleda face in this regard?

To have a positive effect, a product must provide the skin



Petra Bach is Head of scientific and regulatory affairs, natural and organic cosmetics Organic Cosmetics at Weleda.

with ample moisture – moisture is always good for the growth and maintenance of bacteria. Our products should not have an antibacterial effect but be microbiologically safe.

How can all this be proven?

For this purpose, we are working together with the Liechtenstein-based company My Microbiome. It developed a special laboratory procedure to determine the effect of our products on select bacteria of the human skin microbiome.

There is now more public awareness about the soil microbiome. Are there parallels between the microbiome of the skin and that of the soil?

Yes, indeed. Both are ecosystems that respond to light and air and the surrounding environment. The more species they have, and the better the balance of those species, the more stable and resilient they are.

Our commitments and goals for sustainability

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Product development and products

Contribution to the Sustainable Development Goals of the United Nations



More about Weleda and the Sustainable Development Goals of the United Nations on page 58.

Our commitments	Milestones 2021	Trend	Assessment
100% Natrue certification for all cosmetic products	<p>Relaunch of body care lotions:</p> <ul style="list-style-type: none"> • Skin Food Body Lotion • Pomegranate Regenerating Body Lotion • Sea Buckthorn Revitalising Body Lotion • Wild Rose Harmonising Body Lotion • Citrus Refreshing Body Lotion • Sensitive Body Lotion <p>Relaunch of Aroma Showers:</p> <ul style="list-style-type: none"> • Skin Food Body Lotion • Energy Aroma Shower • Harmony Aroma Shower • Love Aroma Shower • Relax Aroma Shower 	↗	●
High vertical integration (fragrance development, quality control and tincture production)	Strengthened vertical integration, for example, in tincture production	→	●

New targets for 2022	Status quo 2021	Trend	Assessment
Attractive and sustainable packaging			
<p>Natural and organic cosmetics primary packaging (based on the weight of all packaging produced, including closure systems):</p> <ul style="list-style-type: none"> • At least 65 % recycled materials or bioplastics • At least 75 % recyclability or compostability 	<ul style="list-style-type: none"> • Share of recycled material: approx. 45 % (post-consumer recycled material, PCR) • Recyclability percentage: approx. 85 % • Activities in 2021: Conversion of body lotion bottles to 97 % rPET; conversion of deodorant spray bottles to green glass with recycled content; conversion of Men Care bottles to green glass with recycled content; conversion of facial cleansing bottles to blue glass with recycled content; 100% rAlu tubes test phase starts; successful pilot phase of the Unpackaged pilot project 	↗ →	● ●
<p>Natural cosmetics packaging (folding boxes, package inserts):</p> <ul style="list-style-type: none"> • 100 % sustainable paper or cardboard (e. g. recycled material, FSC label) • 100 % recyclability or compostability 	<p>Share of sustainable paper or sustainable cardboard:</p> <ul style="list-style-type: none"> • 100 % (FSC-certified and/or recycled material) • Recyclability percentage: 100 % 	→ →	● ●
<p>Natural cosmetics transport packaging:</p> <ul style="list-style-type: none"> • 100 % sustainable paper or cardboard (e. g. recycled material, FSC label) • 100 % recyclability or compostability • Increasing the share of ecological filling and packaging material 	<ul style="list-style-type: none"> • Share of sustainable paper or sustainable cardboard: 100% (FSC-certified and/or recycled material) • Recyclability percentage: 100 % • Activities in 2021: New transport packaging system implemented 	→ → ↗	● ● ●

Trend: ↗ rising → unchanged ↘ falling Assessment: ● Target easy to reach ● Target difficult to reach ● Target very difficult to reach

Management and finance

Contribution to the Sustainable Development Goals of the United Nations



More about Weleda and the Sustainable Development Goals of the United Nations on page 58.

Our commitments	Milestones 2021	Trend	Assessment
Value added statement	Continuation in 2021 (see page 60 and inside cover)	→	●
Financial resilience through corresponding equity ratio and liquidity	<ul style="list-style-type: none"> • Stable high equity ratio, high resilience and high independence of the company • As in 2020, no interest-bearing financial liabilities at year-end 2021 	→	●
Ensuring future viability through investment in the development of the company	<p>In 2021, Weleda again undertook projects for the company's ongoing development. Highlights include:</p> <ul style="list-style-type: none"> • Groundbreaking of the new logistics centre in Schwäbisch Gmünd • Construction begins to expand the production facility in Arlesheim • Opening of the Weleda City Spa in Stuttgart • Installation of the new combination tube line in Schwäbisch Gmünd for natural and organic cosmetics products • Start of implementation of the new purpose-centric corporate strategy, the new natural and organic cosmetics strategy and the pharmaceutical strategy • „Unpackaged pilot project for natural and organic cosmetics in Germany, in partnership with Alnatura • B Corp certification of Weleda AG and the entire Weleda Group • Various projects to increase the share of biodynamic raw materials 	↗	●
Definition of sustainability criteria for investment of the endowment fund of the Swiss pension fund	Implementation of the sustainability criteria Complete first-time accounting of the climate impact on the Weleda climate footprint	→	●

New targets for 2022	Status quo 2021	Trend	Assessment
Global B-Corp			
Weleda and all its branches certified as B Corp	Successful certification of Weleda AG and the Weleda Group with a score of 106.8	↗	●

Trend: ↗ rising → unchanged ↘ falling Assessment: ● Target easy to reach ● Target difficult to reach ● Target very difficult to reach

Regenerative farming and biodiversity

Contribution to the Sustainable Development Goals of the United Nations



More about Weleda and the Sustainable Development Goals of the United Nations on page 58.

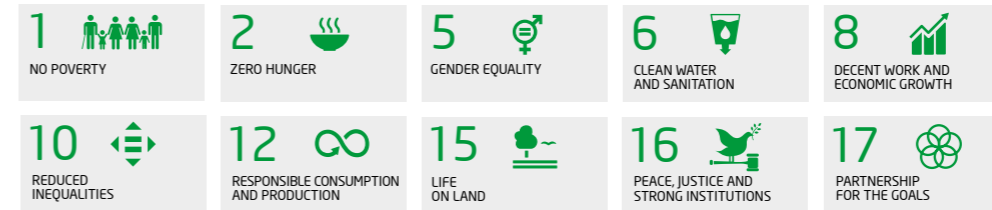
Our commitments	Milestones 2021	Trend	Assessment
Minimum average organic proportion of 80 %, based on certifiable raw materials	Current status: 80 % • Organic requirement implemented for new raw materials • UEFT standard: New partners comply with organic requirements and implement social and environmental requirements	→	●
Commitment to a more sustainable palm industry	Participation in the Forum for Sustainable Palm Oil (FONAP); collaboration with BOS Germany (Borneo Orangutan Survival)	→	●
Eight own medicinal herb gardens worldwide (Germany, largest bio-dynamic garden in Europe, Switzerland, France, England, Netherlands, Brazil, Argentina, New Zealand)	Medicinal plant garden in Germany: • New log hive (hollowed tree trunk) erected for bees at the Federal Garden Show site in Schwäbisch Gmünd • New large insect hotel installed • New species detected: nightingales, tree frogs	→	●

New targets for 2022	Status quo 2021	Trend	Assessment
Initiative for biodynamic agriculture	Ongoing exploratory talks on alliances with external partners Priorities: • Expansion of biodynamically farmed areas (with Demeter) • Enhanced communication on the benefits of regenerative agriculture; new projects and alliances for the conversion to biodynamic raw materials, such as the Living Soil Journey with non-profit partners: www.living-soil-journey.de	↗	●
Increase in the proportion of raw materials from biodynamic agriculture to 30 %	• Ongoing sourcing of raw materials already available in biodynamic quality • Ongoing conversion from organic to biodynamic quality for raw materials: Lavender (Moldova and Bulgaria)	↗	●
Promotion of biodiversity in projects and with stakeholders	• Participation in the Union for Ethical BioTrade (UEBT): board chair and seats on various committees • Weleda has been certified according to the UEFT Ethical Sourcing System since mid-2018; as a result, the supply chain management system has been greatly intensified. 73 supply chains in 30 countries have since been audited. The UEFT logo is displayed on our new cosmetics packaging • Increased communication on biodiversity/UEFT and Demeter, including in trade	↗	●
Seed strategy and seed initiative	• Seed strategy to preserve seed diversity and promote alternative seed initiatives • Support for organisations such as Initiative Bio-Saatamen Sonnenblume (IBS), Hortus officinarum and Zukunftsstiftung Landwirtschaft, which, like Weleda, are committed to the promotion of GMO-free, hybrid-free seeds and transparency in organic supply chains. Ongoing pilot project with scientific support and in partnership with other companies and universities to link the business of wild collection for pharmaceutical companies with nature conservation in the collection areas in Romania	→	●

Trend: ↗ rising → unchanged ↘ falling Assessment: ● Target easy to reach ● Target difficult to reach ● Target very difficult to reach

Respectful supply chain

Contribution to the Sustainable Development Goals of the United Nations



More about Weleda and the Sustainable Development Goals of the United Nations on page 58.

Our commitments	Milestones 2021	Trend	Assessment
Cultivation projects (approx. 50 worldwide)	Support of social and ecological initiatives and projects (selection): • Egypt - Jojoba: Climate protection through insetting in the supply chain; support for the Greening the Desert initiative by Sekem farm • Moldova - Lavender: Conversion to biodynamic agriculture with support from the German Investment and Development Company (DEG); support through another PPP project with the German Society for International Cooperation (GIZ) to help harvest workers and the village community through the Covid-19 pandemic • Albania - Calendula, pansy (viola) and sunflower: Cultivation in a nature reserve; job creation for the rural population • Romania - Arnica: Preparation of a project with the German Federal Environmental Foundation (DBU) to protect the traditional landscape, ensuring wild collection of arnica in the future. Measures include mapping arnica meadows and pastures, observing the site with drones, and land management evaluation • Bulgaria - Lavender: Consultations on biodynamic cultivation	→	●
UEBT management system for the entire supply chains of natural raw materials in the natural and organic cosmetics area	See Ethical Sourcing Commitments, page 106	↗	●

New targets for 2022	Status quo 2021	Trend	Assessment
Transparency regarding true costs	Completion of the two-stage pilot project; evaluation of methodology and exploration of further accounting approaches	↗	●

Trend: ↗ rising → unchanged ↘ falling Assessment: ● Target easy to reach ● Target difficult to reach ● Target very difficult to reach

Sustainable sites, production and logistics

Contribution to the Sustainable Development Goals of the United Nations



More about Weleda and the Sustainable Development Goals of the United Nations on page 58.

Our commitments	Milestones 2021	Trend	Assessment
Waste reuse rate ≥ 98 %	Rate is 95 %	↘	●
Own production with 100 % electricity from renewable sources in CH, DE, FR	Rate is 100 %	→	●
Environmental management system: ISO 14001 and EMAS in CH and DE	Successful recertification in CH and D	→	●

New targets for 2022	Status quo 2021	Trend	Assessment
Improvement of the environmental footprint			
100 % electricity from renewable sources in all associated companies as well as contract manufacturers and packaging manufacturers	<ul style="list-style-type: none"> Associated companies: 90 %; slight decrease of - 1.3 % compared with the previous year Contract and packaging manufacturers: Not fully known; an informational survey was conducted 	→	●
Renewable energy share of at least 80 % for our own buildings and production facilities	<ul style="list-style-type: none"> Status at the end of 2021: 55.2 % Increase in the share of renewable energy used in own buildings by 6.6 % compared with the previous year 100 % renewable energy in CH, AU, AT and ES Increase in the use of renewable energy; switch from natural gas to biogas in DE and CH in 2021 	↗	●
100 % emissions transparency for Scope 1, 2 and 3 and reduction programme	Scope 1 and 2: <ul style="list-style-type: none"> Calculation based on more detailed data and emissions fully offset for 2021; climate strategy with reduction targets developed; climate action plan is in preparation 	↗	●
Reduction of energy intensity by 2.5 % per year	Not achieved: + 5.2% in CH, D, F, overall not on target	↘	●
Reduction of potable water intensity by 2.5 % per year	Achieved: - 8.3 % in CH, D, F; overall on target	↗	●
Reduction of waste intensity by 2.5 % per year	Achieved: - 11.7% in CH, D, F, overall on target	↗	●
Increase in waste recycling rate by 2.5 % annually	Not achieved: - 3.3 %	↘	●
Sustainable and future-oriented logistics and mobility concept	Mobility concept for the Arlesheim site developed and launched Pilot project for a dedicated e-bike fleet for employees at the Arlesheim site completed New financing concept and parking management system implemented to compensate for the disadvantages of non-motorised individual transport Groundbreaking ceremony held for the new logistics centre in Schwäbisch Gmünd, designed according to the highest sustainability standards (DGNB Platinum); Weleda is in dialogue with logistics partners to identify sustainability improvement potential Mobility concept for the Schwäbisch Gmünd site will be developed in 2022	↗	●

