

matas

ESG Report 2022/23

1 April 2022 – 31 March 2023





The purpose of Matas Group

Health and Beauty for Life

The purpose of Matas Group is to promote Health and Beauty for Life. Matas aims to be the preferred supplier of health and beauty products and advice to consumers throughout their lives.

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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.



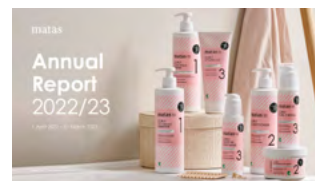
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**Annual Report
2022/23**

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Introduction

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Letter from the CEO

Over the past years, Matas has undergone a significant transformation. From being a local chain with only physical stores, Matas Group today operates smoothly across digital and physical channels and across national borders.

At the center of everything are our customers. In this respect nothing has changed since the Matas brand was founded in 1949. Matas is a market leader when it comes to beauty and wellbeing, and customers across gender and age have high expectations. They expect safe and effective products as well as credible and professional advice. In 2023, Matas was awarded as the most sustainable brand in the Sustainable Brand Index in the beauty category, however, our ambitions reach further than this.

We work to reduce carbon emissions and the use of plastic in all aspects of our business. Our goal is to become CO₂ neutral by 2030. But most importantly, we focus on public health – both physical health and mental health.

Hidden behind the beauty ideals of our time, a large part of the younger generation is fighting an unequal battle with mental wellbeing. We do not have definitive answers or

solutions to the challenges, but we have an interest and multiple options to help make a difference.

First of all, it is about taking a hard look on ourselves. Among other initiatives, we have made an agreement with Camp True North to integrate their teaching when we educate our colleagues. The goal is to simply give our newest and youngest employees useful tools for self-insight and personal leadership.

At the same time, we hope that we can contribute to the debate on health and well-being, both for our co-workers and our customers.

We have more than 50 million customer contacts per year and almost 80% of all Danish women are members of Club Matas, which provides us with a unique opportunity to learn more from our data insights. As a part of this ambition, we have launched a new quarterly health barometer, where we investigate how Danish women feel physically and mentally, a survey that has already given us some invaluable insights into our work with social responsibility going forward.

Since last year's ESG Report - our first - we have made significant progress on our ESG agenda. We have turned our ambitions and goals into more specific initiatives and actions. We have made a systematic effort to establish reporting frameworks, and improve data sources, quality and reporting. Perhaps most importantly, we have established an organizational structure and processes to ensure that ESG is not a one-time step, but a matter of continuous improvement across the entire Company.

In 2024, the European Corporate Sustainability Reporting Directive will come into effect and our preparations are well under way. However, we acknowledge that we still have a long way to go, especially on data standards, data collection and consistent reporting.

Responsibility is central to Matas as a business and as a workplace. I would like to thank our core ESG team and all our colleagues across the organization for their engagement and support.

Gregers Wedell-Wedellsborg
CEO



Principal events of the year

The financial year 2022/23 has been marked by several events, which have had a major impact on Matas' business leeway and initiatives to strengthen general sustainability.



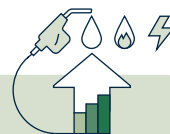
COVID-19

COVID-19 no longer poses an imminent threat but the pandemic has had a number of repercussions on society as a result of, among other things, increasing waiting lists in the healthcare system. Also a number of small companies have succumbed after difficult business years with restrictions. Most significant has been China's extremely restrictive policy with regional shutdowns of society, which have had major indirect consequences for the production and transport of goods. The majority of Matas' suppliers have a very small exposure to China, but this has nevertheless negatively affected the security of supply for periods.



Inflation

For the first time in four decades, nearly the entire world experienced rising inflation in 2022, which has eroded the economy for large sections of consumers. At times, inflation in Denmark has been more than 10%, and especially in fringe areas with a lower income base, the price increases have taken their toll on purchasing power and have meant that Matas has also experienced greater regional fluctuations in the sales. However, the general impact on Matas has been limited, as consumers have typically saved on other types of purchases such as travel and cars.



Energy prices

Energy prices have been extremely volatile throughout large parts of the financial year and, in line with core inflation, have had a major impact on the financial leeway of both companies and private individuals. Especially, those who have been dependent on gas as a heating source have experienced enormous price increases. However, the prices of natural gas and other fossil heat sources have stabilized again at a more normal level in the first quarter of 2023.



War in Ukraine

The war in Ukraine broke out in early 2022 and the conflict between Russia and Ukraine seems to continue indefinitely. In addition to the direct consequences for soldiers, civilians and the local communities in Ukraine, the war has relatively large indirect consequences for countries such as Denmark. The war has a negative effect on the economy, among other things, rising defense costs and rising energy prices and has also created a general increased fear in the population, which can be seen in the health surveys Matas conducts among its members every quarter.



Decreasing mental wellbeing

In the wake of the pandemic, media and research institutes have flagged a significant increase of psychological distress among young people. In the beginning of the year, the national health survey showed that the mental health and wellbeing of young people were decreasing year on year, and more young adults feel more stressed and alone. With 55% of Matas' workforce at the age of 26 or younger, this will affect Matas as well and demands actions in order to manage the negative trend potentially affecting the employees.

