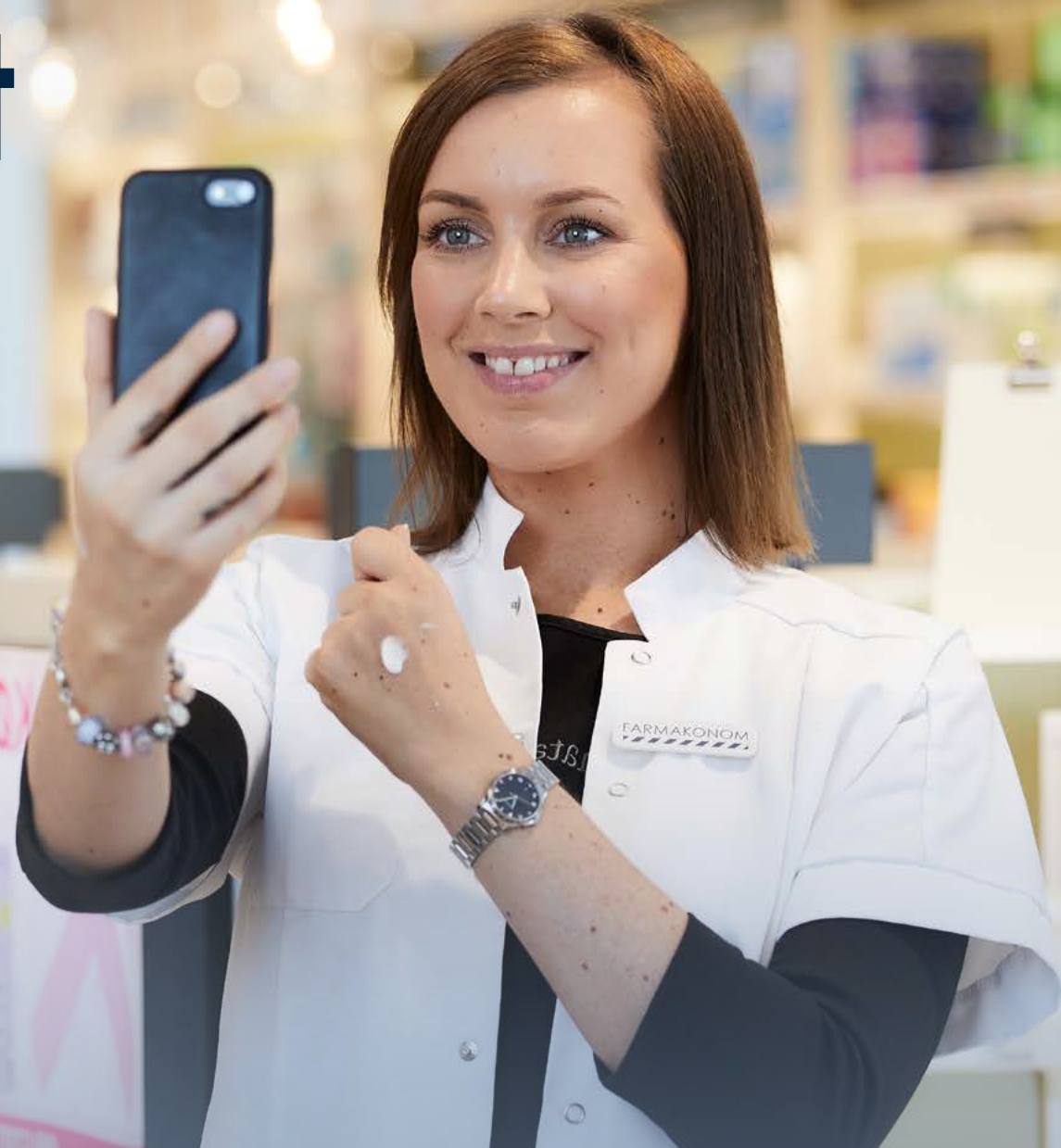


matas

ESG Report 2021/22

1 April 2021 to 31 March 2022



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Matas' ESG Report constitutes the Company's reporting pursuant to section 99a, 99b and 107d of the Danish Financial Statements Act.



[Read more](#)

A more important role in society

Health and beauty are at the core of our business and at the core of the role we play to our customers and in society.

Our corporate social responsibility strategy is a firmly embedded part of our 2025/26 strategy "Growing Matas Group", which entails strengthening our digital business and bringing innovation and renewal to the Danish health and beauty market. Our corporate social responsibility guideposts are sustainability, public health and inclusion.

Matas has direct influence on the physical and mental well-being of the Danish population. Together with our suppliers and partners, we continually strive to improve the quality, safety and sustainability of the products we carry. We continue to train our employees in providing trustworthy advice on health and other matters, as we have done to the millions of Danes who have shaped Matas over the past 70 years.

Our role in society increasingly includes reducing carbon emissions and the consumption of plastics. We have set ambitious and specific goals in these areas and launched numerous actions in order to achieve them. Finally, we are also taking steps towards Matas becoming a more active voice in the debate on important issues such as inclusion and diversity. For example, we have teamed up with our ambassador, influencer Sofie Linde. She has campaigned for the right to be who you are on your own terms.

This year, we have decided to publish a separate ESG report, because we want to mark Matas' commitment to playing an increasingly prominent role in society in the coming years with specific targets, concrete actions and a high degree of transparency.

Gregers Wedell-Wedellsborg
CEO, Matas A/S



Our Business

- Matas' Impact on Society
- Materiality Assessment & Stakeholder Mapping
- Strategy & 2030 Ambitions
- Principal CSR Events of the Year

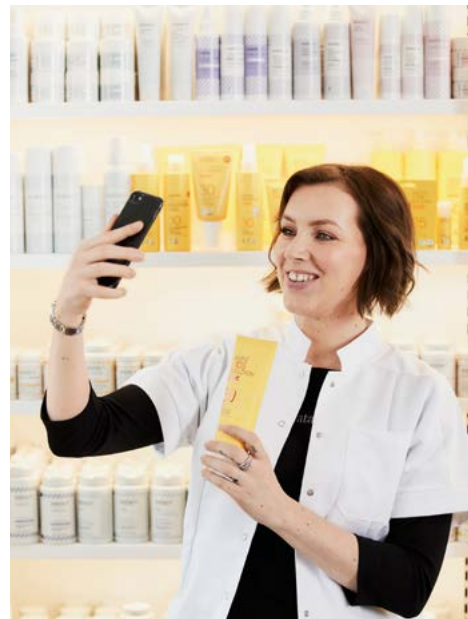


Matas' Impact on Society

Since 1949, Matas has been an acclaimed provider of safe products and trustworthy advice – both on our house brands, such as the Matas Stripes, and on the close to 50,000 other products that our customers find on the shelves of the webshop, matas.dk, or in one of the 260 physical Matas stores.

Until a very few years ago, virtually all direct contact with Matas' customers took place in the physical stores throughout Denmark. However, in recent years the digital business has taken off to a point where it now accounts for about a quarter of the over 22 million annual transactions, and in record time Matas.dk has become Denmark's second-most widely used webshop.

Our customers, predominantly women, generally have great confidence in the



advice they get from Matas' trained health & beauty therapists, on products in the health, beauty and well-being categories, whether high-end luxury items or everyday products. Our webshop largely offers the same advisory services, for example video advice and tutorials by trained beauty and health therapists or pharmaconomists, seven days a week.

In addition to Matas' strong advisory services, our customers' confidence has to do with the fact that Matas has been proactive in terms of regulatory requirements such as GDPR, recycling and reduction of plastics, chemical substances in products, etc. and, by no means least, society's and the consumers' general expectations of the integrity of Matas.

Matas Group has evolved into a digital business, and is expected to double online sales within the next four years. Achieving this will require major ongoing product range expansion in, among other categories, health products. These ambitions will also require a more sustainable development of online sales than previously, and to this end Matas has selected a number of areas in which to strengthen the Company's impact on the climate, the environment, labour conditions, human rights and general governance.



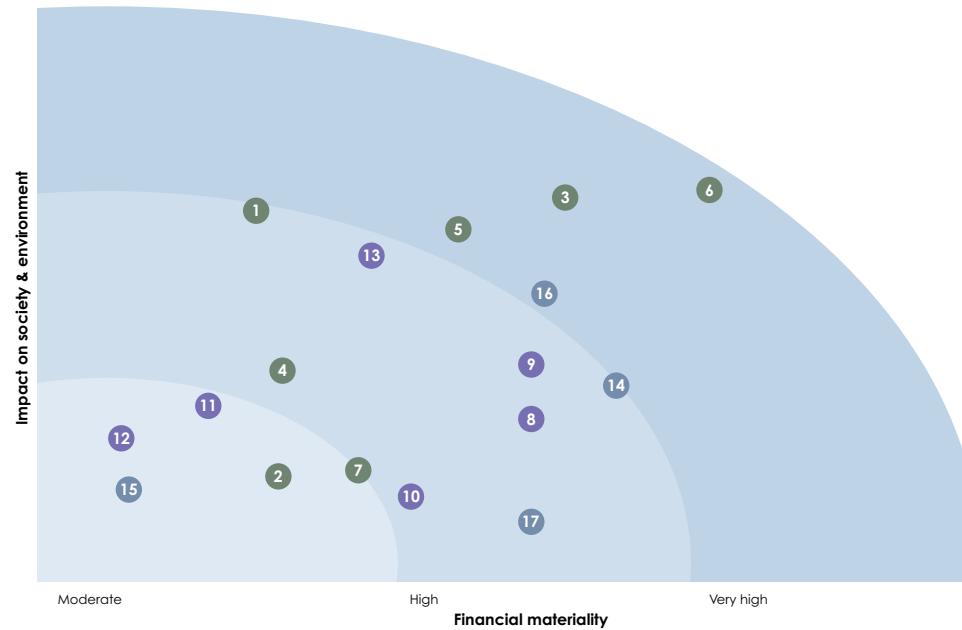
Materiality Assessment & Stakeholder Mapping

Matas' Materiality assessment is updated annually on the basis of interviews and analyses and therefore provides an overview of the factors that are important to society and to Matas. The material subjects are divided into the Environmental, Social & Governance (ESG) categories that Matas generally applies and which are also the basis on which Matas is evaluated by international organisations such as the UNGC and professional analysts following Matas A/S.