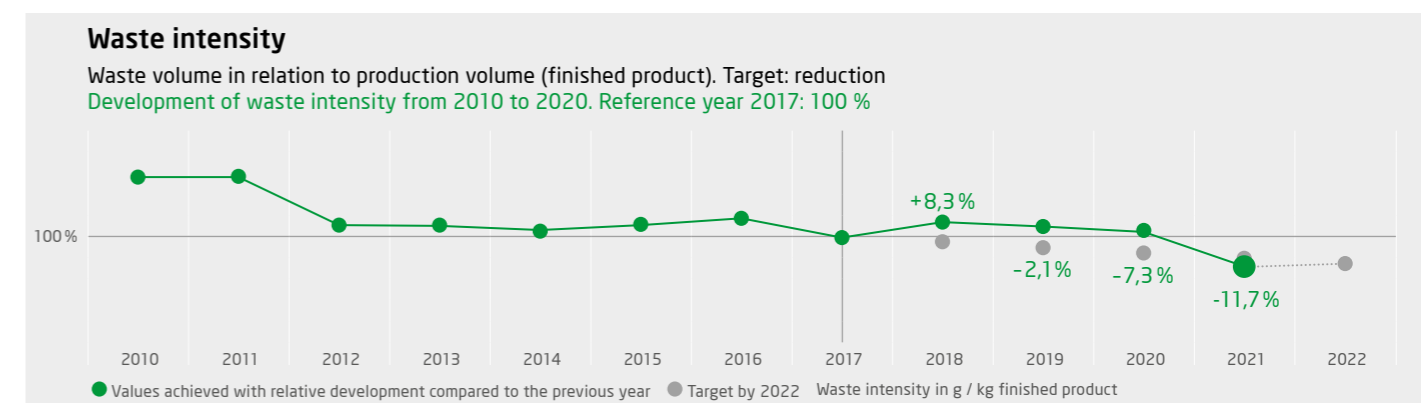
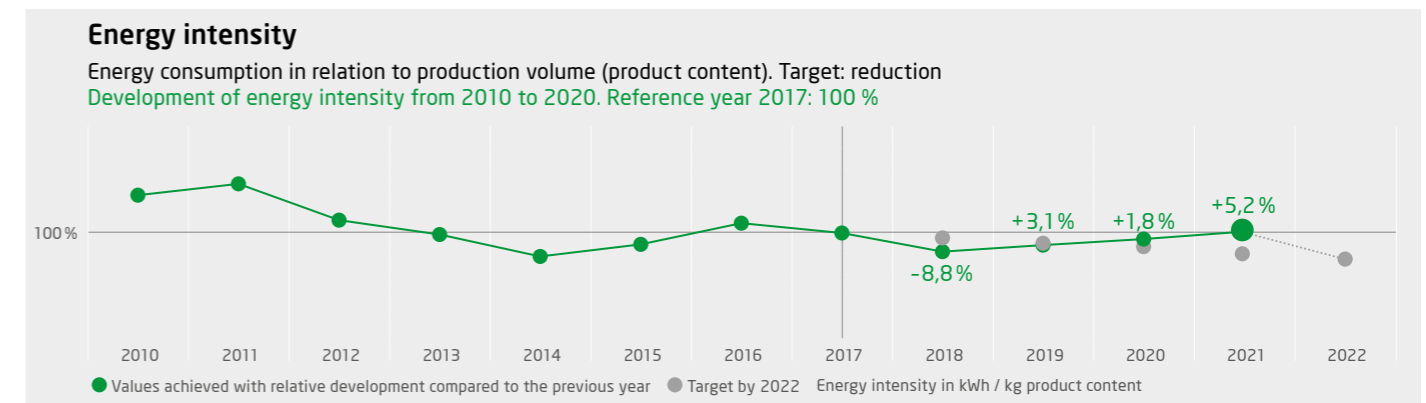
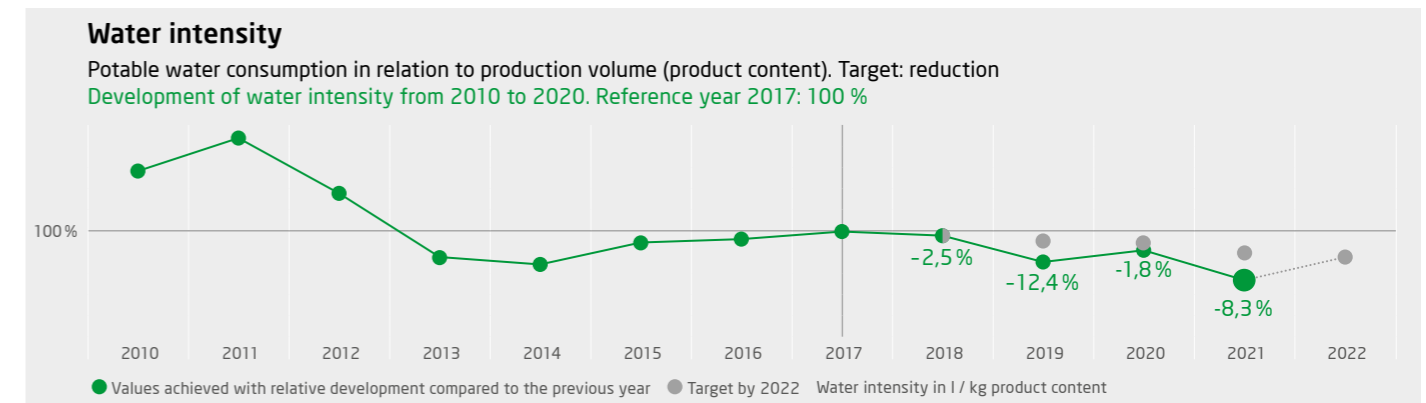
Trend: ↗ rising → unchanged ↘ falling Assessment: ● Target easy to reach ● Target difficult to reach ● Target very difficult to reach

Development of environmental indicators

Our goal is to reduce the energy, water and waste intensity with which we manufacture our products by 2.5 per cent annually. We thus aim to continuously reduce the use of resources and the volume of waste generated so as to protect the environment and save on costs.

Intensity is strongly affected by the capacity utilisation of our facilities: the more products the facilities produce within the operating times, the lower the intensity (improved efficiency). Capacity utilisation depends primarily on the order situation, over which we have only limited influence. We do have a direct influence on the technical facilities ((energy-efficient production facilities), process control in production (lean workflows and smooth operation), formulations (cold or hot production of product content) and the avoidance of waste during production and distribution.

The following environmental indicators are essential for Weleda: the consumption of potable water and energy as well as the amount of waste in relation to the production volume of finished products and product content. The charts below show the successes to date, the current status and our targets up to 2022. The key figures relate to the manufacturing countries of France, Germany and Switzerland. The largest quantities are produced at these locations.



Note: The previous year's values for the energy and water intensity were adjusted based on a changed data basis.

Meaningful and effective work

Contribution to the Sustainable Development Goals of the United Nations



More about Weleda and the Sustainable Development Goals of the United Nations on page 58.

Our commitments	Milestones 2021	Trend	Assessment
Promotion of the Weleda culture and personal and professional development	New company-wide, holistic culture & identity concept developed, based on the new corporate strategy with a compelling Weleda Purpose and 6 values & principles Diverse seminars (virtual & on-site), e.g. "Weleda Biography Days", "Appreciative Communication II: Now Listen to Me!" Intercultural exchange among colleagues at new virtual HR International Conferences	↗	●
Promotion of work-life balance, health and diversity at the main sites	Fostering personal resilience and encouraging self-care through proven and new seminars, e.g. "Countering Stress - Strengthening Self-Efficacy" (D/CH) Company eurhythm D/CH New intranet site on "Mental Stress in the Workplace (D)" Guidelines on gender-neutral language developed	→	●
Active involvement by and for employees	Completion of 145 transformation workshops for all employees on leadership & collaboration (D/CH); start of roll-out in other countries, e.g. Brazil, USA Launch of innovative experiments with distributed leadership/ leadership roles in select departments	↗	●

New targets for 2022	Status quo 2021	Trend	Assessment
Place for human development based on shared tasks			
Worldwide development of Weleda culture and identity	Global employee survey conducted on culture and identity to derive concrete measures, worldwide Local identity strengthened through new location circles (D/CH) Completion of 7-month International Curriculum programme to strengthen Weleda's identity and culture with 35 participants from 8 Weleda countries Weleda Insights media library expanded to include more videos, including from the Arlesheim Clinic and the Goetheanum as the main shareholder of Weleda	↗	●
Transformation Collegial Leadership and Collaboration	Ongoing innovative experiments on structure and roles (worldwide); exploration of the Weleda brand through employee workshops	↗	●
Promotion of work-life balance, health and diversity worldwide	New seminars in CH/D, e.g. "Conscious use of my time"; international dialogue on diversity initiatives at "People at Weleda" conferences	→	●

Trend: ↗ rising → unchanged ↘ falling Assessment: ● Target easy to reach ● Target difficult to reach ● Target very difficult to reach

Cultural and social relationships and development

Contribution to the Sustainable Development Goals of the United Nations



More about Weleda and the Sustainable Development Goals of the United Nations on page 58.

Our commitments	Milestones 2021	Trend	Assessment
Commitment to anthroposophic medicine	Vision of Weleda as the leading environmentally sustainable company in integrative medicine Adoption and roll-out of a pharmaceutical strategy that combines a sustainable pharmaceutical business with responsibility for the system of anthroposophic medicine Establishment of the internal continuing education series "Fundamentals of Anthroposophic Pharmacy" and roll-out of an international pharmaceutical curriculum	↗	●
Inspiring people	MUNDI sustainable development centre opened with first events, intensive regional networking and first external funding Launch of the virtual "Living Soil Journey" (www.living-soil-journey.de/) with non-profit partners, focus: regenerative agriculture, biodiversity, food policy transformation, social-ecological innovations Support of several startups	↗	●

New targets for 2022	Status quo 2021	Trend	Assessment
Communication of at least 777 Weleda "goodprints", which highlight the good deeds of Weleda and Weleda employees and inspire people to lead sustainable lives	The Goodprints concept has been further developed according to "impact instead of numbers". It is supported by the strategic focus, collaborations with external partners and strengthening communications, e.g. through Werde magazine	↗	●

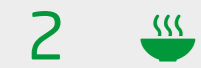
Trend: ↗ rising → unchanged ↘ falling Assessment: ● Target easy to reach ● Target difficult to reach ● Target very difficult to reach

Our contribution to the Sustainable Development Goals



1 NO POVERTY

- Compliance with social criteria along our raw material supply chains (e. g. annual negotiations on costbased prices, supplements for organic cultivation, guaranteed minimum income pursuant to the UEBT standard)
- Planning security for smallholders through longterm contracts
- Financial support for individual social projects within the raw material supply chains



2 ZERO HUNGER

- Preserving rural life by supporting small enterprises
- Promotion of site and soil quality with raw materials from organic farming, biodynamic agriculture and controlled wild collection
- Use of nonGMO seeds only
- Social projects with raw material suppliers
- Guaranteeing food security in cultivation and collection regions pursuant to the UEBT standard



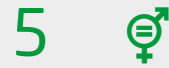
3 GOOD HEALTH AND WELL BEING

- Promoting Anthroposophic Medicine and therapeutic diversity as well as medicine free from antibiotics
- Variety of programmes for employees to strengthen resilience
- Educating customers on health through publications and events
- Ensuring health and safety along our raw material supply chains pursuant to the UEBT standard



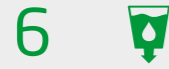
4 QUALITY EDUCATION

- Social projects to support education in our raw material supply chains
- Various programmes for employees and trainees/students
- Cooperations with universities and other institutions of higher education
- Voluntary Ecological Year
- Ensuring equality between men and women along our raw material supply chains pursuant to the UEBT standard
- Award of contracts to Haus Lindenhof for the employment of people with disabilities



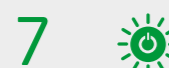
5 GENDER EQUALITY

- Promotion of equal rights among both our suppliers and our employees
- High proportion of women and women in management positions



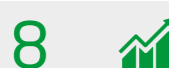
6 CLEAN WATER AND SANITATION

- Products do not contain microplastics and other persistent or waterpolluting substances
- Production: investing greatly in effective and efficient water management and highly efficient equipment in production facilities
- Avoidance of contributing pesticides to ground water by making maximum possible use of raw materials from organic cultivation
- Social projects such as building wells in Uganda
- In regions with water scarcity, seeking options for resource conserving irrigation in cultivation
- Access to clean drinking water for all involved along our raw material supply chains pursuant to the UEBT standard



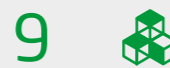
7 AFFORDABLE AND CLEAN ENERGY

- Effective and efficient energy management in production (e. g. switch to LED)
- Manufacturing our products using renewable energy and own photovoltaic systems
- Construction of new buildings according to sustainable standard (e. g. new office in Arlesheim)
- Sustainable planning of the logistics centre in Schwäbisch Gmünd



8 DECENT WORK AND ECONOMIC GROWTH

- Ensuring compliance with internationally recognised social and environmental standards in the supply chain pursuant to the UEBT standard
- Progressively increasing financial resilience and future viability of the company
- Weleda as a "place of human development based on shared tasks" with a wide range of measures and offers for employees
- Guided by our vision and mission for the benefit of people and nature



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

- Supporting growers in establishing local infrastructure
- Promoting the independence of our suppliers
- Startup and failure financing for individual suppliers
- Investment in own infrastructure



10 REDUCED INEQUALITIES

- Ensuring compliance with ILO standards through supply chain management system pursuant to the UEBT standard
- The "Diversity wins! Prospects for people who have experienced displacement" programme and the active promotion of diversity



11 SUSTAINABLE CITIES AND COMMUNITIES

- Actively working with the communities in which Weleda is based
- Promotion of rural living within the supply chain



12 RESPONSIBLE CONSUMPTION AND PRODUCTION

- Sustainable products for the wellbeing of people in harmony with nature
- Natrue certification of all natural and organic cosmetics products manufactured in Switzerland and Germany
- Increasing the proportion of recycle in natural cosmetics packaging
- Effective and efficient use of resources and reduction of waste in production, deployment of environmental management systems at main sites (ISO 14001, EMAS)
- Circular economy in our own biodynamic medicinal plant cultivation



13 CLIMATE ACTION

- Our biodynamic garden as an example of resistant, sustainable agriculture and closed material cycles
- Transparency regarding company emissions and measures for reduction
- The prudent use of natural resources along raw material supply chains in cultivation and wild collection pursuant to the UEBT standard
- Through our supplier partnerships, biodynamic agriculture and UEBT certification, we support the increase of soil organic matters which binds carbon directly from the atmosphere.



14 LIFE BELOW WATER

- Products without microplastics and other persistent or water polluting substances



15 LIFE ON LAND

- Organic or biodynamic farming or certified wild collection account for > 80 per cent of raw materials
- Active efforts to improve both soil fertility and biodiversity in projects with farmers pursuant to the UEBT standard
- Support for seed initiatives; no use of GMO seeds
- Active and political engagement on the topic of palm oil



16 PEACE, JUSTICE AND STRONG INSTITUTIONS

- Respectful dealings through the supply chain management system
- Global governance guidelines
- As an anthroposophically inspired company, supporting and promoting the guiding principles as a contribution to a fair, diverse and peaceful world



17 PARTNERSHIPS FOR THE GOALS

- Active member of numerous health and sustainability initiatives and associations
- Global cooperations with manufacturers and farmers

Management Report

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Value added statement

We will secure our company's future viability by means of prudent, ethical business practices.

By conducting our business in a responsible way, we improve Weleda's ability to manage risk – from behaviour in the market, through environmentally relevant aspects, to relationships with employees and exchanges with all other key interest groups and stakeholders. In this way, sustainable added value is created that can be distributed to our employees (income), to providers of capital (distribution, interest), to non-profit institutions (donations) and to the public (taxes).

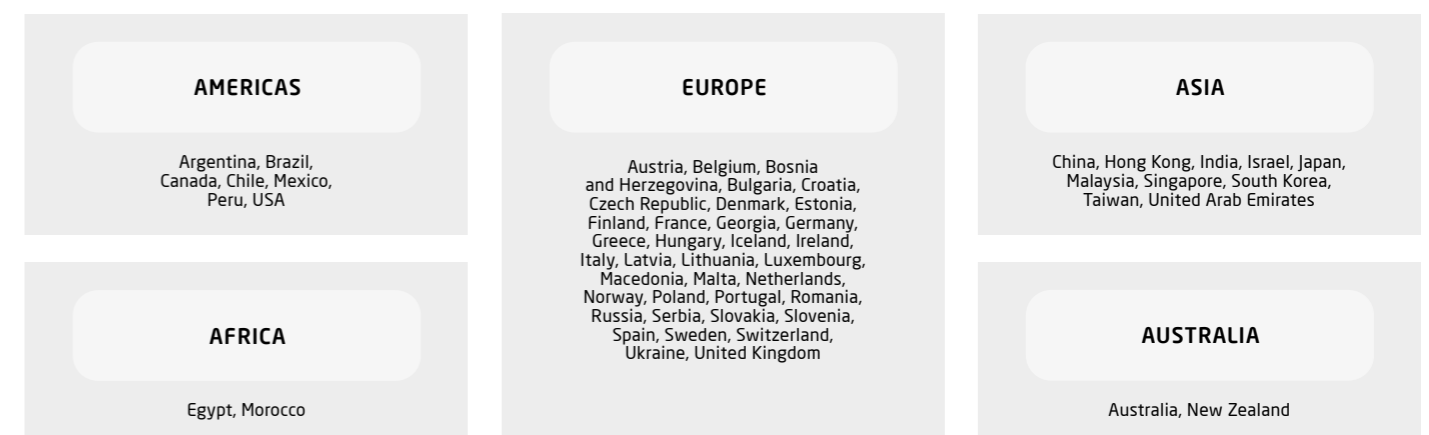
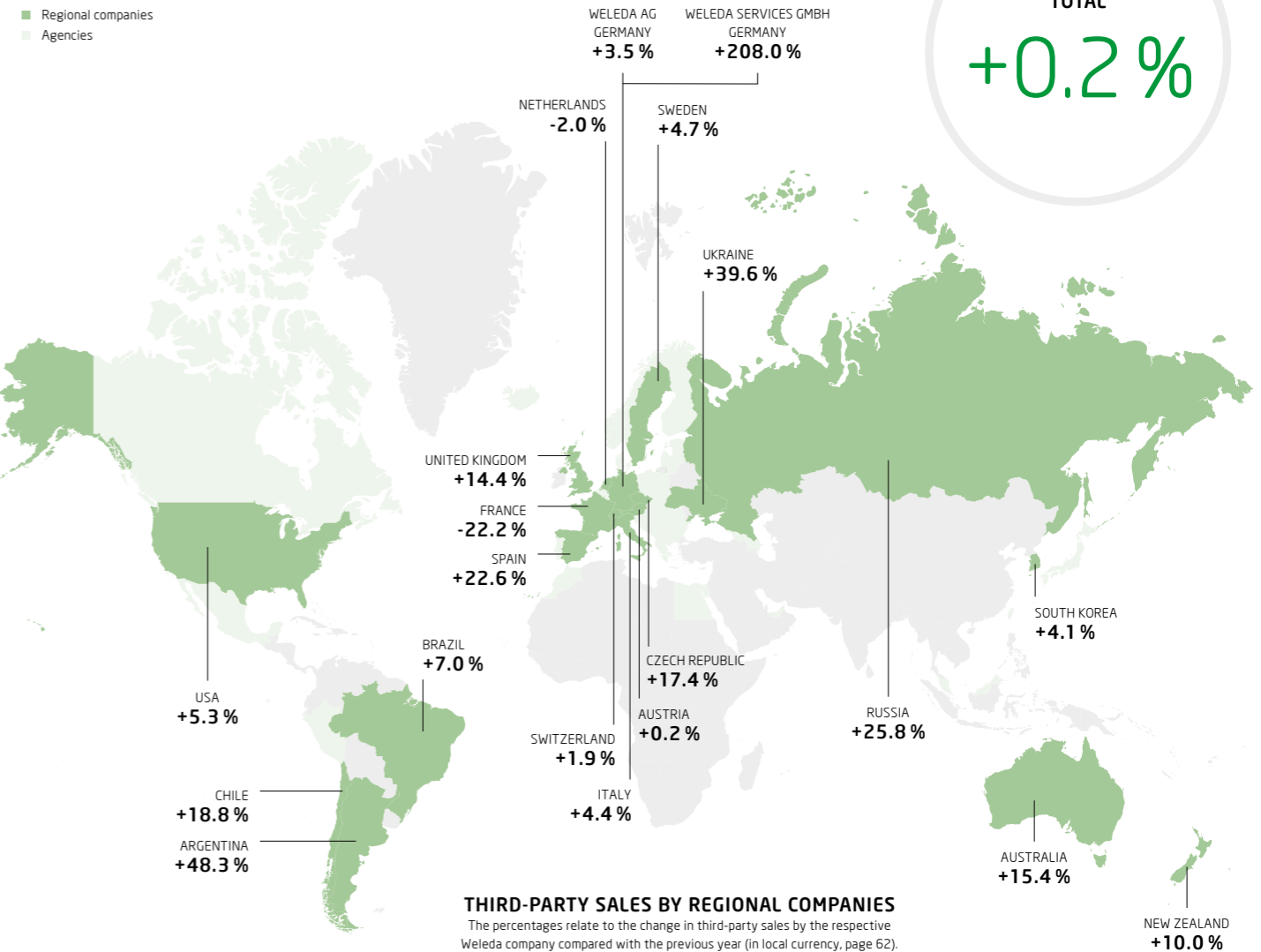
The value added statement (inside cover page) illustrates how the economic activities of our company generate value for society: unlike the income statement, which is based on the viewpoint of the owners, the value added statement sets out the contribution made by the Weleda Group to private and public income. The value added statement shows the expenditure with which Weleda achieved its company performance and how the added value generated was distributed.



Development in the markets

Our total sales were EUR 425 million in 2021. As in previous years, the distribution of growth rates demonstrates how important our internationalisation is. The movements in the markets balance each other out and thus ensure stable development.

WELEDA IS PRESENT IN THE FOLLOWING COUNTRIES:



Third-party sales of regional companies

	Currency in 1,000	Third-party sales per company		Structure of third-party sales per company		Employees (Full-time employees) as at December 31 st	
		2021	Change from previous year in local currency	Pharmaceuticals	Natural and organic cosmetics	2021	2020
Switzerland	CHF	41,030	+1.9%	36%	64%	339	336
Weleda AG, Arlesheim	EUR	37,955					
Germany	EUR	181,464	+3.5%	20%	80%	765	762
Weleda AG, Schwäbisch Gmünd							
France	EUR	60,808	-22.2%	18%	82%	329	361
Weleda S.A., Huningue							
Netherlands	EUR	20,239	-2.0%	12%	88%	70	84
Weleda Benelux SE, Zoetermeer							
United Kingdom	GBP	11,501	+14.4%	14%	86%	73	69
Weleda (UK) Ltd., Ilkeston	EUR	13,378					
Italy	EUR	9,535	+4.4%	23%	77%	30	34
Weleda Italia S.r.l., Milan							
Austria	EUR	10,903	+0.2%	16%	84%	20	21
Weleda Ges.m.b.H. & Co KG, Vienna							
Sweden	SEK	82,099	+4.7%	1%	99%	21	19
Weleda AB, Stockholm	EUR	8,092					
Spain	EUR	12,791	+22.6%	0%	100%	52	54
Weleda S.A.U., Madrid							
Czech Republic	CZK	193,843	+17.4%	0%	100%	25	21
Weleda spol. s r.o., Prague	EUR	7,560					
Russia	RUB	843,960	+25.8%	1%	99%	43	42
Weleda East GmbH, Moscow	EUR	9,697					
Ukraine	UAH	74,274	+39.6%	0%	100%	16	15
Weleda Ukraine LLC, Kiev	EUR	2,324					
Germany	EUR	401	+208.0%	0%	100%	11	11
Weleda Services GmbH, Schwäbisch Gmünd							
Netherlands	EUR	615	-	0%	100%	11	0
Weleda Services B.V., Zoetermeer							
USA (North America)	USD	26,051	+5.3%	3%	97%	39	35
Weleda Inc., Irvington NY	EUR	22,034					
Argentina	ARS	253,942	+48.3%	57%	43%	44	43
Weleda S.A. Argentina, Buenos Aires	EUR	2,263					
Brazil	BRL	63,141	+7.0%	79%	21%	178	165
Weleda do Brasil Ltda., São Paulo	EUR	9,912					
Chile	CLP	2,981,235	+18.8%	33%	67%	41	39
Weleda Chile SpA, Santiago de Chile	EUR	3,369					
New Zealand	NZD	5,655	+10.0%	50%	50%	34	31
Weleda (NZ) Ltd, Havelock North	EUR	3,382					
Australia	AUD	8,032	+15.4%	4%	96%	17	17
Weleda Australia Pty Ltd, Warriewood	EUR	5,101					
Korea	KRW	3,997,935	+4.1%	0%	100%	10	10
Weleda Korea Ltd., Seoul	EUR	2,958					
Total	EUR	424,781	+0.2%	19%	81%	2,168	2,169

General economic development in 2021 and outlook for 2022

As the Weleda Group is very closely linked with Weleda AG, this management report describes both the financial position of the Weleda Group and that of the individual company Weleda AG.

Business performance

The 2020 financial year was strongly impacted by the Covid-19 pandemic. The year 2021 was marked by volatility and unpredictability due to the ongoing pandemic situation as well as the discontinuation of reimbursements for homeopathic remedies in France. The total sales of the Weleda Group increased slightly last year from EUR 424 million to EUR 425 million. Our two business segments, natural and organic cosmetics and pharmaceuticals, performed differently. The total sales of natural and organic cosmetics increased by around 3 per cent compared with last year. However, the total sales of pharmaceutical sales declined by 10 per cent. In the natural and organic cosmetics sector, all regions positively contributed to growth. Only France saw a decline in sales. In the pharmaceuticals business segment, individual regions recorded positive developments. All of the markets recovered and sales increased, with the exception of France.

The 2021 operating result is slightly above budget but lower than the previous year. It decreased by EUR 9 million to EUR 13 million, mainly because of investments in the market, higher depreciation and amortisation from the modernisation and expansion of production facilities, and the challenges of the pharmaceutical sector in France. Due to lower exchange rate losses and lower tax expenses, the consolidated net profit for the year decreased only slightly compared with 2020. The profit generated enabled an increase in the equity ratio. Net financial assets decreased by EUR 5 million in the financial year, mainly due to high capital expenditures, and amount to around EUR 68 million. Our future-oriented decisions are only possible thanks to the solid foundation we have steadily expanded in recent years. Our most important strategic decisions for the coming years include renewing our infrastructure, centred around the new logistics building in Germany and the modernisation and expansion of production facilities and IT infrastructure; investments in research and development in natural and organic cosmetics and increasingly in pharmaceuticals; expanded service offerings; digital transformation; and the ongoing development of our sustainability programme.

Employees

In 2021, the Weleda Group employed 2,169 full-time equivalents on average for the year (previous year: 2,177). Weleda AG had an average of 1,096 full-time equivalents (previous year: 1,105).

Risk assessment

Risks are an integral part of business operations. A risk management system that enables the identification, analysis, control

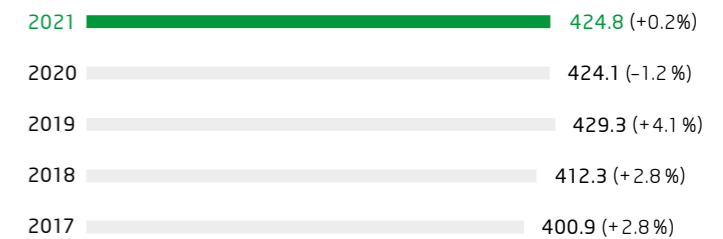
and monitoring of significant risks in the corporate environment is therefore particularly important for Weleda. In order to identify risks in good time and determine the appropriate action, our management regularly assesses, at Group level and at the level of Weleda AG, any significant internal and external risks that may impact the entire corporate environment. The Board of Directors discusses and approves the results of the risk assessment and associated measures each year.