Together with the description of Matas' impact on society and an overview of Matas' principal stakeholders, this forms the basis of the double materiality requirement pursuant to section 99a of the Danish Financial Statements Act, i.e. an assessment of what ESG information is material in relation to Matas' impact on society and in relation to society's impact on Matas.

This analysis also determined how Matas designed its CSR strategy and which goals Matas prioritises in the areas of sustainability, health and inclusion.

Materiality Assessment



CO₂ Neutrality Plastic Reductions

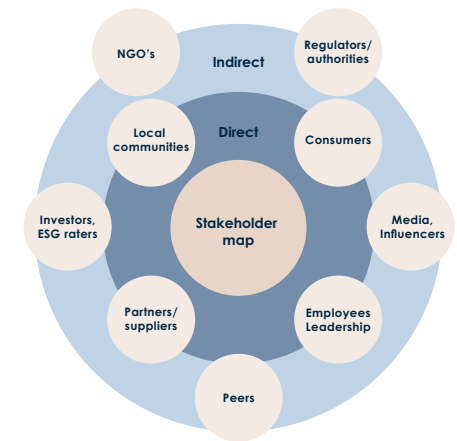
- 1 Climate change
- 2 Water
- 3 Plastics
- 4 Biodiversity - RSPO
- 5 Packaging
- 6 Product safety and transparency
Product content
- 7 (vegan, organic, certified)



Best Place to Be Diversity Public Health

- 8 Occupational health and safety
- 9 Training and education
- 10 Work and income
- 11 Labour rights and
human rights
- 12 Cultural heritage
- 13 Diversity

Stakeholder Mapping



Transparency Accountability

- 14 Data - GDPR
- 15 Anti-corruption
- 16 Stakeholder dialogue
& whistleblower
- 17 Tax

Strategy & 2030 Ambitions

In early 2021, Matas outlined a new CSR strategy encompassing four operational targets in the areas of *sustainability*, *health* and *inclusion*.

Work on the four targets will be adjusted on an ongoing basis in accordance with the statutory double materiality requirement and Matas' updated business strategy, Growing Matas Group. The CSR strategy foundation will also be adjusted on an ongoing basis in line with developments in Matas' business areas and society's general expectations.

Sustainability denotes the work to give customers access to green products striving for sustainability, the work to safeguard the local environment through systematic efforts to reduce and recycle transport and packaging plastics and the work to reduce CO₂ emissions at all levels of the business.

Health is defined as the work to promote the health of the Danish population by offering a wide range of safe and well-tested health products and an unwavering commitment to providing competent and reliable advice online and at the stores.

Inclusion reflects Matas' widespread contact with largely all Danish consumers and its related responsibility for facilitating a debate on a more balanced view of health, beauty and mental well-being, particularly focusing on women.



The four goals that serve as guideposts for Matas' CSR ambitions:



1. CO₂-neutral by 2030

Matas is committed to reducing CO₂ emissions and aims to achieve net zero emissions by 2030 in Scopes 1, 2 and 3a (see definitions of scopes on page 13). Matas has defined specific sub-targets on how to achieve this and ambitions and methods to induce its many suppliers to also achieve net zero emissions by 2030.



2. Eliminating 100 million plastic units

Matas is committed to promoting a more sustainable transition of the retail industry. As part of this commitment, Matas aims to eliminate 100 million plastic units from its business by 2030. This includes packaging, transport plastics, plastic bags, etc.



3. Promoting public health

Matas is committed to promoting the general health of the Danish population by offering an extended range of healthy products and competent advice by trained beauty and health therapists and pharmaconomists. At the same time, Matas aims to provide Danish consumers with easy and secure access to health advice via digital channels through innovation of Matas' own digital platforms and Matas' collaboration partners. As a leading beauty, well-being and health influencer in Denmark, Matas is committed to promoting the mental health and wellbeing of the Danish population through its product offering, communications and customer interactions.



4. Best place to be in the retail industry

Matas aims to be a lighthouse among Denmark's big retail chains. This goal is divided into a number of sub-ambitions, such as enhancing employee satisfaction, strengthening diversity in management across business areas, by focusing on training female managers, general training and skills upgrading opportunities for the employees and involvement of the employees at all levels through the establishment of local ambassador teams focusing particularly on strengthening mental health. Matas wants to be a good place for employees to work, and this should be felt in all Matas' external stakeholder relations.

Principal CSR Events of the Year

The financial year 2021/22 was marked by a number of global events, some of which directly affected Matas' decisions with regard to its own business as well as to the wider community.

Covid-19

The Covid-19 pandemic has had a major impact on Matas' role in Danish society. First and foremost, all physical stores remained open throughout the pandemic, including the second and third waves. Matas implemented procedures for safe and secure shopping, and the relative number of Covid-19 cases among Matas' front staff was no higher than among the general population. Through this phase of the pandemic, the population was able to purchase items such as face masks, hand sanitiser, self-test kits, OTC medicine and, not least, personal care products through Matas' physical and online sales channels. Matas was very transparent in its communication with the media and others about sales figures and the intermittent challenges of meeting the demand caused by

the pandemic. Throughout the pandemic, Matas has expanded its entire health platform and continually developed its portfolio of health products and its communications.

Ukraine invasion

Russia invaded Ukraine in February 2022. In support of the sanctions imposed on Russia, management decided to reach out to all +200 suppliers to make sure that none of the products carried by Matas are manufactured in Russia. This meant that a handful of products were taken off the shelves and are no longer carried by Matas' physical stores or online. At the same time, Matas decided to organise a fundraising campaign and a Matas LIVE transmission featuring the Secretary General of the Danish Red Cross, Anders Ladekarl, the Danish/Ukrainian influencer Irina Olsen and Matas' ambassador, Sofie Linde. With Matas LIVE, which was transmitted live to Matas' 300,000 followers on Facebook, Matas collected a total of DKK 1.5 million for the Danish Red Cross, in part from customers and in part from Matas.

Health partnerships

During the financial year, Matas had a number of collaborations with NGOs focusing on physical and mental health. In December, Matas raised DKK 900,000 for the Danish Heart Foundation and its awareness and research activities through

the sale of the annual Christmas pendant. Matas also collaborates with the Danish Cancer Society, focusing mainly on a sun protection awareness campaign. Matas donates almost DKK 2 million annually to the Danish Cancer Society through donations, fundraising and the like.

Matas brand platform focusing on inclusion

In August, Matas launched a collaboration with influencer Sofie Linde on a joint effort to highlight the right to be who you are through the branding campaign 'Tættere på' (translated 'Getting Closer') and the talk show concept 'Tæt Talks'. The idea was to create a universe in which Sofie Linde in conversations with a range of people zooms in on their stories in order to focus on a specific topic in a larger context. 'Tæt Talks' was initially launched as three separate video talks/webisodes attempting to get a better understanding of some of the topics of the moment, such as gender identity, motherhood, body image and gender equality.

Pride 2021

In 2021, Matas initiated a collaboration with Copenhagen Pride, which has yet to be fully realised due to the crowd restrictions during the Covid-19 pandemic. Matas therefore launched a digital campaign focusing on gender diversity and the right

to be who you are during the Copenhagen Pride week in August and collected DKK 100,000 through sales of pride bracelets.

Girltalk.dk and the UN International Girl's Day

In celebration of the UN International Girl's Day, Matas provided the opportunity for Club Matas members to donate their Club Matas points in support of GirlTalk.dk and in that connection raised close to DKK 100,000. Girltalk.dk is a Danish non-profit organisation whose 150 volunteer advisers each year conduct more than 6,000 difficult conversations with girls struggling with, for example, anxiety, anorexia or thoughts of suicide. In addition to supporting Girltalk.dk, Matas has collaborated with the NGO on a number of awareness campaigns on Matas' website and social media platforms.



6,000

difficult conversations with young girls are conducted by GirlTalk.dk each year.

CASE



Partnership

GirlTalk – a place for young girls to open up about their thoughts

Every day, GirlTalk provides guidance and support to young girls struggling with their mental well-being. Here, they can talk to volunteer counsellors about their experiences, feelings and thoughts. Matas collaborates with GirlTalk to reach out to these girls and their parents.

GirlTalk's founder, psychologist Anna Bjerre on the organisation's work:

What problems are the girls who contact you dealing with?

"They often struggle with feelings of inadequacy or worthlessness. Other big issues are loneliness and relationship troubles with family, friends and boyfriends. For many, the big question is: 'Who am I?' Many teens feel that way, and the problems and thoughts troubling them are ones that we were also dealing with at their age. But today these problems are inflated, not least by social media, which intensify the feeling of being a tiny speck in a big world where you are constantly measuring yourself against others."



Anna Bjerre, head of Girltalk.dk / photo: Les Kaner

You conduct 6,000 chats a year. How important is GirlTalk's work in 2022?

"Statistically, we can see that young people are struggling more and more. So GirlTalk's existence is definitely justified. Young people today face a lot of pressure. There are unspoken demands that they have to navigate, and those demands are extremely high."

What unspoken demands?

"In many ways, our lives have become projects that we have to work on and succeed in. Girls want to live a life of constant happiness and contentment. They look at their lives from the outside. Living up to this ideal life is a huge pressure. Many look to others whose lives are seemingly perfect, but of course no one is happy all the time."

“It makes us stronger. Matas’ interest in the young generation of girls and their parents goes beyond just selling products.”

One of your focus areas is supporting friendships. Why is that?

“Many have strong friendships. But the approach to relations has changed. Often, the attitude is: How can I benefit from a relation? What do I stand to gain? Perhaps because of the general focus on efficiency, measurement and gain. This focus on usefulness may be where it starts to go wrong, because a good friendship should not be based on gain, but on sharing.”

How can you help the girls?

“We give them room for reflection - a confidential space where they can think aloud. We set aside all prejudice. They can share their thoughts and feelings without being confronted with them later. The girls can say to us what they cannot express to others, and this gives them a sense of relief. They can use us as a sounding board for their thoughts and convictions: ‘How do you

react if I say this?’ They can broaden their perspective without being held accountable. It is completely voluntary, and they are free to log off at any time.”

What does your partnership with Matas consist in?