Development of sales

The net sales of the Weleda Group for the 2021 financial year amount to EUR 424.8 million (previous year: EUR 424.1 million). This corresponds to a change of + 0.2 per cent or + EUR 0.7 million compared with the previous year (adjusted for exchange rate effects: + 0.7 per cent or + EUR 2.8 million). As a result, Weleda held its own in a highly competitive market strongly affected by the pandemic and its consequences. The net sales of the individual company Weleda AG increased by 4.8 per cent (CHF 14.0 million) compared with the previous year, mainly due to the good development of the German operating facility.

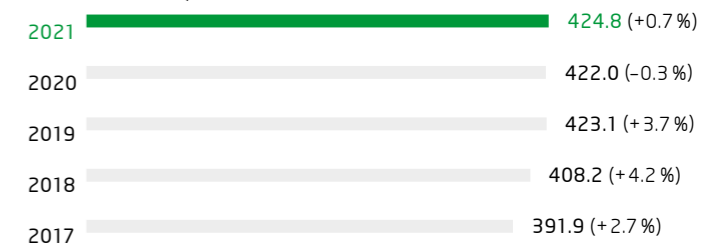
Sales at respective year-end exchange rates

in million EUR (change from previous year)



Sales adjusted for exchange rate effects

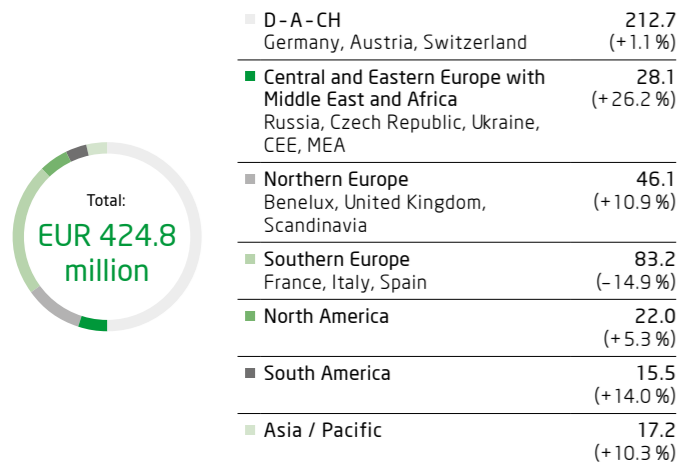
in million EUR (change from previous year adjusted for shift in exchange rates as at December 31st 2021)



Development of sales by markets and regions

Around 50 per cent of sales (previous year: 50 per cent) were generated in the D-A-CH region (Germany, Austria, Switzerland). Sales in this region rose slightly by 1.0 per cent to EUR 212.7 million (previous year: EUR 210.6 million). In France, sales decreased by 22.2 per cent and amounted to EUR 60.8 million (previous year: EUR 78.2 million). In the other regions, sales increased by 11.9 per cent to EUR 151.3 million (previous year: EUR 135.3 million). The exchange rate effect on sales was negative and amounted to EUR 2.4 million.

Market performance of the Weleda Group 2021 by region
in million EUR (exchange rate-adjusted changes from the previous year)

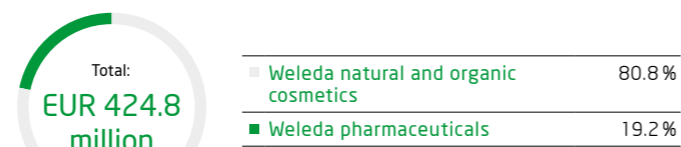


Development of sales in the business segments

Natural and organic cosmetics accounted for EUR 343.0 million or 80.8 per cent of global sales (previous year: EUR 333.2 million or 78.6 per cent). The sales of pharmaceuticals decreased to EUR 81.8 million (previous year: EUR 90.9 million), corresponding to 19.2 per cent of global sales (previous year: 21.4 per cent). Global sales in the pharmaceuticals business segment decreased by 10.0 per cent in 2021 (previous year: decrease by 11.2 per cent). In the D-A-CH region, which generated around 62 per cent of sales, sales increased by around 10.5 per cent compared with the previous year. Almost all areas of competence were able to increase sales. In France, sales declined by 57.3 per cent compared with the previous year; the main cause continues to be the discontinuation of the reimbursement of homeopathic remedies in the basic health insurance. In the other markets, sales adjusted for exchange rate effects rose by 9.1 per cent compared with the previous year.

Despite the challenges posed by the Covid-19 pandemic, global sales in the natural and organic cosmetics business segment increased by 2.9 per cent (previous year: sales growth of 1.9 per cent). In the D-A-CH region, sales increased by 0.3 per cent. In Eastern Europe, sales increased by 17.9 per cent. France again suffered a decline in sales of 5.3 per cent, mainly due to the general performance of the natural and organic cosmetics market in France. Sales growth in all other countries totalled 8.5 per cent.

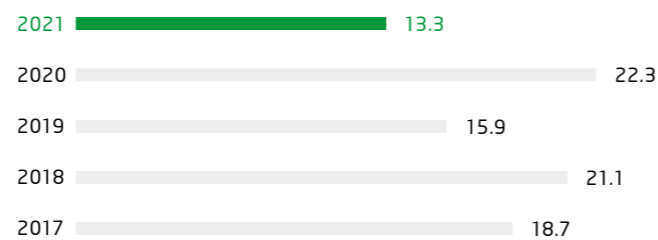
Natural and organic cosmetics and pharmaceuticals Weleda Group 2021



Operating result

The consolidated operating result (EBIT) of the Weleda Group decreased by EUR 9.0 million or 40.6 per cent to EUR 13.3 million (previous year: EUR 22.3 million). This was mainly due to investments in the market and production as well as the decline in sales of the pharmaceuticals business segment in France. The operating result in the separate financial statements of Weleda AG decreased by CHF 6.3 million to CHF 16.7 million compared with the previous year.

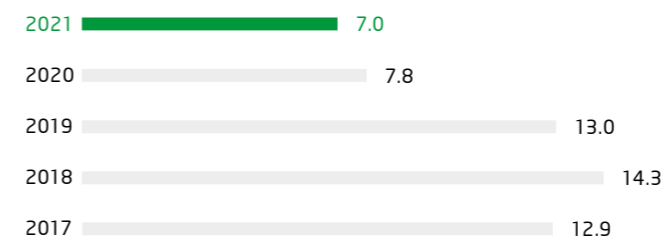
Operating result (EBIT)
in million EUR



Result for the year

The consolidated result for the year decreased by 11.0 per cent to EUR 6.8 million compared with the previous year. The financial result amounted to EUR -0.5 million, up from the previous year (previous year: EUR -3.4 million). This was mainly due to lower unrealised exchange losses. Income taxes decreased to EUR 5.9 million (previous year: EUR 11.3 million), mainly due to a one-time tax adjustment in the previous year in Germany in conjunction with the harmonisation of the transfer pricing model. The separate financial statements of Weleda AG showed a profit for the year of CHF 8.7 million (previous year: profit of CHF 10.6 million).

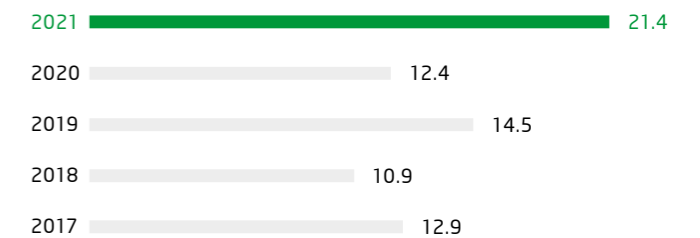
Result attributable to shareholders
in million EUR



Financial and assets situation

As a consequence of the net result, the equity ratio of the Weleda Group increased again by 0.3 percentage points to 54.1 per cent (previous year: 53.8 per cent). Consolidated cash flow from operating activities amounted to EUR 15.1 million (previous year: EUR 38.0 million). Cash outflows from investing activities increased by EUR 9.5 million compared with the previous year to EUR 20.8 million (previous year: EUR 11.3 million). Of EUR 20.9 million in gross capital expenditures, EUR 1.4 million was invested in intangible assets and EUR 19.5 million in property, plant and equipment. Around three quarters of the investments in property, plant and equipment and intangible assets were made at the two main production sites in Schwäbisch Gmünd and Arlesheim. The cash flow after investing activities amounted to EUR -5.7 million (previous year: EUR 26.7 million). Cash and cash equivalents decreased by EUR 4.7 million to EUR 68.6 million at the year-end. This resulted in a net financial credit balance of EUR 68.6 million (previous year: EUR 73.3 million). Cash flow from operating activities for Weleda AG amounted to CHF 26.5 million in the year under review (previous year: CHF 18.7 million). After deducting net investments of CHF 11.5 million (previous year: CHF 8.1 million), this amount totalled CHF 14.9 million (previous year: CHF 10.6 million). Weleda AG repaid CHF 6.7 million in interest-bearing liabilities in the year under review (previous year: no repayment).

Investments in intangible assets and property, plant and equipment
in million EUR



Extraordinary events

In the year under review there were no significant extraordinary events.

Research and development activities

The growth of natural and organic cosmetics was mainly driven by market expansion and innovation. Weleda is continuing to build up its expertise in pharmaceutical research. For both segments together, Weleda again invested double-digit millions in research and development this year.

Outlook for 2022

The year 2022 will be characterised by ongoing uncertainties and volatilities in the markets. The war in Ukraine, rising costs throughout the value chain and general anxiety among consumers will have an impact on the 2022 annual result. Nevertheless, we will continue to invest in our future. As in the past, our investments will focus on innovation, market presence, brand strength and the sustainability of Weleda products in both the natural and organic cosmetics and pharmaceuticals business segments. We are consistently pursuing our strategy, which we expect will lead to rising operating profits over both the medium and long term.

Consolidated Annual Financial Report 2021 Weleda Group

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Statutory auditor

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Basel, Switzerland

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Contact person for shareholders

Thomas Jorberg, Chairman of the Board of Directors

Secretariat and share register

Sabine Lexen
Telefon +41 61 705 22 02

Balance sheet of the Weleda Group

Assets			31.12.2021	31.12.2020
in 1,000 EUR		Notes		
Current assets				
Cash and cash equivalents			68,601	73,277
Trade receivables	1		69,007	61,002
Other current receivables	2		6,283	5,850
Inventories	3		62,161	62,512
Prepaid expenses and accrued income			4,867	4,143
Total current assets			210,919	206,784
Non-current assets				
Financial assets	4		1,358	1,506
Investments in non-controlling interests	4		1,436	1,261
Property, plant and equipment	4		80,750	71,274
Intangible assets	4		3,919	3,999
Total non-current assets			87,463	78,040
Total assets			298,382	284,824
Liabilities and shareholders' equity				
in 1,000 EUR				
Liabilities		Notes	31.12.2021	31.12.2020
Current liabilities				
Trade payables	5		20,070	18,181
Other current liabilities	6		11,504	12,374
Current provisions	7		5,838	6,199
Accrued expenses and deferred income			24,628	20,147
Total current liabilities			62,040	56,901
Non-current liabilities				
Other non-current liabilities			432	614
Non-current provisions	7		74,423	74,052
Total non-current liabilities			74,855	74,666
Total liabilities			136,895	131,567
Shareholders' equity				
Share capital			3,800	3,800
Non-voting share capital			7,600	7,600
Capital reserves			7,802	8,716
Retained earnings			142,464	133,222
Treasury voting and non-voting shares	8		-389	-508
Shareholders' equity excl. non-controlling interests			161,277	152,830
Non-controlling interests			210	427
Shareholders' equity incl. non-controlling interests			161,487	153,257
Total liabilities and shareholders' equity			298,382	284,824

Income statement of the Weleda Group

in 1,000 EUR		Notes	2021	2020
Net sales of goods and services	9		424,781	424,059
Other income	10		3,383	2,960
Change in inventories of finished goods and work in progress			2,393	465
Total operating income			430,557	427,484
Cost of materials			-88,446	-95,768
Employee income and social expenditure	11		-165,626	-158,682
Other operating expenses	12		-150,468	-140,566
Depreciation, amortisation and impairment losses on non-current assets	13		-12,759	-10,151
Total operating expenses			-417,299	-405,167
Operating result (EBIT)			13,258	22,317
Financial expenses	14		-704	-3,632
Financial income	15		228	272
Ordinary result for the year			12,782	18,957
Income taxes	16		-5,939	-11,267
Consolidated result for the year			6,843	7,690
Attributable to shareholders of Weleda AG			6,996	7,769
Attributable to non-controlling interests			-153	-79

Cash flow statement of the Weleda Group

in 1,000 EUR	2021	2020
Consolidated result for the year	6,843	7,690
Depreciation, amortisation and impairment losses on non-current assets	12,759	10,151
Changes in provisions	-1,982	5,142
Gain / loss from the disposal of non-current assets	32	10
Changes in trade receivables	-7,107	3,267
Changes in inventories	1,041	4,132
Changes in other current receivables and prepaid expenses / accrued income	-1,026	6,373
Changes in trade payables	1,682	-1,684
Changes in other current liabilities and accrued expenses / deferred income	2,839	-1,637
Other non-cash items	398	1,403
Currency and valuation influences not affecting liquidity	-180	3,437
Share of result of associated companies	-197	-267
Cash flow from operating activities	15,102	38,017
Investments in property, plant and equipment	-19,482	-9,952
Divestments of property, plant and equipment	89	238
Investments in financial assets	-11	-12
Divestments of financial assets	76	80
Investments in intangible assets	-1,461	-1,625
Cash flow from investing activities	-20,789	-11,271
Distribution	-914	0
Sale of treasury voting and non-voting shares	970	323
Purchase of treasury voting and non-voting shares	-138	-114
Cash flow from financing activities	-82	209
Total cash flow	-5,769	26,955
Cash and cash equivalents at start of reporting period	73,277	47,689
Total cash flow	-5,769	26,955
Currency translation effect on cash and cash equivalents	1,093	-1,367
Cash and cash equivalents at end of period	68,601	73,277

Statement of shareholders' equity of the Weleda Group

in 1,000 EUR	Company capital ¹	Capital reserves (agio)	Accumulated currency difference	Other retained earnings	Treasury voting and non-voting shares	Total excl. non-controlling interests	Non-controlling interests	Total incl. non-controlling interests
Shareholders' equity as at January 1st 2020	11,400	8,716	-1,975	128,690	-520	146,311	681	146,992
Result for the year				7,769		7,769	-79	7,690
Distribution		0				0		0
Change in treasury voting and non-voting shares including gain / loss from sale			1	196	12	209		209
Currency translation effect / Other ²			-1,518	59		-1,459	-175	-1,634
Shareholders' equity as at December 31st 2020	11,400	8,716	-3,492	136,714	-508	152,830	427	153,257
Result for the year				6,996		6,996	-153	6,843
Distribution		-914				-914		-914
Change in treasury voting and non-voting shares including gain / loss from sale				688	144	832		832
Currency translation effect / Other ²			1,515	43	-25	1,533	-64	1,469
Shareholders' equity as at December 31st 2021	11,400	7,802	-1,977	144,441	-389	161,277	210	161,487

¹ Company capital is broken down as follows:
6,880 registered voting shares at CHF 112.50
3,984 registered voting shares at CHF 125.00
3,478 registered voting shares at CHF 1,000.00
19,000 registered non-voting shares at CHF 500.00
There was no change in the company capital versus the prior year.

² The item Other retained earnings includes under Other a goodwill / badwill on the buyout of non-controlling interests.

Notes to the consolidated financial statements of the Weleda Group

General

Due to rounding, individual figures in this report may not add up exactly to the reported sum. Key figures and changes are calculated based on the exact amount and not the reported rounded amount.

Consolidation principles

Accounting principles

This Annual Financial Report has been prepared in accordance with uniform accounting standards (Weleda Accounting Manual). These accounting standards comply with the provisions on commercial accounting of the Swiss Code of Obligations (article 957 – 963 b OR).

The consolidated financial statements of the Weleda Group comply with the law and the articles of incorporation. Certain items of the balance sheet as well as the income statement are summarised in order to provide the reader with a better overview. These items are explained in detail in the notes.

Scope of consolidation

In addition to Weleda AG Arlesheim and its branch Weleda AG Schwäbisch Gmünd, 26 subsidiaries are fully consolidated within the Weleda Group statements. These companies are, without exception, Group companies and controlled by Weleda AG Arlesheim. Weleda AG has direct or indirect investments of more than 50 per cent in these companies. In the year under review Weleda Services B.V. and Weleda Healthcare AG were incorporated and added to the scope of consolidation. The non-controlling interest in Japan is consolidated using the equity method. The consolidated companies are listed in the notes.

Consolidation method

The consolidated financial statements are based on the annual statements of the Group companies as at December 31st 2021, which are prepared in accordance with the provisions of the Weleda Accounting Manual. The consolidation period is the calendar year. Capital consolidation is carried out in accordance with the AngloSaxon purchase method. For the fully consolidated companies, assets, liabilities, expenses and income are stated at 100 per cent. Non-controlling interests in consolidated shareholders' equity and profit / loss for the year are disclosed separately.

The carrying amounts of the parent company's investment are offset against the current shareholders' equity of the subsidiary companies. In accordance with the full consolidation method, assets and liabilities as well as expenses and income also of those companies in which a third party is involved are included in full in the Group accounts. Third-party shares of shareholders' equity and of the results of consolidated companies are disclosed separately.

Currency translation

The financial statements of consolidated companies in foreign currencies are translated as follows: current assets, non-current assets and liabilities are translated at year-end rates (rate on balance sheet date), shareholders' equity at historical rates. The income statement and the cash flow statement are translated using average rates for the year. The resulting currency translation effects are booked directly in retained earnings without impacting profit and loss. The following currency exchange rates are applied:

YEAR-END RATES

in EUR

	2021 Rates on balance sheet date	2021 Average rates	2020 Rates on balance sheet date	2020 Average rates
1 CHF (Swiss franc)	0.965	0.925	0.925	0.934
1 USD (US dollar)	0.879	0.846	0.817	0.876
1 GBP (pound sterling)	1.191	1.163	1.117	1.125
1 BRL (Brazilian real)	0.158	0.157	0.157	0.172

Intragroup transactions, balances and intercompany profits

All intragroup transactions and balances are eliminated, as were all intercompany profits stated in the balance sheet.

Balance sheet and valuation principles

In general, assets and liabilities are valued on an individual basis in so far as they are material and cannot be treated together as a group as is customary due to their similarity.

Sales recognition

Sales are recognised on the transfer of risks and benefits to customers or upon provision of the service. This generally corresponds to delivery of the products.

Current assets

Receivables and other current assets are reported at their nominal values. The general risk of loss and individual credit risk have been accounted for on the basis of value adjustments. The valuation of inventories is conducted on the basis of acquisition or production cost while observing the principle of lower of cost or market.

Non-current assets

Acquired intangible assets are recognised at the cost of acquisition, less amortisation. Property, plant and equipment is recognised at acquisition or production cost minus depreciation. Small-value intangible assets and property, plant and equipment with a value of less than EUR 1,000 are depreciated in full in the year they are added.

Financial assets are recognised at the cost of acquisition. Equity holdings are consolidated using the equity method.

Where there are indications of non-current assets being overvalued, carrying values have been reviewed and, where necessary, adjusted.

Liabilities

Liabilities are recognised based on their nominal value. Provisions for pension plans and similar obligations are determined based on actuarial principles. The remaining provisions cover all recognisable risks for undetermined obligations. Liabilities are recognised at the respective amount at which they are to be repaid.

Treasury voting and non-voting shares

Treasury voting and non-voting shares are recognised at cost at the time of acquisition. The holding of treasury voting and non-voting shares is disclosed as a negative item in equity. Upon resale, the profit or loss is allocated directly to the voluntary retained earnings.

Leasing transactions

Leasing and rental contracts are recognised on the basis of legal ownership. Accordingly, expenses as lessee are recognised on an accrual basis, whereas the leased or rented objects themselves are not recognised. The total amount of outstanding non-current rental and leasing obligations is included in the notes.

Notes to the balance sheet and the income statement**1 Trade receivables**

in 1,000 EUR

	31.12.2021	31.12.2020
From third parties	68,568	60,307
From companies in which a non-controlling interest is held	350	521
From shareholders	89	174
Total trade receivables	69,007	6,002

2 Other current receivables

in 1,000 EUR

	31.12.2021	31.12.2020
From third parties	6,271	5,843
From companies in which a non-controlling interest is held	12	7
Total other current receivables	6,283	5,850

3 Inventories

in 1,000 EUR

	31.12.2021	31.12.2020
Raw, auxiliary and operating materials	15,654	16,655
Unfinished products	9,510	8,790
Finished products and trade goods	40,741	41,021
Value adjustments on inventories	-3,744	-3,954
Total inventories	62,161	62,512

4 Non-current assets

in 1,000 EUR

	Financial assets	Investments in non-controlling interests	Property, plant and equipment	Intangible assets	Total non-current assets
as at January 1st 2020	1,677	1,019	72,599	3,631	78,926
Currency translation effect	5	-1	-737	-41	-774
Equity valuation	0	267	0	0	267
Additions	12	0	10,760	1,625	12,397
Disposals	-181	0	-2,412	-32	-2,625
Reclassification within non-current assets	0	0	0	0	0
Depreciation, amortisation and impairment losses	-7	-24	-8,936	-1,184	-10,151
as at December 31st 2020	1,506	1,261	71,274	3,999	78,040
Currency translation effect	6	2	1,610	33	1,651
Equity valuation	0	197	0	0	197
Additions	11	0	19,898	1,509	21,418
Disposals	-153	0	-881	-50	-1,084
Reclassification within non-current assets	0	0	240	-240	0
Depreciation, amortisation and impairment losses	-12	-24	-11,391	-1,332	-12,759
as at December 31st 2021	1,358	1,436	80,750	3,919	87,463

Financial assets include non-current amounts due from third parties, securities and investments of less than 20 per cent.

Investments in non-controlling interests include investments in companies in which the Weleda Group holds between 20 and 50 per cent. Increases are due to equity valuation.

Increases in intangible assets mainly comprise software. The increase in property, plant and equipment consists primarily of investment projects as well as investment in replacements in Germany, France and Switzerland.

The largest share of the amount under Property, plant and equipment, totalling EUR 30 million (2020: EUR 26 million), relates to Switzerland. The branch in Germany accounts for EUR 20 million (2020: EUR 18 million) and Weleda France has property, plant and equipment totalling EUR 5 million (2020: EUR 10 million).

5 Trade payables

in 1,000 EUR

	31.12.2021	31.12.2020
To third parties	20,017	18,103
To the Group auditor Ernst & Young	53	78
Total trade payables	20,070	18,181

6 Other current liabilities

in 1,000 EUR

	31.12.2021	31.12.2020
To third parties	11,020	12,340
To other related parties	440	0
To shareholders	44	34
Total other current liabilities	11,504	12,374

7 Provisions

in 1,000 EUR

	Pension provisions	Tax provisions ¹	Restructuring provisions	Other provisions ²	Total provisions
as at January 1st 2020	33,639	263	0	41,463	75,366
Increase	4,083	0	4,482	519	9,084
Utilisation	-2,070	-12	0	-1,248	-3,330
Decrease	-485	-47	0	-80	-612
Currency translation effect	-199	-69	0	11	-257
as at December 31st 2020	34,968	135	4,482	40,665	80,251
Increase	5,925	0	0	1,218	7,143
Utilisation	-1,422	-3	-2,344	-1,139	-4,908
Decrease	-3,162	0	-798	-256	-4,216
Currency translation effect	199	0	0	1,793	1,992
as at December 31st 2021	36,508	132	1,340	42,281	80,261
Of which current provisions	843	0	1,127	3,868	5,838
Of which non-current provisions	35,665	132	213	38,413	74,423

¹ The item Tax provisions includes only provisions for deferred taxes..

² The item Other provisions includes, inter alia, currency provisions, provisions for strategic projects and procurement for replacements following the sale of Iscador, provisions for legal cases and provisions for jubilee and other long-service bonuses.

8 Treasury voting and non-voting shares

in 1,000 EUR

	2021	2020
Stock of treasury voting shares as at January 1st (in number: 219/prior year: 219)	504	478
Addition of treasury voting shares (in number: 34/prior year: 20)	113	59
Disposal of treasury voting shares (in number: 124/prior year: 20)	-282	-36
Cumulated currency differences	24	3
Stock of treasury voting shares as at December 31st (in number: 129/prior year: 219)	359	504
Stock of treasury non-voting shares as at January 1st (in number: 1/prior year: 35)	4	42
Addition of treasury non-voting shares (in number: 6/prior year: 14)	25	55
Disposal of treasury non-voting shares (in number: 0/prior year: 48)	0	-91
Cumulated currency differences	1	-2
Stock of treasury non-voting shares as at December 31st (in number: 7/prior year: 1)	30	4
Total treasury voting and non-voting shares as at December 31st	389	508

2021, six non-voting shares were acquired at an average transaction price of EUR 3,984.

Furthermore, ten treasury voting shares (nominal value CHF 1,000) were acquired at a transaction price of EUR 8,581 and 24 treasury voting shares (nominal value CHF 112.50) were acquired at an average transaction price of EUR 960. Moreover, 115 treasury voting shares (nominal value CHF 1,000) were sold at an average transaction price of EUR 8,259 and nine treasury voting shares (nominal value CHF 112.50) were sold at a transaction price of EUR 929.

9 Net sales of goods and services

PRODUCT GROUPS

	2021 in 1,000 EUR	2021 in %	2020 in 1,000 EUR	2020 in %
Natural and organic cosmetics	343,011	80.8	333,182	78.6
Pharmaceuticals	81,770	19.2	90,877	21.4
Net sales	424,781	100.0	424,059	100.0

REGIONS

	2021 in 1,000 EUR	2021 in %	2020 in 1,000 EUR	2020 in %
D-A-CH (Germany, Austria, Switzerland)	212,648	50.1	210,634	49.7
Central and Eastern Europe, Middle East and Africa (Russia, Czech Republic, Ukraine, CEE, MEA)	28,117	6.6	22,673	5.3
Northern Europe (Benelux, UK, Scandinavia)	46,130	10.9	40,968	9.7
Southern Europe (France, Italy, Spain)	83,134	19.6	97,723	23.0
North America	22,034	5.2	21,689	5.1
South America	15,543	3.7	15,111	3.6
Asia / Pacific	17,175	4.0	15,261	3.6
Net sales	424,781	100.0	424,059	100.0

10 Other income

in 1,000 EUR

	2021	2020
Total other income	3,383	2,960

Other income mainly comprises rental income, license income from third parties, insurance compensations, service revenues from the showroom Espace Weleda Paris as well as refunds from suppliers.

11 Employee income and social expenditure

in 1,000 EUR

	2021	2020
Employee income	129,565	120,104
Social expenditure	36,061	38,578
Total employee income and social expenditure	165,626	158,682

12 Other operating expenses

in 1,000 EUR

	2021	2020
Sales and distribution costs	98,266	90,766
Operating costs	21,523	21,297
Administrative costs	23,906	22,285
Contributions, levies, property and capital taxes	2,186	2,804
Other expenses	4,587	3,414
Total other operating expenses	150,468	140,566

Other operating expenses includes, but is not limited to, sales and distribution costs such as advertising and market communication, sales documents, material costs of sales representatives and all postal costs. Operating and administrative costs include costs for building and machine maintenance, legal and consulting costs, IT expenses and costs for third-party research as well as non-operating expenses. The item Other expenses includes donations to the School of Spiritual Science in Dornach as well as to other different anthroposophic institutions with a total amount of EUR 2.3 million (2020: EUR 2.2 million).