“For example, we have made a series of video clips with questions asked by parents. They are an important target group, and their main concerns are: ‘Should I worry? Am I doing the right thing? How do I best help my child?’ Matas uses its various channels to spread GirlTalk’s messages. That is an extremely valuable contribution.”

What makes this type of partnership important?

“It makes us stronger. Matas’ interest in the young generation of girls and their parents goes beyond just selling products. They also want to communicate values to girls and

their parents and show them that they take them seriously as individuals.

Matas acknowledges its social responsibility – in this case in relation to mental wellbeing. We share the same goal. Our shared values and commitment to the cause strengthens our ability to reach our target groups.

A safe space for young girls

- GirlTalk advises girls aged 12-24.
- Thousands of girls each year get help from volunteer counsellors.
- Girls can reach out to GirlTalk via chats, text message, e-mail, phone and in-person group sessions. GirlTalk can also be contacted at schools and on social media.
- The GirlTalk website has some 300,000 visits per year.

“Matas acknowledges its social responsibility – in this case in relation to mental wellbeing. We share the same goal. Our shared values and commitment to the cause strengthens our ability to reach our target groups.”

ESG Reporting

- ☞ **E** Environment & Climate (E)
- ☞ **S** Social & Employee-related Matters (S)
- ☞ **G** Corporate Governance (G)



Environment & Climate

- ☐ Climate
- ☐ Matas' Commitment to Reducing CO₂
- ☐ Matas' Greenhouse Gas Accounting
- ☐ Matas' Commitment to Reducing Plastic Consumption
- ☐ Retail Sector Cooperation to Reduce Plastics
- ☐ Focus on Recycled Plastics in Product Packaging
- ☐ Focus on Collecting Plastics
- ☐ Environment
- ☐ House Brand Policy
- ☐ Labels
- ☐ Ingredients Policy
- ☐ Code of Conduct



Climate

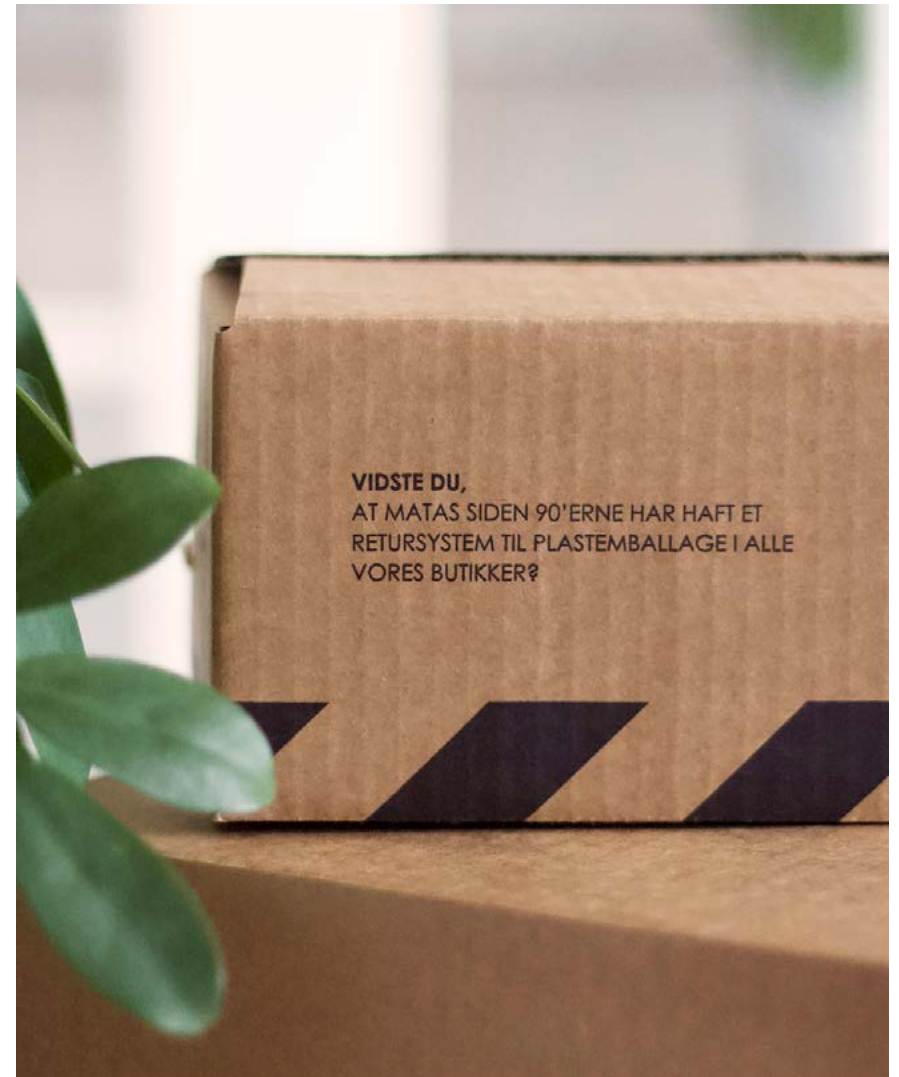
Matas is a nationwide retail chain of 260 stores, the operation of which contributes to the Group's CO₂ emissions. Matas.dk is now Denmark's second most widely used webshop, and with an ambitious growth target of 100,000 additional SKUs by 2026, online sales are set to become an even bigger part of Matas' business.

This will entail even more online transactions, more parcels being shipped and more goods being transported. The ambition of growing Matas.dk is not at odds with the efforts to reduce Matas' CO₂ emissions, however. Matas is committed to reducing greenhouse gas emissions and is actively engaged in a sustainable transition across the entire Group.

The key climate risk is still assessed to be CO₂ emissions from the electricity consumption of the Group's physical stores. The stores' electricity consumption represents some 78% of Matas' total Scope 1 and 2

CO₂ emissions. Added to this are CO₂ emissions from the transport of parcels between warehouses and stores and in connection with online sales, and these emissions are expected to rise unless Matas makes a targeted effort to transition to green transport alternatives.

Another significant risk is assessed to be the total consumption of plastics in connection with the Company's operations, including product and logistic packaging, in light of Matas' strategy of significantly growing the online business.



Matas' Commitment to Reducing CO₂

It is Matas' ambition to achieve net zero direct and indirect emissions from sources owned or controlled by Matas (Scopes 1 and 2) as well as net zero indirect emissions from the manufacture of Matas' house brands and the transport of goods (part of Scope 3). During the financial year, Matas identified potential CO₂ reductions that will contribute to lowering Matas' total emissions. In order of priority, these are: energy reductions for electricity and heating; transition to renewable energy sources; purchase of green power; reduction of

carbon-intensive materials; transition to forms of goods and passenger transports powered by renewable energy; and supporting a green transformation by purchasing offsets in relevant projects, considering Matas' suppliers and choice of raw materials.

It is Matas' ambition to influence house brand suppliers to become carbon neutral by 2030. Matas furthermore wants to engage with suppliers of other brands in order to influence them to commit to a

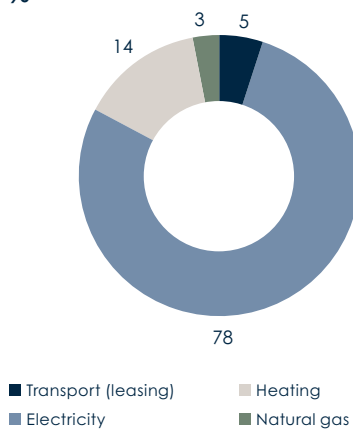
journey towards carbon neutrality. Matas is not able to directly influence these companies' climate policies and ambitions, but Matas has engaged in dialogues with the largest suppliers about their climate policies, reporting and goals.

In the coming financial year, Matas expects to start energy renovations of stores to reduce Matas' Scope 2 emissions. Matas also expects to launch further action plans regarding purchasing renewable energy sources and planning relevant projects with potential for CO₂ reductions.

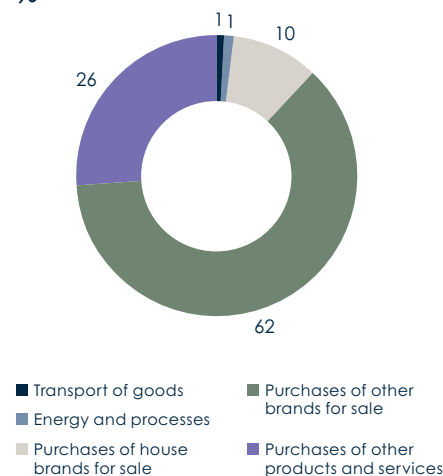
During the financial year, Matas was actively engaged in making its online sales and transport of goods more climate friendly. Matas has replaced all box fillers with FSC-certified recycled cardboard and only uses FSC-certified cardboard boxes. A newly developed algorithm calculates the smallest possible box size for shipment. More than half of all orders on Matas.dk are collected at local Matas stores, and to optimise handling, Matas packs up to ten parcels together in one box to be shipped to the individual store, unless the order is picked at the local store. If a customer needs to return an item, it is most often returned to a Matas store, where it will be resold in order to minimise transportation.

Furthermore, in the past financial year Matas increased the proportion of its transport using renewable energy sources in collaboration with the transport company CityLogistik, which now delivers goods to ten Matas stores in Copenhagen using clean power.

Matas' Scope 1 and 2 emissions
%



Matas' Scope 3 emissions
%



Matas applies the *operational control approach* to setting the reporting boundary in its Greenhouse Gas Accounting. Under this approach, Matas Group's operational control defines which of the Matas Group companies, and what percentage of their emissions, are to be included in Matas' Greenhouse Gas Accounting

Where possible, Matas' Greenhouse Gas Accounting are based on primary physical quantity data and otherwise on Matas' financial data for monetary calculations. Where possible, estimated emissions by suppliers are based on the suppliers' carbon accounts and otherwise on the basis of a monetary calculation based on Matas' accounting data.

Matas' Greenhouse Gas Accounting

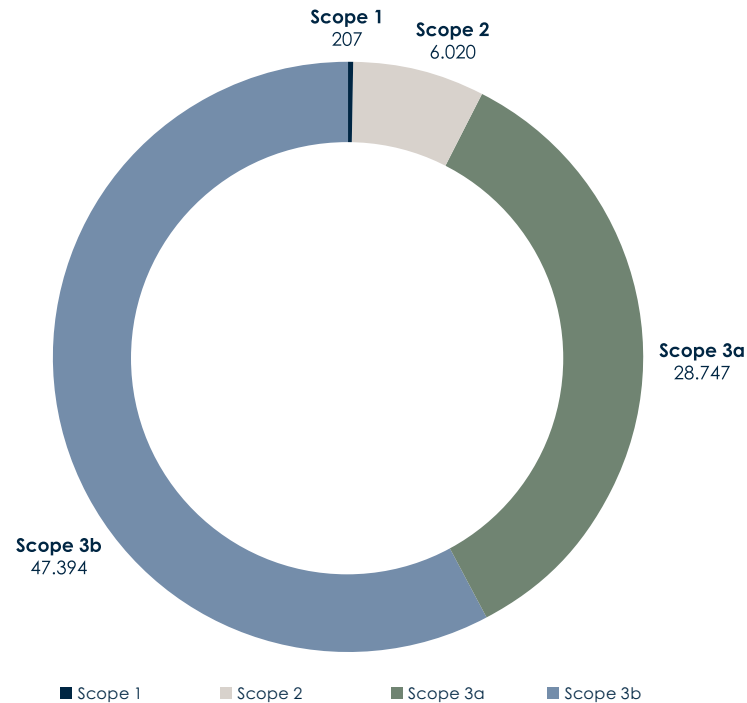
At the end of the financial year, Matas prepared the Company's first Greenhouse Gas Accounting & Inventory, showing a total carbon footprint of 82,368 tonnes of CO₂-e emissions across Scopes 1, 2 and 3 under the Greenhouse Gas Protocol.

Scope 1 emissions are direct emissions from sources owned or controlled by Matas, Scope 2 emissions are indirect emissions from purchases of electricity, heating and cooling and Scope 3 emissions are emissions from assets not owned or controlled by Matas.

Matas has further subdivided Scope 3 into Scope 3a and Scope 3b. Scope 3a emissions primarily comprise Matas' house brand products, categorised as Scope 3 as Matas' house brand products are produced by sub-suppliers and purchased by Matas for the purpose of resale. Matas does not produce any goods itself.

Scope 3a emissions furthermore comprise Matas' purchases of goods and services and downstream transportation. Scope 3b emissions comprise Matas' suppliers of other brands.

Matas' CO₂ Emissions in 2021/22
(t CO₂e)



Definitions of Scopes

Scope 1: Direct emissions from owned or controlled sources

Scope 2: Indirect emissions from purchases of electricity, steam, heating or cooling

Scope 3: Emissions from assets not owned or controlled by the company

Scope 3a: House brand products, transport of goods, Matas Group's purchases of goods and services

Scope 3b: Products from other suppliers

82,368 t CO₂-e

CO₂ emissions for 2021/2022

38 t CO₂-e

Per Matas FTE

19 t CO₂-e

Per DKKm revenue



“L’Oréal is a leader and a source of inspiration for carbon reductions”

The French make-up giant L’Oréal, whose brands are prominently featured on Matas’ shelves, have taken remarkable steps over the past 15 years to achieve carbon neutrality.

Greenhouse gas emissions have been reduced by 81%, water consumption has been reduced by more than 50%, and the company is working intensively on innovation and product development. L’Oréal is a global sustainability leader with impressive results and continually higher ambitions.

“We want to be a leader in carbon neutrality and corporate social responsibility. We want to demonstrate to the industry, and to everyone else as well, that it is possible to be a successful company while also caring for our earth and society.

We want to inspire everyone else to take the same path,” says Emma Hurley, Nordic Sustainability Leader at L’Oréal.

Focus on Rinsing Products

One of the measures taken by L’Oréal is an in-depth look at the carbon footprint of its products. All rinsing products in the Group’s brands were subjected to a so-called life cycle analysis, which examines the resource consumption and the environmental and climate impact of a product over its entire life.

“Rinsing products that are rinsed out using hot water have a large CO₂ footprint, and we have thousands of this type in the L’Oréal Group’s product range. On average, shampoos represented 60% of the CO₂ footprint,” says Emma Hurley.

30% less water consumption

The company therefore focused sharply on product development. Emma Hurley highlights Garnier’s ‘Solid Shampoo’ as an example.

“The shampoo is wrapped in recycled packaging, and due to its fast-rinse technology, it takes 30% less water to rinse it out – without compromising on quality.”

In the period to 2020, L’Oréal improved 96% of its product portfolio. Innovation and



Emma Hurley, Nordic Sustainability Director, L’Oréal

“Partnering with Matas is an essential part of our sustainability journey. This is a huge challenge, and we have to take it on together.”



**In the past ten years,
L'Oréal has helped**

100,905

people get a job through L'Oreal's Solidary Sourcing Programme



L'Oréal is the only company in the world for the 6th year running to receive a triple A rating by the CDP in the areas of climate protection, water management and deforestation

**four years in
a row**

Last year, L'Oréal pledged

**EUR 150
million**

(just over DKK 1 billion) to tackle pressing social and environmental challenges

creativity are key, and L'Oréal collaborates with large corporations as well as small start-ups to cover all bases. A special new showerhead, developed in partnership with a Swiss company, is currently being tested at salons in the Nordics. It uses 60% less water than a standard showerhead.

Ambitions must be maintained

Sustainability is a complex concept. But for consumers, it must be easy and transparent to see which products have the lowest impact on the environment, says Emma Hurley. To this end, L'Oréal has developed a rating system. Products are to be rated from E to A, A being 'best in class'.

Just because a product has scored an A, that does not mean that our ambitions have been met.

"Just 10% of our products can be rated A, because A-rated products can also be improved. Product development is a process with a moving goalpost. We are continually improving the contents of the products and their packaging and distribution. We have to stay ambitious," states Emma Hurley.

The beauty industry is close to people

She points out that the beauty industry has a unique opportunity to take action.

"The amazing thing about the beauty industry is that it is so closely connected with people. Consumers are very attached to their favourite brands, which makes it easier for us to reach and help them. People want to take sustainable action in their daily routines, and we have to make it easy for them. We have to be the driving force," says Emma Hurley.

To L'Oréal, it has been natural to lead the way, and today sustainability is a fully integral part of the business.

"We want to contribute to improving people's lives. This is a huge challenge, because it requires us to transform our entire business model. It takes time. But it has become part of our DNA, and all levels of the organisation are completely dedicated and passionate about it.

"We are changing the very way we think about business. We want to be a leader in both carbon neutrality and corporate social responsibility."

Facts

- By 2030, 100% of the plastic used in L'Oreal's packaging will be either from recycled or biobased sources (L'Oreal will reach 50% by 2025).
- By 2025, 100% of L'Oreal's plastic packaging will be refillable, reusable, recyclable or compostable.
- By 2030, we will reduce by 50% on average and per finished product, the greenhouse gas emissions linked to the transport of our products, compared to 2016.
- Since 2005 L'Oréal has cut its water consumption by more than 50%.
- Six of the company's factories today have water treatment systems installed, allowing them to reuse water over and over. Several more such 'waterloop factories' are on the way.

Matas' Commitment to Reducing Plastic Consumption

Matas' ambition to eliminate 100 million plastic units from the business by 2030 is rooted in the wish to contribute to a more sustainable transformation of the retail industry.

The elimination of plastics should not be seen as a linear process with a starting point and an ending point, however. To successfully reduce the consumption of plastics requires a circular economic model that can improve the recycling and reuse of materials, thus giving Matas access to valuable resources in the future. During the financial year, Matas worked on this ambition at several points in the value chain by partnering with other retail businesses, focusing on reduction and recycling of product packaging and enhancing the focus on the Matas Return System.

Retail Sector Cooperation to Reduce Plastics

In the past financial year, Matas joined the retail sector cooperation under the Danish Ministry of Environment. The purpose of the cooperation is to develop common circular

design principles for plastic packaging, including e-commerce transport packaging, and to contribute to promoting recycling solutions. The common design principles aim to ensure that manufacturers of plastic packaging for the retail industry design packaging that can be recycled once the product's life ends.

Focus on Recycled Plastics in Plastic Packaging

During the financial year, Matas worked on further reducing the use of virgin plastics in the production of packaging for house brands. The house brands Matas Stripes Styling, My Moments and Matas Natur Hemp-line are all produced using a percentage of recycled plastics in their product packaging. In the coming financial year, Matas will intensify these efforts while ensuring that it meets the common design guidelines under the sector cooperation.

Focus on Collecting Plastics

During the financial year, Matas explored existing ways to step up the recycling of plastics across the value chain. The Matas Return System, dating back to 1993, invites customers to return empty packaging at any Matas store and is thought to have the potential to further step up the recycling of product packaging for Matas' house brand products. In an update of the Return System, Matas launched the 'Matas

Closed Loop' pilot project with the aim of collecting empty product packaging in order to examine what it takes to create a 'closed loop' and use collected empty plastic packaging in order to produce new product packaging for Matas' house brands.

The Matas Closed Loop pilot product is expected to conclude in the coming financial year, during which Matas will continue to evaluate the potential of the Matas Return System.



23 tons

plastic packaging is collected through Matas' Return System, on a yearly basis



CASE



“Eliminating plastics from millions of packaging units is a good feeling”

Resource consumption must be reduced. This requires the courage to go out on a limb to find new solutions. Brian Gøbel Poulsen, Director of Supply Chain & Operations, explains what steps Matas is taking to make the business circular.

Careful, smart and creative thinking is key to reducing resource consumption. Brian Gøbel Poulsen, Director of Supply Chain & Operations at Matas, determines the areas where Matas can have the greatest impact.

One example is the transport of goods. The bubble wrap that was previously used in web order boxes has been replaced with FSC-certified recycled paper. And the numerous pallets of goods delivered to the stores each day are wrapped in a new type of foil.

“We deliver many pallets from our warehouse to the stores on a daily basis. We therefore examined how stretchable the foil used to wrap the pallets in actually is, and how thin it can get. This exercise saved us 7 tonnes of plastics in the past year,” explains Brian Gøbel Poulsen.

Waste is gold

The many web orders delivered to the customers via the stores are today packaged in 100% recycled plastic. The material is an industrial waste product. Today, waste is gold, and so are creative solutions to cutting down on resource consumption,” says Brian Gøbel Poulsen.