13 Depreciation, amortisation and impairment losses on non-current assets

in 1,000 EUR	2021	2020
Financial assets	36	31
Property, plant and equipment	11,391	8,936
Intangible assets	1,332	1,184
Total depreciation, amortisation and impairment losses on non-current assets	12,759	10,151

14 Financial expenses

in 1,000 EUR	2021	2020
Interest and similar expenses	-192	-308
Realised and unrealised foreign currency result, net	-512	-3,324
Total financial expenses	-704	-3,632

15 Financial income

in 1,000 EUR	2021	2020
Interest and similar income	228	272
Total financial income	228	272

16 Income taxes

Income taxes occurred mainly in Germany.

Other information**Full-time equivalents**

The annual average number of full-time equivalents for the reporting year, as well as the previous year, exceeded 250. Changes in full-time equivalents are stated in the management report.

Contingent liabilities and other financial obligations

in 1,000 EUR	31.12.2021	31.12.2020
Collaterals for third party liabilities	493	493
Contingent liabilities	677	53
Fair value of derivative financial instruments	0	37

2020, the derivative financial instruments relate to interest hedges (variable to fixed rate) in France for existing leasing obligations.

Non-current rental and leasing obligations

in 1,000 EUR	31.12.2021	31.12.2020
Residual maturity up to 5 years	14,380	13,702
Residual maturity over 5 years	162	1,885
Total non-current rental and leasing obligations	14,542	15,587

There are rental and leasing obligations for computer hardware, vehicles and production machinery as well as buildings.

Fee for the Group auditor Ernst & Young

in 1,000 EUR	2021	2020
Auditing services	276	255
Other services	173	388
Total fee	449	643

Restricted cash

in 1,000 EUR

	31.12.2021	31.12.2020
Within current assets	341	346
Total restricted cash	341	346

Significant events after the balance sheet date

There are no significant events after the balance sheet date which could impact the book value of the assets or liabilities or which should be disclosed here.

Overview of Group and holding companies

Consolidated companies	Registered office	Function	Currency	Company capital in 1,000	Capital share 2021 in %	Capital share 2020 in %
Weleda AG	CH - Arlesheim/ D - Schwäbisch Gmünd	Headquarters: incl. production, trade and services	CHF	4,750	100.0	100.0
Weleda Benelux SE	NL - Zoetermeer	Production and trade	EUR	2,269	100.0	100.0
Weleda Ges.m.b.H.	A - Vienna	No operative function	EUR	36	100.0	100.0
Weleda Ges.m.b.H. & Co KG	A - Vienna	Trade	EUR	1,100	100.0	100.0
Weleda Trademark AG	CH - Arlesheim	Services	EUR	920	100.0	100.0
Weleda Inc.	USA - Irvington, N.Y.	Trade	USD	8,525	100.0	100.0
Weleda Italia S.r.l.	I - Milan	Trade	EUR	500	100.0	100.0
Weleda do Brasil Ltda.	BRA - São Paulo	Production and trade	BRL	27,140	100.0	100.0
Weleda Naturals GmbH	D - Schwäbisch Gmünd	Services	EUR	25	100.0	100.0
Weleda East GmbH	RUS - Moscow	Trade	RUB	10	100.0	100.0
Weleda S.A.U.	E - Madrid	Trade	EUR	685	100.0	100.0
Weleda (NZ) Ltd	NZL - Havelock North	Production and trade	NZD	169	100.0	100.0
Weleda Australia Pty Ltd	AUS - Warriewood	Trade	AUD	800	100.0	100.0
Weleda AB	S - Stockholm	Trade	SEK	2,000	100.0	100.0
Weleda (Australasia) Ltd	NZL - Havelock North	Services	NZD	1,139	100.0	100.0
Weleda Chile SpA	CHL - Santiago de Chile	Production and trade	CLP	491,321	100.0	100.0
Weleda F + E AG	CH - Arlesheim	Services	CHF	3,000	100.0	100.0
Weleda Ukraine LLC	UA - Kyiv	Trade	UAH	500	100.0	100.0
Weleda Korea Ltd.	KR - Seoul	Trade	KRW	130,000	100.0	100.0
Weleda Services GmbH	D - Schwäbisch Gmünd	Services	EUR	200	100.0	100.0
Weleda Immobilien GmbH	D - Schwäbisch Gmünd	Services	EUR	25	100.0	100.0
Weleda Services B.V.	NL - Zoetermeer	Services	EUR	0	100.0	-
Weleda Healthcare AG	CH - Arlesheim	Production and trade	CHF	100	100.0	-
Weleda UK Ltd	GB - Ilkeston	Production and trade	GBP	1,495	99.7	99.1
Weleda spol. s r.o.	CZ - Prague	Trade	CZK	19,684	99.6	99.6
Weleda S.A.	F - Huningue	Production and trade	EUR	3,400	98.9	98.6
Weleda S.A.	ARG - Buenos Aires	Production and trade	ARS	7,622	95.0	95.0
Weleda Japan Co., Ltd.	JP - Nagoya	Production and trade	JPY	10,000	35.0	35.0

The share of voting rights corresponds to the capital share.

Report of the statutory auditor

To the General Meeting of Weleda AG, Arlesheim

Report of the statutory auditor on the consolidated financial statements

As statutory auditor, we have audited the accompanying consolidated financial statements of Weleda AG, which comprise the balance sheet, income statement, cash flow statement, statement of shareholders' equity and notes (pages 68 to 83), for the year ended December 31st 2021.



Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the consolidated financial statements in accordance with the requirements of Swiss law and the consolidation and valuation principles as set out in the notes. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.



Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements for the year ended December 31st 2021 comply with Swiss law and the consolidation and valuation principles as set out in the notes.



Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO) and that there are no circumstances incompatible with our independence.

In accordance with article 728 a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Basle, April 5th 2022
Ernst & Young AG

Daniel Zaugg
Licensed audit expert
(Auditor in charge)

Karina Gawron
Licensed audit expert



Annual Financial Report 2021 Weleda AG

Consisting of Arlesheim headquarters and branch office Schwäbisch Gmünd

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Balance sheet of Weleda AG

Assets

in 1,000 CHF

	Notes	31.12.2021	31.12.2020
Current assets			
Cash and cash equivalents		35,055	27,603
Trade receivables	1	48,494	46,588
Other current receivables	2	14,800	16,372
Inventories		53,988	56,252
Prepaid expenses and accrued income		1,548	1,084
Total current assets		153,885	147,899
Non-current assets			
Financial assets	3	14,583	16,826
Equity investments	4	256	5,118
Property, plant and equipment		51,741	47,797
Intangible assets		1,780	2,155
Total non-current assets		68,360	71,896
Total assets		222,245	219,795

Liabilities and shareholders' equity

in 1,000 CHF

	Notes	31.12.2021	31.12.2020
Liabilities			
Current liabilities			
Trade payables	5	12,819	11,063
Other current liabilities	6	15,127	18,362
Current provisions	8	2,667	4,043
Accrued expenses and deferred income		11,041	8,890
Total current liabilities		41,654	42,358
Non-current liabilities			
Non-current interest-bearing liabilities	7	20,723	28,370
Non-current provisions	8	55,828	53,635
Total non-current liabilities		76,551	82,005
Total liabilities		118,205	124,363
Shareholders' equity			
Share capital		4,750	4,750
Non-voting share capital		9,500	9,500
Statutory capital reserves		10,028	11,016
Statutory retained earnings		3,400	3,400
Voluntary retained earnings		76,765	67,317
Treasury voting and non-voting shares	9	-403	-551
Total shareholders' equity		104,040	95,432
Total liabilities and shareholders' equity		222,245	219,795

Income statement of Weleda AG

in 1,000 CHF

	Notes	2021	2020
Net sales of goods and services		307,916	293,949
Other income		10,640	10,082
Change in inventories of finished goods and work in progress		1,674	524
Total operating income		320,230	304,555
Cost of materials		-87,133	-92,287
Employee income and social expenditure		-118,780	-105,823
Other operating expenses		-86,820	-71,916
Depreciation, amortisation and impairment losses on non-current assets		-10,831	-11,543
Total operating expenses		-303,564	-281,569
Operating result (EBIT)		16,666	22,986
Financial expenses	10	-3,201	-951
Financial income	11	253	272
Result for the year before tax		13,718	22,307
Income taxes		-5,014	-11,682
Result for the year		8,704	10,625

Cash flow statement of Weleda AG

in 1,000 CHF	2021	2020
Result for the year	8,704	10,625
Depreciation, amortisation and impairment losses on non-current assets	10,831	11,543
Changes in provisions	3,964	2,845
Gain / loss from the disposal of non-current assets	0	9
Changes in trade receivables	-3,708	4,729
Changes in inventories	-76	865
Changes in other current receivables and prepaid expenses / accrued income	671	-4,643
Changes in trade payables	2,191	-2,440
Changes in other current liabilities and accrued expenses / deferred income	-1,279	-6,642
Other non-cash items	415	1,551
Currency and valuation influences not affecting liquidity	4,744	270
Cash flow from operating activities	26,457	18,712
Investments in property, plant and equipment	-10,136	-7,742
Divestments of property, plant and equipment	0	855
Investments in financial assets	-3,669	-660
Divestments of financial assets	2,901	50
Investments in intangible assets	-615	-589
Cash flow from investing activities	-11,519	-8,086
Distribution to shareholders	-988	0
Repayments of non-current interest-bearing liabilities	-6,735	0
Sale of treasury voting and non-voting shares	1,036	347
Purchase of treasury voting and non-voting shares	-143	-124
Cash flow from financing activities	-6,830	223
Total cash flow	8,108	10,849
Cash and cash equivalents at start of reporting period	27,603	16,795
Total cash flow	8,108	10,849
Currency translation effect on cash and cash equivalents	-656	-41
Cash and cash equivalents at end of period	35,055	27,603

Statement of shareholders' equity of Weleda AG

in 1,000 CHF	Company capital ¹	Statutory capital reserves (agio)	Statutory retained earnings	Voluntary retained earnings	Treasury voting and non-voting shares	Total shareholders' equity
Shareholders' equity as at January 1st 2020	14,250	11,016	3,400	56,483	-565	84,584
Distribution to shareholders		0				0
Result for the year				10,625		10,625
Change in treasury voting and nonvoting shares including gain / loss from sale				209	14	223
Shareholders' equity as at December 31st 2020	14,250	11,016	3,400	67,317	-551	95,432
Distribution to shareholders		-988				-988
Result for the year				8,704		8,704
Change in treasury voting and non-voting shares including gain / loss from sale				744	148	892
Shareholders' equity as at December 31st 2021	14,250	10,028	3,400	76,765	-403	104,040

¹ Company capital is broken down as follows:
6,880 registered voting shares at CHF 112.50
3,984 registered voting shares at CHF 125.00
3,478 registered voting shares at CHF 1,000.00
19,000 registered non-voting shares at CHF 500.00
There was no change in the company capital versus the prior year.

Notes to the financial statements of Weleda AG

General

Due to rounding, individual figures in this report may not add up exactly to the reported sum. Key figures and changes are calculated based on the exact amount and not the reported rounded amount.

Accounting principles

This Annual Financial Report has been prepared in accordance with uniform accounting standards (Weleda Accounting Manual). These accounting standards comply with the provisions on commercial accounting of the Swiss Code of Obligations (article 957 – 963 b OR).

The Annual Financial Report of Weleda AG complies with the law and the articles of incorporation. Certain items of the balance sheet as well as the income statement are summarised in order to provide the reader with a better overview. These items are explained in detail in the notes.

Currency translation

The accounts of the German business establishment are stated in euro and translated at year-end as follows: current assets, non-current assets and liabilities are translated at year-end rate (rate on balance sheet date), shareholders' equity at historical rate. The income statement and the cash flow statement are translated using the average rate for the year. The resulting currency translation effects are booked directly in the income statement. The following currency exchange rates are applied:

YEAR-END RATE in CHF

	2021 Rate on balance sheet date	2021 Average rate	2020 Rate on balance sheet date	2020 Average rate
1 EUR (Euro)	1.036	1.081	1.082	1.070

Balance sheet and valuation principles

In general, assets and liabilities are valued on an individual basis in so far as they are material and cannot be treated together as a group as is customary due to their similarity.

Sales recognition

Sales are recognised on the transfer of risks and benefits to customers or upon provision of the service. This generally corresponds to delivery of the products.

Current assets

Receivables and other current assets are reported at their nominal values. The general risk of loss and individual credit risk have been accounted for on the basis of value adjustments. The valuation of inventories is conducted on the basis of acquisition or production cost while observing the principle of lower of cost or market.

Non-current assets

Acquired intangible assets are recognised at the cost of acquisition, less amortisation. Property, plant and equipment is recognised at acquisition or production cost minus depreciation. Small-value intangible assets and property, plant and equipment with a value of less than CHF 1,080 / EUR 1,000 are depreciated in full in the year they are added.

Financial assets are recognised at the cost of acquisition. Equity investments are also recognised at acquisition values and depreciated over five years. Additions to equity investments up to CHF 100,000 are fully depreciated in the year of acquisition.

Where there are indications of non-current assets being overvalued, carrying values have been reviewed and, where necessary, adjusted.

Liabilities

Liabilities are recognised on the basis of nominal value. Provisions for pension plans and similar obligations are determined based on actuarial principles. The remaining provisions covered all recognisable risks for undetermined obligations. Liabilities are recognised at the respective amount at which they are to be repaid.

Treasury voting and non-voting shares

Treasury voting and non-voting shares are recognised at cost at the time of acquisition. The holding of treasury voting and non-voting shares is disclosed as a negative item in equity. Upon resale, the profit or loss is allocated directly to the voluntary retained earnings.