Brian Gøbel Poulsen, Director of Supply Chain & Operations



“Packaging in particular is an area where we are seeing significant results.”

“We have to dare to go out on a limb and test new materials and methods.”



“It’s all about reducing, recycling and reusing. Can we package things better and in smaller boxes, for example? And if we need boxes, can we use a thinner quality? We have to dare to go out on a limb and test new materials and methods.

Suppliers are also an important element in moving in a greener direction,” Brian Gøbel Poulsen points out.

“We must have the courage to challenge our packaging partners, and we encourage them to come up with innovative solutions. We are a large company and can partner with them on finding new ways.”

Plastics have to be streamlined

Collaboration is key. Matas has joined a sector cooperation under the Danish

Ministry of Environment under which large retail companies are seeking to increase recycling of plastics in close collaboration with suppliers of packaging materials and players in the waste sorting sector.

“There are many types of plastic, and mixed products are impossible to recycle. If we can agree on using three types, recycling will be much simpler. That is the sort of things we are working on,” says Brian Gøbel Poulsen.

So far, the cooperation has resulted in a design guide for plastic packaging which is to provide information and create agreement on what defines good packaging.

The green path

Brian Gøbel Poulsen finds it motivating that Matas is continually evolving and finding new solutions.

“Packaging in particular is an area where we are seeing significant results. “Eliminating plastics from millions of packaging units is a good feeling,” he asserts.

It is not easy to reduce the consumption of resources, but the important thing is to be persistent.

It is always easiest to keep doing what you are used to doing, but we have to stick to our values and views of what is right and wrong and say: “OK, guys, this is where we’re headed. The green path has been set, and now we just have find out how to get there.”

“OK, guys, this is where we're headed. The green path has been set, and now we just have find out how to get there.”

Environment

Safe, well-documented products remains one of the most important objectives in the development of Matas' house brands. Matas products are developed with a focus on achieving documented effect, but without compromising the environment. Where relevant certification of a product is possible, this is given priority.

The key environmental risks are still assessed to be unwanted chemicals and problematic ingredients in the products carried by Matas.

House Brand Policy

In the past financial year, Matas continued its proactive efforts to improve all the Group's house brand products to align them with the latest knowledge about environmental and consumer health impacts.

All parabenes, phtalates, Methylisothiazolinone (MI) and all other substances on the EU list of potential endocrine disruptors are completely phased out of Matas' house brands. In addition, Matas wants to avoid the use of microplastics in new products, and in the reformulation of existing products.

Labels

As described in Matas' CSR strategy, which is to promote public health with a broad range of health products and competent health advice, Matas proactively aims to expand the portfolio of house brand products with the following certifications:

- The Nordic Ecolabel (Swan-labelled)
- Asthma Allergy Nordic
- Roundtable on Sustainable Palm Oil – RSPO-certified palm oil

In the coming financial year, Matas expects to raise the percentage of certified products.



Environment (continued)



Ingredients Policy

Matas has drawn up a new Ingredients Policy, describing Matas' expectations and requirements from house brand products and that they are in compliance with applicable legislation relating to cosmetics. Annex 1 to the ingredients policy lists all ingredients on Matas' watch list. Annex 1 is a dynamic document which will be updated on an ongoing basis as new requirements are introduced and ingredients in Matas' house brand products are added to the watch list. The new ingredients policy is expected to be presented to all existing and new suppliers.

Code of Conduct

In addition to Matas' Ingredients Policy applying to house brands, all other products in the product range are subject to contractual health and environmental requirements stricter than the Danish statutory requirements. These requirements are laid down in the Code of Conduct for third-party labels. For example, Matas' suppliers have signed declarations that all products supplied to Matas are free from PVC, Lawsone and a number of other substances. Matas expects to update the Code of Conduct for third-party labels in the coming financial year to align it with Matas' CSR goals and how Matas collaborates with third-party suppliers to achieve these.



16,3%

of Matas House Brands,
where palm oil is an ingredient,
is RSPO certified

Social & Employee-related Matters

- ☞ Human Rights Policy
- ☞ Anti-Corruption Policy
- ☞ Whistleblower Scheme
- ☞ Covid-19



Social & Employee-related Matters

Matas is a workplace employing more than 2,100 colleagues in a range of jobs and with many different qualities. Matas is also a nationwide store network in daily contact with an equally diverse target group of suppliers and customers.

As a workplace and a responsible business, Matas must reflect and accommodate the differences it encounters in its relations throughout the value chain. To achieve this, Matas will strengthen the Company's diversity in order to reflect a representative cross section of interests, demographics, cultures and backgrounds. Matas assesses that not prioritising and handling diversity issues would pose a potential risk to the business.

Human Rights Policy

Matas supports and respects internationally declared human rights as laid down in the UNGC (page 32), including by avoiding to restrict the rights of its employees to establish labour unions, the freedom of association, the right to collective bargaining and equal opportunities for women and men. In Matas' opinion, the risks of child labour being used, employees being

discriminated against or employees' right to establish labour unions being restricted by suppliers or their sub-suppliers constitute Matas' key risks in relation to human rights. Accordingly, through its Code of Conduct, Matas requires its suppliers to develop and produce their products without using child labour. This requirement is incorporated into all supplier agreements.



Social and Employee-related Matters (continued)

No human rights violations were identified in the past financial year, nor does Matas expect any human rights violations to be identified in the coming financial year.

Anti-Corruption Policy

Matas is exposed to the risk of non-compliance with anti-corruption legislation by employees, suppliers and other partners and to the potential indirect financial and legal effects of such non-compliance. Matas' policy is to comply with all applicable legislation and to actively work against corruption in all its forms. Matas' rules in this area clearly state that no employee may receive or solicit any services, gifts or payments that may be considered an attempt to obtain benefits for themselves or the Company. Violation of these rules will have serious disciplinary consequences for the employees involved.

No instances of corruption were identified during the year, nor does Matas expect to identify instances of corruption in the coming years.

Whistleblower Scheme

Matas has set up a whistleblower scheme to allow its employees to anonymously report suspicion of misconduct such as violations of Matas' internal policies or applicable legislation, fraud, etc. Any such reports are submitted in anonymised form through

a portal. Reports received can only be accessed by the Chairman of the Board of Directors, the head of Human Resources and the head of Safety and Security. Deletion of reports is subject to approval by two of these three people. It is possible to communicate with whistleblowers through an anonymised system.

New employees are introduced to the whistleblower scheme on commencing employment, and Matas annually provides information on the scheme through other internal communication channels.

No reports were submitted by employees or other stakeholders in the financial year 2021/22.

Covid-19

Throughout the Covid-19 pandemic, Matas was authorised to keep its stores open to supply the Danish population with personal care products, hand sanitiser, face masks and other health products. Matas has not introduced a Covid-19 policy on how to handle the pandemic as it is not assessed that this will pose a significant risk to the Company going forward.

In the past financial year, Matas focused on ensuring good working conditions, not only for employees whose job functions required their physical presence but also

for administrative staff working from home during the lockdowns. Matas promoted the "Safe & Secure Store" concept, introducing rules and guidelines to protect the employees as well as to create a safe and secure shopping environment for customers. During the financial year, Matas maintained a high information level about guidelines on working conditions at home and in the workplace in case of infection and close contact. All guidelines were updated in line with health authority recommendations and all changes were communicated to the employees.

Expectations for the coming financial year are that, regardless of the Covid-19 situation, Matas has a tried and tested method that ensures fast adaptation to any guidelines or government requirements, both at the stores, at the warehouses and at Matas' headquarters.

Corporate Governance

- ☐ CSR as an Integral Part of Management & Financial Targets
- ☐ Matas' First ESG Report
- ☐ Governance & CSR Board
- ☐ Diversity Policy
- ☐ Gender Diversity on the Board of Directors & among other Executives
- ☐ Tax Residence
- ☐ Privacy Policy
- ☐ Data Ethics Policy



Corporate Governance

The foundation of Matas' business is the inherent trust between Matas and its customers and the general confidence in Matas conducting its business and interacting with relations across the entire value chain in a proper manner and in accordance with regulatory requirements and expectations.

Matas is committed to providing a high and relevant level of information about its challenges and potentials, and Matas strives to achieve sound corporate governance through a structure that ensures ownership of, and good progress on, Matas' business and CSR goals.

CSR as an Integral Part of Management & Financial Targets

To strengthen Matas' CSR efforts, the Board of Directors has authorised the Executive Management to make a number of

significant improvements to the structure of Matas' CSR work on an operational level.

CSR performance has become a formal part of the CEO's remuneration package, so that 7.5% of the CEO's performance-based remuneration is now tied to the fulfilment of CSR goals.

Furthermore, CSR has become rooted at the executive management level with the appointment of a new Head of CSR, HR and Communications.

During the financial year, Matas signed a funding agreement that specifies the achievement of CO₂ reduction and plastics reduction targets as requirements to obtaining lower interest rates.

Matas' First ESG Report

Along with the annual report, this separate ESG Report sets out detailed goals, processes and results and presents Greenhouse Gas Accounting on Matas' carbon footprint.

Governance & CSR Board

To support progress on the CSR goals, Matas has established a governance structure ensuring a continuous flow of information to the Executive Management and the Board of Directors to enable them to make the



Corporate Governance (continued)

necessary decisions for Matas' CSR strategy to be realised.

As an essential part of its governance structure, Matas has set up a CSR Board, which consists of members representing departments across Matas' organisation and has significant decision-making authority. Everyone represented on the CSR Board is engaged to a greater or lesser extent in areas that are impacted by, or can contribute to, the CSR ambitions.

The CSR Board acts as an operational decision-making forum determining actions and sub-targets related to Matas' CSR strategy. The governance structure ensures that, when necessary, decisions made by the CSR Board are presented to the executive team and the Board of Directors for discussion and approval. The CSR Board also discusses operational KPIs that are part of Matas' CSR reporting requirements. The governance structure and the CSR Board also ensure that Matas' corporate social responsibility is operationalised and that all employees are made aware of it.

Diversity Policy

Matas Group believes that a diverse composition of employees and executives contributes to strengthening the Company's competitiveness, performance and general work environment. Accordingly, Matas

strives for the Company's employees, Executive Management and Board of Directors to reflect the surrounding community and aims, for example, to have a reasonable gender balance in executive positions. During the financial year, Matas was committed to promote diversity among the Group's employees, focusing particularly on female representation in middle and senior management and on the Board of Directors.

The board discusses diversity annually at the Group's management levels and sets specific targets for this. It is important, that the Board of Directors is broadly composed- both regarding the members' competencies, experience, knowledge, gender and age. It is the board's ambition to maintain diversity, so the composition in management reflects an equal distribution of the sexes as defined in the Danish Companies Act. There is not set concrete objectives to ensure diversity in top management in relation to age, origin, education, etc., but generally there is a broad composition in, among other things, the management team with profiles from various Danish and international educational institutions, including CBS, University of Copenhagen, DTU, Harvard and Regents University.

Gender Diversity on the Board of Directors & among other Executives

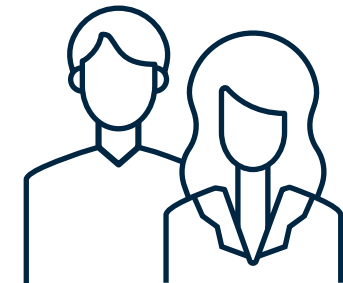
The management of Matas, including members of middle management, such as store managers, consists of just over 90% women. At the end of the financial year, the status was as follows:

- Consisting of four men and two women, the Board of Directors meets the requirement for equal gender distribution in its supreme governing body.
- The executive team consists of three women and six men in compliance with the Danish Business Authority's guidelines on gender equality in management.
- The broad group of executives at the headquarters in Allerød consists of 45% women, and in the retail network 99% of store managers are women, which is consistent with the general gender distribution among the Group's approximately 2,000 shop assistants. Efforts are being made to ensure a broad representation in terms of gender, age and origin in positions in the retail network. Matas generally aims for both genders to be represented among candidates for executive positions, and this was also a priority in the past financial year. In addition, the new trainee campaigns continue to focus on having more people of both

genders in recruitment films and on the ambassador teams established among trainees.

Tax Residence

Matas A/S operates in Denmark, is listed on the Copenhagen Stock Exchange (Nasdaq OMX Copenhagen) and pays taxes locally in Denmark. The proportion of Danish to foreign investors is 64/36.



Women compose

65%

of all leadership positions across Matas

Corporate Governance (continued)

Matas stores customer data on 1.7 million Club Matas members and is conscious of the Company's huge responsibility of storing personal data safely and of processing them in an ethically responsible manner.

Matas assesses data security and appropriate processing of personal data to constitute a significant risk for Matas, society in general and its customers. During the financial year, Matas therefore prepared and implemented a data ethics policy governing Matas' ethical responsibility for the processing of consumers' data. Matas considers this a responsible and necessary addition to the Group's privacy policy.

Privacy Policy

Matas stores personal customer data on more than 1.7 million Club Matas members. In today's digitalised world, personal customer data are a valuable and fragile resource which companies are legally and ethically bound to protect.

Matas makes consistent efforts to comply with applicable rules, including rules on transparency and data security. Matas' data protection policies are available at [matas.dk](https://www.matas.dk).

Data Ethics Policy

For Matas, it is crucial that its customers, employees and other stakeholders feel confident that Matas processes their data according to careful ethical considerations and always with a strong focus on security.

It is Matas' stated goal that the data of its customers, employees and other stakeholders should never be used for purposes that the individual does not agree with and has not been fully informed of and that Matas ensures full transparency for the individual, including on how to manage their own data.

Matas is committed to assuring its customers that their data are treated with respect and that the Matas organisation makes the right ethical decisions, regardless of whether legislation allows for something else or more.

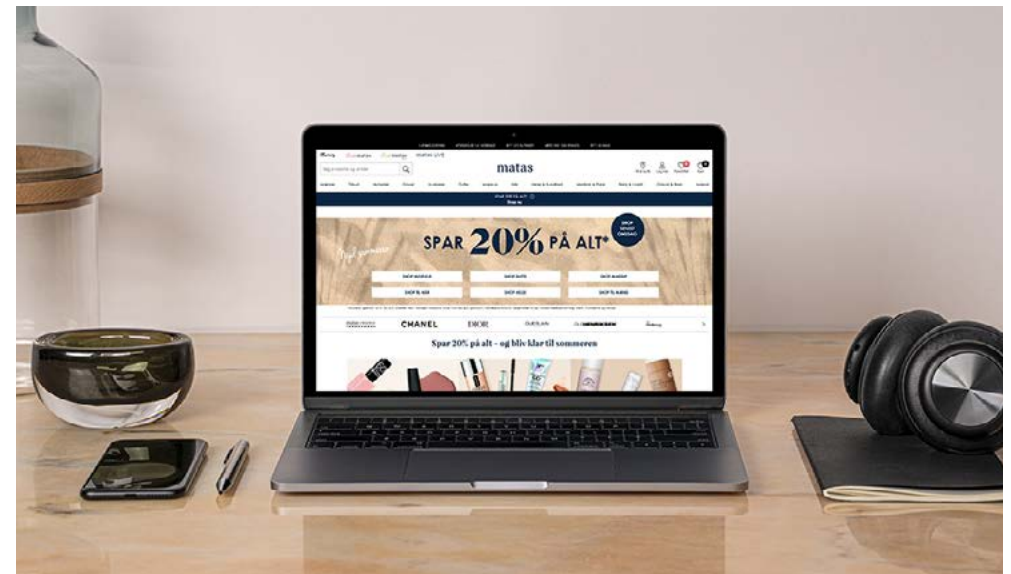
Matas' approach to data ethics is based on the Danish Expert Group on Data Ethics' recommendations from November 2018 and on the six principles that the Expert Group recommends that organisations

follow. Matas adheres to these six principles: Autonomy, Equality and Fairness, Dignity, Progressiveness, Accountability and Diversity.

To ensure that data ethics and the six principles are reflected in Matas' daily work, Matas established a Data Ethics Committee consisting of representatives from all areas of the organisation.

The Committee on an ongoing basis monitors how Matas processes personal data in the organisation to ensure compliance

with Matas' data ethics principles. The committee reports to Matas' Executive Management. The Board of Directors evaluates the data ethics policy annually. The policy is available at www.matas.dk.



Facts

- ☞ ESG Reporting and Ratings
- ☞ Recognised Reporting Platforms
- ☞ UN Global Compact
- ☞ ESG Data
- ☞ Accounting Practices
- ☞ Other



ESG Reporting and Ratings

As a listed company, Matas A/S is covered by a number of specialist analysts who rate Matas' financial value on the basis of key financial ratios such as revenue, EBITDA, like-for-like sales, etc.

In the past decade, the vast majority of banks and international rating agencies have started evaluating companies' ESG (Environmental, Social & Governance) performance.

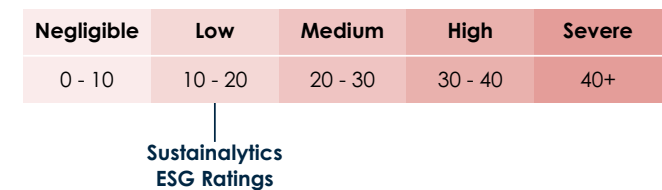
In addition to complying with regulatory requirements and meeting society's general expectations for transparency and reporting, this separate ESG Report also serves the purpose of providing information to Danish and international ESG analysts.

At the end of the financial year, Matas had the following ratings with Nordea, MCSI and Sustainalytics:

- Nordea BBB
- MSCI AA
- Sustainalytics Low (14.8)

Matas has committed to improving its ESG rating as a result of actions, policies and general transparency. During the financial year, Nordea upgraded its ESG rating of Matas from BB to BBB. Nordea's ESG rating solely comprises Nordic companies.

MSCI's and Sustainalytics' ratings are global.



Recognised Reporting Platforms

Matas views the need for more transparent ESG reporting as necessary in order to ensure a real transformation that drives understanding of, and commitment to, sustainability targets within the company. The focus on reporting excellence also have the potential to minimise green washing and green hushing, and most importantly, does not misguide customers and other stakeholders.

Matas stays updated on the available reporting platforms to ensure transparent ESG and sustainability reporting. In addition to reporting in accordance with statutory standards and requirements, Matas regularly assesses which voluntary reporting platforms it wants to join in order to ensure that all the Company's stakeholders receive a flow of relevant and current information.

Greenhouse Gas Protocol

Matas' climate accounts and reporting comply with 'the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, Revised edition'.

EU Taxonomy

Matas' financial activities were not included in the EU Taxonomy for the financial year 2021/2022, as retail activities are not yet eligible for the taxonomy, which means that Matas' financial activities are not taxonomy-eligible in the categories of 'Climate Change Mitigation' and 'Climate Change Adaptation'.







Matas regularly monitors news on taxonomy objectives and the criteria for what constitutes a sustainable economic activity and will report on these once the EU Taxonomy includes the Company's sector and financial activities.

The 17 Sustainable Development Goals

Matas' CSR efforts are focused on six of the UN's 17 Sustainable Development Goals: While Matas does not report separately on

these goals, they serve as important guideposts that influence Matas' decisions across the areas of the organisation to which they are relevant.

Matas focuses on six of the UN's 17 Sustainable Development Goals

 <p>Goal 3 Good health and well-being Ensure healthy lives and promote well-being for all age groups</p>	 <p>Goal 5 Gender equality Target 5.5: Focusing on the number of women in senior management and on the Board of Directors</p>
 <p>Goal 8 Decent work and economic growth Target 8.8: Protecting labour rights at Matas' sub-suppliers</p>	 <p>Goal 12 Responsible consumption and production Targets 12.4, 12.5 and 12.6: Reducing the use of chemicals and managing waste</p>
 <p>Goal 13 Climate Action Take urgent action to combat climate change and its impacts</p>	 <p>Goal 14 Life below water Target 14.1: Minimising microplastic litter harmful to marine ecosystems</p>

UN Global Compact

Matas became a signatory to the UN Global Compact during the financial year. From 2022, Matas will annually publish communication on its progress on the UN Global Compact's ten principles.