Leasing transactions

Leasing and rental contracts are recognised on the basis of legal ownership. Accordingly, expenses as lessee are recognised on an accrual basis, whereas the leased or rented objects themselves are not recognised. The total amount of outstanding non-current rental and leasing obligations is included in the notes.

Notes to the balance sheet and the income statement

1 Trade receivables

in 1,000 CHF	31.12.2021	31.12.2020
From third parties	32,310	27,060
From associated companies	16,092	19,340
From shareholders	92	188
Total trade receivables	48,494	46,588

2 Other current receivables

in 1,000 CHF	31.12.2021	31.12.2020
From third parties	2,496	1,764
From Group companies	12,304	14,608
Total other current receivables	14,800	16,372

3 Financial assets

in 1,000 CHF	31.12.2021	31.12.2020
Loans to Group companies	14,257	16,416
Other financial assets	326	410
Total financial assets	14,583	16,826

4 Equity investments

in 1,000 CHF	31.12.2021	31.12.2020
Investments in Group companies with an interest of more than 50 per cent	230	5,066
Other equity investments	26	52
Total equity investments	256	5,118

5 Trade payables

in 1,000 CHF	31.12.2021	31.12.2020
To third parties	12,798	11,011
To associated companies	5	7
To the statutory auditor Ernst & Young	16	45
Total trade payables	12,819	11,063

6 Other current liabilities

in 1,000 CHF	31.12.2021	31.12.2020
To third parties	3,438	3,625
To Group companies	11,188	14,701
To other related parties	455	0
To shareholders	46	36
Total other current liabilities	15,127	18,362

7 Non-current interest-bearing liabilities

in 1,000 CHF	31.12.2021	31.12.2020
To equity investments	20,723	28,370
Total non-current interest-bearing liabilities	20,723	28,370

MATURITY
in 1,000 CHF

	31.12.2021	31.12.2020
Residual maturity 1 to 5 years	10,363	17,550
Residual maturity over 5 years	10,360	10,820
Total non-current interest-bearing liabilities	20,723	28,370

All financial liabilities due within the following 12 months are disclosed in current interest-bearing liabilities.

8 Provisions

in 1,000 CHF	31.12.2021	31.12.2020
Pension Fund	31,698	29,722
Other provisions	26,797	27,956
Total provisions	58,495	57,678
Of which current	2,667	4,043
Of which non-current	55,828	53,635

Other provisions comprise, among other things, currency provisions for unrealised exchange rate gains on non-current financial positions, reserves for strategic projects, restructuring liabilities for the Weleda UK Pension Fund and provisions for jubilee and other long-term service bonuses.

9 Treasury voting and non-voting shares

in 1,000 CHF	2021	2020
Stock of treasury voting shares as at January 1st (in number: 219/prior year: 219)	547	521
Addition of treasury voting shares (in number: 34/prior year: 20)	118	65
Disposal of treasury voting shares (in number: 124/prior year: 20)	-292	-39
Stock of treasury voting shares as at December 31st (in number: 129/prior year: 219)	373	547
Stock of treasury non-voting shares as at January 1st (in number: 1/prior year: 35)	4	44
Addition of treasury non-voting shares (in number: 6/prior year: 14)	26	59
Disposal of treasury non-voting shares (in number: 0/prior year: 48)	0	-99
Stock of treasury non-voting shares as at December 31st (in number: 7/prior year: 1)	30	4
Total treasury voting and non-voting shares as at December 31st	403	551

2021, six non-voting shares were acquired at an average transaction price of CHF 4,307. Furthermore, ten treasury voting shares (nominal value CHF 1,000) were acquired at a transaction price of CHF 9,276 and 24 treasury voting shares (nominal value CHF 112.50) were acquired at an average transaction price of CHF 1,037. Moreover, 115 treasury voting shares (nominal value CHF 1,000) were sold at an average transaction price of CHF 8,928 and nine treasury voting shares (nominal value CHF 112.50) were sold at a transaction price of CHF 1,004.

10 Financial expenses

in 1,000 CHF	2021	2020
Interest and similar expenses relating to Group companies	-621	-754
Interest and similar expenses relating to third parties	-13	-151
Realised and unrealised foreign currency losses, net	-2,567	-46
Total financial expenses	-3,201	-951

11 Financial income

in 1,000 CHF	2021	2020
Interest from loans to Group companies	253	244
Interest and similar income from third parties	0	28
Total financial income	253	272

Other information

Full-time equivalents

The annual average number of full-time equivalents for the reporting year, as well as the previous year, exceeded 250. Changes in full-time equivalents are stated in the management report.

Contingent liabilities and other financial obligations

in 1,000 CHF

	31.12.2021	31.12.2020
Contingent liabilities	588	0
Non-current rental and leasing obligations	3,522	3,123

Weleda AG has leasing and rental obligations for vehicles and production machinery as well as for buildings.

Restricted cash

in 1,000 CHF

	31.12.2021	31.12.2020
Restricted cash	185	185

Fee for the statutory auditor Ernst & Young

in 1,000 CHF

	2021	2020
Auditing services	222	198
Other services	155	385
Total fee	377	583

Significant events after the balance sheet date

There are no significant events after the balance sheet date which could impact the book value of the assets or liabilities or which should be disclosed here.

Investments

	Registered office	Function	Currency	Company capital in 1,000	Capital share 2021 in %	Capital share 2020 in %
Weleda Benelux SE	NL - Zoetermeer	Production and trade	EUR	2,269	100.0	100.0
Weleda Ges.m.b.H.	A - Vienna	No operative function	EUR	36	100.0	100.0
Weleda Ges.m.b.H. & Co KG	A - Vienna	Trade	EUR	1,100	100.0	100.0
Weleda Trademark AG	CH - Arlesheim	Services	EUR	920	100.0	100.0
Weleda Inc.	USA - Irvington, N.Y.	Trade	USD	8,525	100.0	100.0
Weleda Italia S.r.l.	I - Milan	Trade	EUR	500	100.0	100.0
Weleda do Brasil Ltda.	BRA - São Paulo	Production and trade	BRL	27,140	100.0	100.0
Weleda Naturals GmbH	D - Schwäbisch Gmünd	Services	EUR	25	100.0	100.0
Weleda East GmbH	RUS - Moscow	Trade	RUB	10	100.0	100.0
Weleda S.A.U.	E - Madrid	Trade	EUR	685	100.0	100.0
Weleda (NZ) Ltd	NZL - Havelock North	Production and trade	NZD	169	100.0	100.0
Weleda Australia Pty Ltd	AUS - Warriewood	Trade	AUD	800	100.0	100.0
Weleda AB	S - Stockholm	Trade	SEK	2,000	100.0	100.0
Weleda (Australasia) Ltd	NZL - Havelock North	Services	NZD	1,139	100.0	100.0
Weleda Chile SpA	CHL - Santiago de Chile	Production and trade	CLP	491,321	100.0	100.0
Weleda F+E AG	CH - Arlesheim	Services	CHF	3,000	100.0	100.0
Weleda Ukraine LLC	UA - Kyiv	Trade	UAH	500	100.0	100.0
Weleda Korea Ltd.	KR - Seoul	Trade	KRW	130,000	100.0	100.0
Weleda Services GmbH	D - Schwäbisch Gmünd	Services	EUR	200	100.0	100.0
Weleda Immobilien GmbH	D - Schwäbisch Gmünd	Services	EUR	25	100.0	100.0
Weleda Services B.V.	NL - Zoetermeer	Services	EUR	0	100.0	-
Weleda Healthcare AG	CH - Arlesheim	Production and trade	CHF	100	100.0	-
Weleda UK Ltd	GB - Ilkeston	Production and trade	GBP	1,495	99.7	99.1
Weleda spol. s r.o.	CZ - Prague	Trade	CZK	19,684	99.6	99.6
Weleda S.A.	F - Huningue	Production and trade	EUR	3,400	98.9	98.6
Weleda S.A.	ARG - Buenos Aires	Production and trade	ARS	7,622	95.0	95.0
Weleda Japan Co., Ltd.	JP - Nagoya	Production and trade	JPY	10,000	35.0	35.0

The share of voting rights corresponds to the capital share.

Proposed appropriation of the result for the year

Board of Directors' proposed appropriation of the result for the year

	31.12.2021
Voluntary retained earnings (without result for the year)	68,060,908.16
Annual result for 2021	8,703,773.19
Total voluntary retained earnings	76,764,681.35

Since the statutory capital reserves and the statutory retained earnings have reached 50 per cent of the share capital, there will be no further allocation.

Provided the proposal is accepted, the following distribution will be made out of the statutory capital reserves:

in CHF	per voting share	per voting share	per voting share	per non-voting share
Voting share/non-voting share (nominal)	112.50	125.00	1,000.00	500.00
Distribution (7 per cent) ¹	7.90	8.75	70.00	35.00

¹ Free of Swiss withholding tax distribution out of the statutory capital reserves

Repayments out of reserves from capital contributions (statutory capital reserves) of a corporation are not liable for withholding tax (article 5 [1bis] VStG). Hence the distribution is made gross.

in CHF	
Statutory capital reserves before distribution	10,028,702.00
Distribution on voting share capital of CHF 4,750,000.00	332,500.00
Distribution on non-voting share capital of CHF 9,500,000.00	665,000.00
Statutory capital reserves after distribution	9,031,202.00

Distribution payment out of statutory capital reserves

Provided the General Shareholders' Meeting approves the proposed distribution, we will pay the distribution in calendar week 22. No distribution will be paid for voting shares and non-voting shares held directly by the company at the time of distribution payment.

Weleda AG, Arlesheim, April 5th 2022
On behalf of the Board of Directors



Thomas Jorberg
Chairman



Dr. Andreas Jäschke
Deputy Chairman

Report of the statutory auditor

To the General Meeting of Weleda AG, Arlesheim

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the accompanying financial statements of Weleda AG, which comprise the balance sheet, income statement, cash flow statement, statement of shareholders' equity and notes (pages 86 to 98), for the year ended December 31st 2021.



Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.



Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended December 31st 2021 comply with Swiss law and the company's articles of incorporation.



Report on other legal requirements



We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO) and that there are no circumstances incompatible with our independence.

In accordance with article 728 a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Basle, April 5th 2022
Ernst & Young AG



Daniel Zaugg
Licensed audit expert
(Auditor in charge)



Karina Gawron
Licensed audit expert

Resources used to produce Weleda natural and organic cosmetics and pharmaceuticals

Energy consumption

in megawatthours

	2021	2020	2019	Change in %
Consumption within the organisation¹				
Total renewable energy	16,775	16,104	16,878	4.2
Total nonrenewable energy	18,364	20,581	22,837	-10.8
Total energy consumption	35,140	36,685	39,715	-4.2
Consumption of fuels				
Non-renewable				
Natural gas	13,899	14,994	16,088	-7.3
Heating oil	534	510	495	+4.8
Other nonrenewable fuels	2,623	3,814	4,860	-31.2
Total non-renewable	17,056	19,318	21,443	-11.7
Renewable				
Biogas	2,060	954	964	+116.0
Other renewable fuels	0	0	221	0
Total renewable	2,060	954	1,185	+116.0
Total consumption of fuels	19,116	20,271	22,628	-5.7
Renewable				
Renewable energy mix	13,917	14,462	14,920	-3.8
Biomassbased intermediate energy	689	609	653	+13.2
Total renewable	14,606	15,071	15,573	-3.1
Energy sources produced renewable				
Electricity	115	102	143	+12.1
Thermal heat	33	15	11	+122.8
Total renewable	148	117	154	+26.1
Energy sources sold renewable				
Electricity	37	37	34	0.0

¹ Values updated compared to previous year (extended database)

Emissions

in tonnes of CO₂ equivalents

	2021	2020	2019 ²	Changes in %
Direct emissions				
Direct emissions from stationary combustion sources	3,579	3,818	-	-6.3
Direct emissions from mobile combustion sources	1,591	1,446	-	+10.0
Direct emissions from fugitive sources	523	569	-	-8.1
Total direct emissions	5,693	5,833	-	-2.4
Indirect emissions				
Indirect emissions from purchased electricity ¹	1,218	1,303	-	-6.5
Indirect emissions from district heating/refrigeration	130	67	-	+94.0
Total indirect emissions	1,348	1,370	-	-1.6
Total	7,041	7,203	-	-2.2

¹ Taking into account electricity from renewable sources² Extensively evaluated emissions data available from 2020 onwards

Water consumption

in cubic metres

	2021	2020	2019	Veränderung in %
Water withdrawal				
Water from public water supply	16,948	21,050	89,374	-19.5
Groundwater	114,449	153,713	83,872	-25.5
Rainwater, collected directly and stored	4,238	3,286	4,214	+29.0
Wastewater from other organisation	528	139	-	+280.3
Total	135,635	178,049	177,460	-23.8

Purchased materials

in tonnes

	2021	2020	2019	Veränderung in %
Raw materials¹				
Renewable	4,504	4,735	4,726	-4.9
Nonrenewable	237	314	305	-24.5
Total	4,741	5,049	5,031	-6.1
Packmittel¹				
Renewable	2,009	2,081	2,287	-3.5
Nonrenewable	3,207	3,149	3,287	+1.8
Total	5,216	5,230	5,574	-0.3
Werbematerial¹				
Renewable	647	720	821	-10.1
Nonrenewable	42	61	84	-31.1
Total	689	781	905	-11.8

Purchased materials

in tonnes

	2021	2020	2019	Changes in %
Operating materials²				
Renewable	113	113	61	0.0
Nonrenewable	68	82	74	-17.1
Total	181	195	135	-7.2
Semi-finished products and bulk goods²				
Renewable	67	65	50	+2.9
Nonrenewable	4	3	3	+2.9
Total	70	68	53	+2.9
Trade goods²				
Renewable	669	894	526	-25.2
Nonrenewable	667	893	549	-25.3
Total	1,336	1,787	1,075	-25.2
Proportion of renewable materials³	8,009	8,608	8,471	-7.0
Proportion of non-renewable materials	4,225	4,502	4,302	-6.2
Summe	12,233	13,110	12,773	-6.7

1 Predominantly determined via direct measurement (invoices and ERP system); when in doubt materials classified as non-renewable.