By becoming a signatory to the UN Global Compact, Matas aims to take a structured approach to continually improving on its impact in the areas of human rights, labour rights, the environment and anti-corruption. Matas will be guided by the ten principles of the UN Global Compact in its corporate social responsibility work and its engagement and dialogue with suppliers in relation to these four areas.

Matas furthermore chose to join the UN Global Compact Early Adopter Programme, which means that Matas will disclose Communication on Progress using the UNGC's new platform already from 2022. Using the new platform for Communication on Progress will not become mandatory until 2023.

The 10 Global Compact principles



Human rights

1. Businesses should support and respect the protection of internationally proclaimed human rights
2. Businesses should make sure they are not complicit in human rights abuses



Environment

7. Businesses should support a precautionary approach to environmental challenges
8. Businesses should undertake initiatives to promote greater environmental responsibility
9. Businesses should encourage the development and diffusion of environmentally friendly technologies



Labour rights

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
4. Businesses should uphold the elimination of all forms of forced and compulsory labour
5. Businesses should uphold the effective abolition of child labour
6. Businesses should uphold the elimination of discrimination in respect of employment and occupation



Anti-corruption

10. Businesses should work against corruption in all its forms, including extortion and bribery



ESG Data

Climate and environmental data

Data	Unit	2021/2022	2020/2021	2019/2020
Climate				
CO ₂ e Scope 1 - location based	tCO ₂ e	206.7	n/a	n/a
CO ₂ e Scope 1 - market based	tCO ₂ e	206.7	n/a	n/a
CO ₂ e Scope 2 - location based	tCO ₂ e	2,637.3	n/a	n/a
CO ₂ e Scope 2 - market based	tCO ₂ e	6,020.4	n/a	n/a
CO ₂ e Scope 3	tCO ₂ e	76,140.6	n/a	n/a
Scope 3 categories included	Number	5	n/a	n/a
CO ₂ -e intensity (revenue)	† CO ₂ -e/DKKm	19	n/a	n/a
CO ₂ -e intensity (FTE)	† CO ₂ -e/FTE	38	n/a	n/a
Energy				
Energy consumption	GJ	106,561.2	n/a	n/a
Renewable energy percentage	%	0	n/a	n/a
Resources				
Water	m ³	7,755	n/a	n/a
Purchases – percentage of recycled cardboard	%	82	n/a	n/a
Purchases – percentage of recycled plastics	%	11	n/a	n/a
Purchases – percentage of recycled paper	%	74	n/a	n/a
Waste – generated	Tonnes	1,258	1,390	n/a
Waste – generated (revenue)	Tonnes/DKKm	0.3	0.3	n/a
Waste – recycled	%	31	35	n/a
Plastics – minimised	Number	20,800,000	n/a	n/a
House brands – partially recycled plastics	Number	58	n/a	n/a
House brand certifications – RSPO	%	16.3	11.5	10.7

ESG Data (continued)

Social data

Data	Unit	2021/2022	2020/2021	2019/2020
Diversity				
Full-time employees	FTE	1,955	1,943	1,984
Subsidised flexi-jobs	Number	50	44	34
Project KLAP	Number	31	31	33
Gender diversity, overall m/f	%	8/92	8/92	8/92
Gender diversity, other management levels, m/f	%	35/65	43/57	41.5/48.5
Occupational health and safety				
Sickness absence, all groups, excl. pregnancies	%	2.9	2.2	2.2
Sickness absence, all groups, incl. pregnancies	%	5.5	4.4	5.3
Reported occupational injuries	Number	44	45	45
Employee turnover – HQ (including warehouses)	%	9	8	8
Employee turnover – store managers	%	14	10	14
Employee turnover – stores, total	%	56	49	47
Leave	Number	94	84	101
Proportion of trained beauty & health therapists and beauty & health therapists in training	%	80	85	82
Health & beauty therapists in training	Number	143	176	160
Employee satisfaction (overall)	Score	7.6	7.7	n/a
Employee satisfaction (HQ)	Score	7.6	7.4	7.3
Employee satisfaction (Stores)	Score	7.6	7.8	7.6
Employee satisfaction (Warehouse)	Score	7.1	7.2	7.1
Employee satisfaction (Webshop)	Score	6.5	6.7	6.7
Quality				
House brand certifications – The Nordic Ecolabel (Svanemærket)	Number	307	278	288
House brand certifications – Ashtma Allergy Nordic (Den Blå Krans)	Number	177	171	173

ESG Data (continued)

Governance data

Data	Unit	2021/2022	2020/2021	2019/2020
Composition of the Board of Directors				
Members of the Board of Directors	Number	6	6	6
Board meetings	Number	13	12	13
Board meeting attendance	%	100	100	100
Gender diversity, Board of Directors (m/f)	%	67/33	67/33	50/50
Percentage of independent board members	%	83	83	83
Risk and regulation				
Whistleblower reports	Number	0	0	0
Reports of corruption	Number	0	0	0
Remuneration				
Pay gap between CEO and employees	Times	18	18	18
Shares held by members of the Board of Directors	%	0.09	0,09	0,09
Shares held by members of the Executive Management	%	0.44	0,43	0,31
CEO remuneration linked to ESG goals	%	7.5	0	0

ESG Data (continued)

Donations and partnerships

Data	Unit	2021/2022	2020/2021	2019/2020
Donations and partnerships				
Donations to NGOs	DKK	4,222,966	2,472,283	3,396,355
Danish Doctors' Vaccination Service	Number	12,534	27,269	14,994

Accounting Practices

Climate and environmental data

Topic and indicators	Unit	Accounting policy
Climate		
Matas Scopes 1, 2 and 3		<p>Matas' Greenhouse Gas Accounting & Inventory, which form the basis of Matas' calculation of emissions in Matas' Scopes 1, 2 and 3, are based on the Greenhouse Gas Protocol Corporate Standard. Matas has chosen to apply the operational control approach to setting the reporting boundary. The accounting year for the Greenhouse Gas Accounting is the same as the financial year (1 April to 31 March). The Greenhouse Gas Accounting have been prepared to achieve a level of precision that measures up to Matas' control and materiality standards. The accounts cover all greenhouse gases under the Kyoto Protocol (CO₂, CH₂, N₂O, HFCS, PFCS, SF₆). Where possible, Matas has prioritised the use of primary data and calculation method. Matas accounts for Scopes 1 and 2 and selected Scope 3 categories. The Scope 3 accounting categories are based on an assessment of relevance and coverage. Matas' Greenhouse Gas Accounting cover all Scope 1 and Scope 2 emissions. Scope 3 emissions covered by the Greenhouse Gas Accounting are 'Upstream leased assets', 'Business travel', 'Waste generated in operations', 'Purchased goods & services' and 'Downstream transportation and distribution'. Matas' calculations in terms of the consumption of electricity, district heating, natural gas and refrigerants are based on the consumption in the following Matas Group entities:</p> <p>Matas (CL1, CL2, CL3, CL4, 'hutments', 'stores') KOSMOLET Firtal WebSundhed Genieads (50%) MIILD A/S (40%)</p>
CO ₂ -e, Scope 1	tCO ₂ e	<p>Direct emissions from sources controlled or owned by Matas Group comprise: 1) van owned by KOSMOLET, Matas Group's procurement and consumption of 2) natural gas and 3) cooling gas.</p> <p>Owned van – Emissions are calculated for annual fuel consumption.</p> <p>Natural gas – Emissions resulting from natural gas are estimated based on gas consumption and general emission declaration.</p> <p>Cooling – Emissions are estimated based on inventory, plant emissions, operating emissions and disposal emissions. Conclusion is no new cooling equipment. Operating emissions are estimated based on the annual filling of cooling gas. No equipment disposed of/discontinued.</p>
CO ₂ -e, Scope 2	tCO ₂ e	<p>Indirect emissions from sources controlled or owned by Matas Group, comprising Matas Group's procurement and consumption of 1) electricity, 2) district heating and 3) leased company cars.</p> <p>Electricity – Where possible, emissions are estimated directly by the supplier. Otherwise, emissions are based on consumption data and annual electricity emissions and environmental declarations. In some cases, the electricity consumption is estimated based on partial data (hutments), in some cases based on square metres (CL3) and in some cases assumed to equal last year's consumption (CL4). Electricity is supplied to Matas' stores by Norsk Elkraft, which supplies emission calculations for electricity consumption and general declarations for 2021, one for eastern Denmark and one for western Denmark. Electricity (CL1, CL2) is also supplied by Norsk Elkraft, and emissions are estimated directly by Norsk Elkraft based on hourly consumption data and energy mix.</p> <p>District heating – Emissions resulting from district heating are based on energy consumption and the general annual emission factor. In some cases, the natural consumption is based on actual consumption and in other cases it is based on a monetary calculation based on heating bills (Matas' stores). Where consumption data have been omitted, the consumption is in some cases assumed to equal last year's (CL4), and in one case the consumption is estimated based on square metres (CL3).</p> <p>Leased company cars – Direct calculation of emissions from the provider of leased company cars.</p>

Accounting Practices (continued)