2 Estimates based on purchases and their material composition; when in doubt materials classified as non-renewable.

3 The drinking water used as a raw material is not taken into account here, as the water input is already included in the water consumption; the share of renewable materials would otherwise be significantly higher.

Some material values for 2020 were corrected due to an improved database.

Waste quantities

in tonnes

	2021	2020	2019	Changes in %
Normal waste				
Composting	58	51	20	+13.7
Reuse	17	27	37	-36.6
Recycling	690	663	740	+4.0
Recovery	0	0	18	0.0
Incineration or use as fuel	329	310	350	+6.1
Landfill	62	23	29	+168.0
Other disposal	23	23	25	0.0
Total	1,179	1,097	1,221	+7.4
Hazardous waste				
Recycling	41	42	17	-1.9
Recovery	7	4	16	+97.7
Incineration or use as fuel	58	61	55	-4.9
Landfill	0	0	1	-100.0
Onsite storage	6	6	2	-4.8
Other disposal	9	7	29	+36.2
Total	121	119	120	+1.4
Total	1,300	1,217	1,341	+6.9

Employees of the Weleda Group**Employees of the Weleda Group at a glance³**as at December 31st 2021

	Region D-A-CH ¹	Southern Europa ¹	Northern Europa ¹	Central and Eastern Europe ¹	North America ¹	South America ¹	Asia/Pacific ¹	Total
Number of female employees	918	294	133	70	27	180	59	1,680
Number of male employees	508	109	52	15	12	91	20	807
Total number of employees	1,426	403	185	85	39	271	79	2,487
Total number of managers	224	73	39	13	15	25	14	403
Nature of employment								
Full-time employees	865	310	117	75	38	250	30	1,685
Part-time employees	561	93	68	10	1	21	49	803
of whom female part-time employees	493	88	59	10	1	15	42	708
of whom male part-time employees	68	5	6	0	0	6	7	92
Employment by age group								
up to 30 years of age	182	39	23	18	²	64	²	340
31 to 50 years of age	776	247	93	64	²	167	²	1,406
51 to 60 years of age	380	115	50	2	²	35	²	615
over 60 years of age	88	18	17	1	²	5	²	140
Total number of newborns	41	17	4	3	2	10	2	79

	2021	2020
Employee development		
Hours used for internal training and cultural activities during working hours	465	270
People who take advantage of internal and cultural activities	2,934	2,421

¹ Explanation of regions:
D - A - CH: Germany, Austria, Switzerland
Southern Europe: France, Italy, Spain
Northern Europe: Benelux (Netherlands, Belgium), UK, Sweden
Central and Eastern Europe: Russia, Czech Republic (incl. Slovakia), Ukraine
North America: USA
South America: Brazil, Argentina / Chile
Asia / Pacific: Australia, New Zealand, South Korea (excluding Japan, as minority holding)

² Employment by age group cannot be disclosed for legal reasons.

³ These figures represent the number of employees at the end of the year and may therefore differ from full time equivalent (FTE) figures elsewhere in the report, where changes in the FTE pool during the year have also been taken into account.

Differences in the total values result from different data sources and legal bases in the respective countries.

GRI indicators index

In our reporting on corporate responsibility, we also refer to the internationally recognised guidelines of the Global Reporting Initiative (GRI, Sustainable Reporting Standards 2016) and thus make our performance transparent. The following table shows where information on the indicators can be found in the previous chapters.

Standard disclosures

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The Global Reporting Initiative was founded in 1997 by the Coalition of Environmentally Responsible Economies (Ceres) and the United Nations Environmental Programme (UNEP).

Detailed information can be found online at: www.globalreporting.org.

Certifications of Weleda countries

Weleda actively pursues environmental management and works to improve social and working conditions. Independent experts have confirmed compliance with internationally recognised standards by awarding the following certifications.

Switzerland	Germany	Italy
<p>Weleda AG Dychweg 14 4144 Arlesheim Switzerland Tel. +41 61 705 21 21 www.weleda.ch</p> <p>Certified in accordance with ISO 14001 and EMAS / Verified Environmental Management, D-135-00032</p> 	<p>Weleda AG Möhlerstr. 3-5 73525 Schwäbisch Gmünd Germany Tel. +49 7171 91 90 www.weleda.de</p> <p>Certified in accordance with ISO 14001 and EMAS / Verified Environmental Management, D-135-00032, certified in accordance with audit berufundfamilie</p> 	<p>Weleda Italia S.r.l. Via Albani 65 20148 Milano Italy Tel. +39 02 487 70 51 www.weleda.it</p> <p>Certified in accordance with SA 8000 (Social Accountability Standard)</p> 
France	Since 2018	
<p>Weleda S.A. 9, rue Eugène Jung 68331 Huningue Cedex France Tel. +33 38 969 68 00 www.weleda.fr</p> <p>Certified in accordance with ISO 14001</p>	<p>UEBT certification for our management system for raw material sourcing of natural raw materials</p> <p>Weleda was among the first two brands worldwide to receive the new UEBT certification "Sourcing with respect" in 2018. This label guarantees that biodiversity is preserved and used sustainably in the cultivation, harvesting and further processing of the plants. Weleda is also committed to treating all supply chain participants fairly and paying fair prices.</p> 	

Ethical Sourcing Commitments

Since 2012 we have been a member of the Union for Ethical BioTrade (UEBT). The non-profit association promotes the respectful procurement of natural raw materials

The ambitious standard for ethical procurement promotes sustainable economic growth, local development and the protection and sustainable use of biodiversity.

In accordance with our purpose “unfold health and beauty in harmony with human and nature”, we have implemented the UEBT standard as a sustainability management system along all our natural raw material supply chains.

In 2018, UEBT offered a certification programme for ethical procurement. UEBT certifies procurement systems of companies that respect people and biodiversity.

As a UEBT member, we are committed to innovation and procurement practices that contribute to a world in which people and biodiversity can thrive. With this in mind, and as part of our sustainability strategy, we have decided to go one step further in our commitment and introduce the certification of our Ethical Sourcing System (ESS) for all our natural raw materials used in our natural and organic cosmetics products. A subsequent risk analysis will help us to identify the need for lasting improvements and to determine what measures must be taken.

As a next step, and as part of the certification programme, we are committed to taking further action along defined, so-called prioritised supply chains. This will allow us to reach even more actors and areas for cultivation and wild collection to improve ethical sourcing wherever necessary.

We achieved the first certification in 2018 and had a second successful audit in June 2019.

In 2020, no further ESS certification audit was carried out due to the pandemic, but we nevertheless continued to implement all the necessary measures within the framework of the legal measures.

Certification scope in figures

2021

- We had 620 approved supply chains, which means that 100 per cent of the raw materials used were evaluated.
- In 2020 we purchased 239 natural raw materials from 107 suppliers for natural and organic cosmetics.
- 115 of our supply chains are defined as prioritised for verification. Verification means that we confirm the information we have received from our suppliers for evaluation through onsite audits.
- Due to pandemic restrictions, only seven audits were conducted in 2021. With the audits already carried out in previous years, the current status is as follows:
 - 73 audits conducted
 - 20 audits planned (in 2022)
 - 16 at planning stage
 - 6 are already certified by our suppliers themselves

Of the 73 audits carried out

- 11 suppliers have already implemented their measures
- 36 suppliers have planned the implementation of the necessary measures
- 26 suppliers still have to prepare action plans.

The measures mentioned are defined by the audits carried out at suppliers and include improvements in the social and environmental areas. The followup of the implementation of measures is carried out by our employees, a final check and approval are carried out by UEBT and Weleda in accordance with the dual control principle. This is how we ensure our positive influence on people and nature.

2022 target

- Verification of all remaining prioritised supply chains
- Followup of supplier measures and completion of verification audits
- The corrective measures from last year’s audit are mainly adjustments in our process descriptions and internal training. These measures were implemented in 2020, but will need to be further adjusted in 2021. This is primarily due to process improvements, such as the introduction of an online tool at UEBT, which will be used to evaluate all data from 2021 onwards.
 - With the introduction of UEBT’s online tool, all our supply chains are being remapped and reassessed.
 - Definition of a supply chain and implementation of an impact study
 - Implementation of Biodiversity Action Plans in defined supply chains.

Observation

In 2021, not all audits were carried out as planned, mainly due to travel restrictions. New supply chains are also added every year, so that the number of supply chains to be verified is constantly increasing.

Internal training measures with all relevant departments were carried out in 2020 too, in order to better explain the requirements of the certification and their importance in daytoday work. This training was conducted for research and development, marketing and project management, and may be repeated regularly.

The current certification is valid until June 2021.

We have noticed a strong interest in UEBT and the contents of the standard on the part of our suppliers. As a result of the audits, a number of suppliers have now decided to become members themselves.

What are the guiding principles of the UEBT standard?

- Biodiversity conservation
- Sustainable use of biodiversity
- Sharing of benefits between companies and communities through the use of biodiversity
- Traceability to identify the origins of the natural ingredients
- Compliance with national and international regulations
- Adequate working conditions for employees and ensuring local food security
- No “land grabbing”, instead measures to prevent illegal use

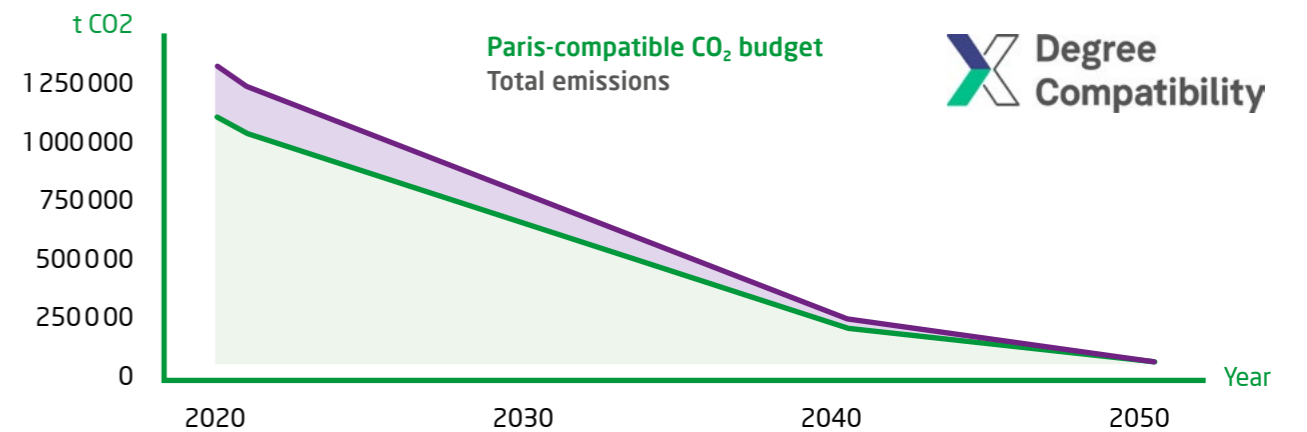
What is the UEBT?

The Union for Ethical BioTrade (UEBT) provides a globally recognised standard for ethical trade in natural resources. The nonprofit organisation is an offshoot of the UN Convention on Biological Diversity (CBD) and the UN Conference on Trade and Development (UNCTAD).

Why did we choose XDC as a reference and driver for our climate goals?

The XDC model was developed in 2019 by right. based on science. It relates a company’s emissions intensity to its economic performance and the potential of the company’s industry. The model enables companies to measure and manage their compliance with

the Paris Climate Agreement. Weleda uses the XDC model to calculate and understand our climate impacts, define science-based emission reduction targets, conduct forward-looking scenario analysis, prepare climate-conscious business decisions, and inform the public.



About the graph: The development of total emissions shows how Weleda would have to reduce emissions for the company to become Paris-compatible overall. The green area shows the remaining emissions budget based on reported data according to the GHG Protocol. The blue area shows emissions with additional consideration of the financial footprint outside the GHG Protocol.

Input data XDC analysis according to right. based on science GmbH

Model version	V2.4
Gross value added	2019, reported
Scope 1	Base year 2021, reported, data quality: +/- 5%
Scope 2	Base year 2021, reported, data quality: +/- 5%
Scope 3	Base year 2019, (15/15), data quality +/- 20%
Development of emissions and gross value added	Standard assumptions based on Shared Socioeconomic Pathway 2 (SSP2)

Transparent and solid business management

Weleda places great value on a transparent management structure and an open communication culture. The rules for good corporate governance are laid down in the company's articles of association and organisational regulations.

Control and risk management

The primary objective of risk management is to ensure the long-term survival of the company – as a basis for further development. Risk reporting to the Audit Committee and the Board of Directors takes place halfyearly. The material content and elements of Weleda's Groupwide risk policy have been documented and described in a comprehensive control and risk management system (KuRS).

The Audit Committee is a fundamental element of the management structure, with responsibility for compliance with Weleda's corporate governance.

Audit Committee

Members

Two members of the Audit Committee, Monique Bourquin (Chairman) and Dr Andreas Jäschke, are also members of the Board of Directors. With Dr Patrick Scarpelli, partner at cctm AG in Basel, an external specialist is also represented.

Tasks

The function of the Audit Committee is to provide effective support to the Board of Directors in monitoring corporate governance. This includes:

- monitoring the integrity of financial reporting and the Group's internal control system as well as monitoring compliance with legal and internal regulations
- monitoring the independence and performance of the independent external auditors (auditors and Group auditors) and the internal auditing department

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