Climate and environmental data

Topic and indicators	Unit	Accounting policy
Climate		
CO ₂ -e, Scope 3	tCO ₂ e	<p>Other indirect emissions from activities under Matas Group not owned or controlled by the company and relating to Matas Group's value chain, including emissions related to the use and disposal of products. Matas Group Scope 3 emissions comprise:</p> <p>1) house brand products purchased from Matas' sub-suppliers, third-party products purchased from external suppliers and other purchases of goods and services, 2) waste and recycling, 3) upstream and downstream transportation and distribution, 4) upstream leased assets (stores, warehouse).</p> <p>Procurement – Emissions are estimated by way of line-by-line allocation of Matas' annual consumption across suitable emission categories. Consumption of packaging is assessed separately based on consumption of paper/cardboard and plastics. Emissions from goods purchased for sale are estimated based on sales data based on two categories: Matas' house brand goods and third-party goods. Based on Persano data, emissions from Matas' house brands are estimated by using Persano emissions as generally applicable. Emissions from the procurement of third-party goods are based on consumption data from Matas and Natura emissions, as no general emission factors are available for the personal care industry, and no other brands/companies estimate emissions with the same coverage. Emissions from plastics and paper are estimated according to volume based on HQ inventory records by volume and virgin/recycled materials and adjusted to reflect the total category consumption by Matas A/S. The emission factor for plastics is 'Other plastics', because the plastics type appears to be (LD)PE, but with some uncertainty – a factor of 2,094 kg CO₂-e could be used instead of new LDPE.</p> <p>Waste and recycling – Volumes are based on statements from Marius Pedersen and Stena Recycling.</p> <p>Upstream and downstream transportation and distribution – Where possible, emissions are calculated directly by hauliers based on haulage (tonnes km), otherwise emissions are estimated based on mileage, vehicle emission type and general emission factors. The emissions of a Matas-owned transport vehicle are calculated based on the annual fuel consumption.</p> <p>Upstream leased assets – Electricity, heating and cooling estimated directly from consumption data and environmental and energy declarations for letting purposes (stores and warehouse). Shared costs for leased properties are estimated based on consumption and general emission factors. Direct calculation of emissions from the provider of leased company cars.</p>
Scope 3 categories included	Number	The climate accounts include selected Scope 3 emission categories from the Greenhouse Gas Protocol: 'Upstream leased assets', 'Business travel', 'Waste generated in operations', 'Purchased goods & services' and 'Downstream transportation and distribution'.
CO ₂ -e intensity (revenue)	CO ₂ -e/ DKKm	Matas' total CO ₂ -e emissions per DKKm revenue
CO ₂ -e intensity (FTE)	CO ₂ -e/ FTE	Matas' total CO ₂ -e emissions per full-time employee

Accounting Practices (continued)

Climate and environmental data

Topic and indicators	Unit	Accounting policy
Energy		
Energy consumption	GJ	The total energy consumption for Matas Group, including electricity consumption (MWh), district heating consumption (MWh), fuel consumption in the form of natural gas (NM3), diesel (l) and petrol (l). In the financial statements for 2020/21, Matas presented ESG key performance indicators only for the electricity consumption of Matas' stores. Accordingly, this indicator is not comparable with the total energy consumption for Matas Group in the financial year 2021/22. Likewise, it is not possible to perform a year-on-year comparison or draw any conclusions on the year-on-year performance.
Renewable energy percentage	%	Matas' purchases of sustainable energy as a percentage of Matas' total energy consumption. This does not reflect the environmental declaration of the energy mix in Denmark.
Resources		
Water	m ³	Water consumption in the financial year from properties owned/leased by Matas. An average water consumption (cubic metres/sqm) has been calculated for warehouse and administration premises based on Matas' headquarters (HQ) and warehouse (CL1) for the period 1 April 2021 until and including 31 March 2022. This factor has then been used to calculate the water consumption for other warehouse and administration premises based on their floor area in square metres. At store level, an average water consumption of 0.10 cubic metres/sqm has been calculated. The calculation is based on water consumption data for the full year 2021, as the external property managers of the premises leased for the stores calculate the actual consumption per year. This factor has then been used to calculate cubic metres for the total number of square metres of Matas' 260 stores. The two calculations (total consumption of water in warehouse and administration premises and total consumption of water in stores) have then been added together for Matas' total water consumption for the financial year.
Purchases – percentage of recycled cardboard (Transport and Logistics)	%	Recycled cardboard as a percentage of total purchased cardboard.
Purchases – percentage of recycled plastics (Transport and Logistics)	%	Recycled plastics as a percentage of total purchased plastics.
Purchases – percentage of recycled paper (Transport and Logistics)	%	Recycled paper as a percentage of total purchased paper.
Waste – generated	Tonnes	Weight of the total tonnes of waste generated by Matas in the financial year for warehouse and administration premises, and for Matas' 260 stores. The weight includes waste collected by Marius Pedersen from 148 Matas stores and 6 administration and warehouse premises and plastic and cardboard waste collected by STENA Recycling from 260 stores. To include all Matas stores in the total, an average waste footprint (tonnes per store) has been calculated based on Marius Pedersen's statement of the total volume of waste collected from 148 Matas stores. This factor has then been multiplied by 112 for an estimate of the total volume of waste for the stores not included in Marius Pedersen's statement and for which waste data are currently not available. Waste data from STENA Recycling cover all 260 stores.

Accounting Practices (continued)

Climate and environmental data

Topic and indicators	Unit	Accounting policy
Resources		
Waste – generated, per revenue	Tonnes/ DKK	Waste generated relative to amount of revenue.
Waste – recycled	%	Recycled waste as a percentage of Matas' total volume of waste. The share of waste which is recycled is collected by STENA Recycling and consists of transport cardboard and plastics collected from Matas stores, in addition to used, empty product plastic packaging returned by Matas customers via the Matas Return System. The waste collected by STENA Recycling also forms part of Matas' waste footprint. The calculation is based on the share of waste collected by STENA relative to the total waste footprint generated by Matas.
Plastics – minimised	Number	One plastic unit is defined as: one plastic bag, one piece of product packaging, one piece of transport plastics or 15 grammes of plastics from the logistics operation (corresponding to one standard plastic bag).
House brands – partially recycled plastics	Number	House brand products with packaging partially consisting of recycled plastics.
House brand certifications – RSPO	%	Percentage of RSPO-certified house brands. Calculated as RSPO-certified house brand products as a percentage of house brand products in which palm oil may be an ingredient.

Accounting Practices (continued)

Social data

Topic and indicators	Unit	Accounting policy
Diversity		
Full-time employees	FTE	Number of full-time employees. Calculated excluding temporary and short-term employees at HQ.
Subsidised flexi-jobs	Number	All Matas staff employed in subsidised flexi-jobs.
Project KLAP	Number	All staff employed with Matas under project KLAP (in practice only store employees).
Gender diversity, overall m/f	%	All Matas employees.
Gender diversity, other management levels, m/f	%	Matas' group of executives in stores, warehouse and administration.
Occupational health and safety		
Sickness absence, all groups, excl. pregnancies	%	Sickness absence among store employees. The majority of Matas' staff are store employees. Efforts are made to obtain additional data for the entire workforce and thus also for administrative and warehouse employees. Such data are expected to be included in the calculation for next year.
Sickness absence, all groups, incl. pregnancies	%	Sickness absence among store employees. The majority of Matas' staff are store employees. Efforts are made to obtain additional data for the entire workforce and thus also for administrative and warehouse employees. Such data are expected to be included in the calculation for next year.
Reported occupational injuries	Number	Calculated by full years, 2021, 2020, 2019. Figures comprise all departments.
Employee turnover	%	Departed employees as a percentage of the average number of employees.
Leave	Number	Number of Matas employees on leave at the end of the financial year.
Proportion of trained beauty & health therapists and beauty & health therapists in training	%	Number of trained employees as a percentage of FTEs. Trained employees are defined as all trained employees (whether beauty & health therapists or sales assistants w. profile), store managers, deputy store managers and trainees.
Health & beauty therapists in training	Number	Beauty & health therapist trainees for the financial year 2021/22

Accounting Practices (continued)

Social data

Topic and indicators	Unit	Accounting policy
Occupational health and safety		
Employee satisfaction (overall)	Score	Since 2018/19, employee satisfaction has been measured on a scale of 1-10 (previously 1-5). In addition, surveys are now customised according to business units.
Employee satisfaction (HQ)	Score	The satisfaction measurement method / EVI (evidence-based measurement) applied since 2020 (AS3) builds on 15 evidence-based questions divided into four categories.
Employee satisfaction (Stores)	Score	Conducted quarterly, the survey includes personal feedback, a personal stress score and the option to consult an occupational psychologist.
Employee satisfaction (Warehouse)	Score	The four areas surveyed are: job meaningfulness, management and cooperation, organisational values and work-life rhythm. All employees, temporary and permanent, are invited to participate in the survey.
Employee satisfaction (Webshop)	Score	Response rate was low (52.3%) due to a large proportion of temporary staff at the time of the survey.
Quality		
House brand certifications – Swan Label	Number	Matas house brand products with the Nordic Ecolabel (Swan Label) certifications at the end of the financial year.
House brand certifications – Blue Label	Number	Matas house brand products with Asthma-Allergy Nordic (Blue Label) certifications at the end of the financial year.

Accounting Practices (continued)

Governance data

Topic and indicators	Unit	Accounting policy
Composition of the Board of Directors		
Members of the Board of Directors	Number	Matas board members at publication date.
Board meetings	Number	Number of Matas board meetings held. Does not cover other board seminars or committees.
Board meeting attendance	%	Number of board meetings attended relative to number of board meetings held.
Gender diversity, Board of Directors (m/f)	%	Distribution of men and women on Matas' Board of Directors.
Percentage of independent board members	%	Distribution of independent and non-independent board members.
Risk and regulation		
Whistleblower reports	Number	Whistleblower reports to Matas falling within the correct use of the whistleblower scheme.
Reports of corruption	Number	Reports via Matas' whistleblower scheme and via other of Matas' channels of communication.
Remuneration		
Pay gap between CEO and employees	Times	Based on average salary of an employee of Matas HQ (excluding members of the Executive Management)
Shares held by members of the Board of Directors	%	Number of shares held by members of the Board of Directors as a percentage of the total number of shares.
Shares held by members of the Executive Management	%	Number of shares held by members of the Executive Management as a percentage of the total number of shares.
CEO remuneration linked to ESG goals	%	Based on achievement of discretionary goals.

Accounting Practices (continued)

Partnerships

Topic and indicators	Unit	Accounting policy
Partnerships		
Danish Cancer Society	DKK	Matas' total donations for 1) the Danish Cancer Society (collection via Club Matas points, sales of Matas Sun Stripes with Danish Cancer Society logo, sales of Limited Edition Luxury shampoo, UV bracelets, drinking bottles and tote bags), 2) the Danish Heart Foundation (value of donated lottery prizes to the Danish Heart Foundation's lotteries, sale of annual Christmas pendant), 3) Asthma-Allergy Denmark (sales of Matas Natur hand lotion), 4) CPH Pride (sales of CPH Pride 2021 bracelets), 5) GirlTalk.dk (collection via Club Matas points), 6) Danish Red Cross (collection via Club Matas points, collection via Mobile Pay, donations at check-out at Matas.dk. Matas matched amount collected from customers).
Danish Doctors' Vaccination Service	Number	Flu vaccinations in Matas stores. In the 2020/21 financial year, Matas stores also offered pneumonia vaccines.

Other



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