ESG highlights 2022/23



ENVIRONMENT

Carbon emissions – Scopes 1 and 2

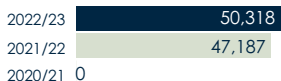
Absolute CO₂e, tons



7.5% ↓
from FY 2021/22

Carbon emissions – Scope 3

Absolute CO₂e, tons



7% ↑
from FY 2021/22

CO₂ intensity

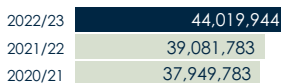
Revenue, tons/DKKm



3% ↓
from FY 2021/22

Plastic reductions

Count



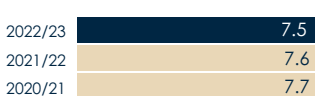
5M ↓
from FY 2021/22

SOCIAL



Employee satisfaction

Satisfaction & motivation score



1% ↓
from FY 2021/22

Employee turnover

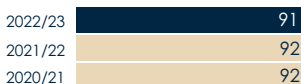
%



1.5pp ↓
from FY 2021/22

Gender diversity, overall

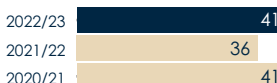
% of female representation



1pp ↓
from FY 2021/22

Gender diversity, other mmt. level

% of female representation



5pp ↑
from FY 2021/22

GOVERNANCE



UN Global Compact

Matas continues as an UNGC signatory and reports separately on Communication on Progress through UNGC's platform.



ESG Board implemented

5 times a year 11 board members meet in the ESG Board to oversee ESG goal implementation and progress.



Updated Supplier Code of Conduct (CoC)

Matas has introduced a new Supplier CoC setting out suppliers rules of conduct in relation to environment and people.



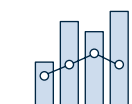
EU taxonomy reporting

Matas now reports on taxonomy eligibility and alignment.



Double materiality assessed

Matas' double materiality has been assessed applying same impact and materiality levels as described in the CSRD standards.



* Matas has introduced total employee turnover to its ESG reporting. However, due to limited data availability employee turnover for FY2020/21 has not able to be calculated.



Our business

- ☑ Materiality and stakeholders
- ☑ ESG strategy
- ☑ ESG governance



Materiality and stakeholders

Matas' materiality assessment is updated annually based on industry research and interviews with selected external and internal peers. The assessment therefore provides an overview of the factors that are financially material for Matas and for Matas' impact on society.

The material subjects are divided under the Environmental, Social & Governance (ESG) categories that Matas generally applies and which are also the basis on which Matas is evaluated by international organizations such as the UNGC and professional analysts following Matas A/S.

Double materiality as described by CSRD

In 2024, the Corporate Sustainability Reporting Directive (CSRD) will come into effect and guide the way companies within EU assess their materiality. The CSRD describes double materiality as the assessment of how business is affected by sustainability related issues (the outside-in perspective) and how business activities have an impact on the environment

and society (the inside-out perspective). In addition to this, the CSRD sets out new reporting standards (disclosing requirements) that will bring extensions to current reporting requirements.

In order to prepare for the future legislative framework, Matas has chosen to be influenced by the CSRD standards when updating its double materiality assessment for the financial year 2022/23. However, to ensure materiality coverage Matas has chosen to deviate from the specific CSRD reporting standards within environment, social and governance, as it is believed that the current materiality topics suffice to elaborate on Matas' current double materiality.



The updated model has considered the impact of the previously reported ESG topics. These topics are still relevant and material for Matas and Matas will continue to apply these until the CSRD comes into effect.

Matas' stakeholders

The update of the double materiality assessment has been informed by dialogue and engagement with Matas' stakeholders and users of sustainability reporting. Through peer reviews, interviews and research, the stakeholders have provided Matas with input and feedback regarding material impacts, risk and opportunities. The stakeholders involved in updating Matas' double materiality assessment are employees, consumers, ESG ratings agencies, investors, industry experts and competitors.

Re-assessment of Matas' double materiality

After assessing the stakeholder information, Matas' ESG team held a workshop to conclude the update of the double materiality assessment. The information was presented to Matas' ESG Board, which represents Matas' business units, along with the introduction to double materiality as described by the CSRD. After consideration of both short, middle and long-term perspectives, and Matas' value chain, the ESG topics' impact and materiality were determined and the double materiality model updated.

Updates to Matas' double materiality

In respect of the financial year 2022/23, updates to Matas' double materiality assessment have in the financial year 2022/23 been characterized by the future disclosure requirements from the Corporate Sustainability Reporting Directive (CSRD). This has resulted in the following changes to Matas' double materiality assessment:

1. Scope: Compliant to double materiality as defined by CSRD, the applied scope for Matas' double materiality introduces a wider perspective in terms of geography and value chain. This has initiated a mapping of Matas' value chain and the wider value chain, in order to assess the impact and financial materiality.
2. Material subjects: Selected material subjects from the former reported double materiality assessment (Matas ESG Report FY 2021/22) have undergone changes in titles and placements. 'Biodiversity – RSPO' is renamed to 'Biodiversity and ecosystems' and 'Product content (vegan, organic, certified)' has been merged into this subject, as the subjects cover the same materiality. In addition to this 'Cultural heritage' has been merged into 'Labour and human rights' for the same reasons. Also, 'Water' has been changed to 'Water

and marine resources' to ensure materiality coverage under this subject and lastly, 'Data – GDPR' has been renamed to 'Data safety and ethics' for the same reasons.

3. Materiality: Selected material subjects have been assessed to have increased materiality compared to former reporting. This applies to the subjects related to Matas' own workforce, namely 'Education', 'Work and income' and 'Occupational health and safety'. This testifies to internal and external factors that have had an impact in the financial year 2022/23 (see page 34). The increase in materiality for 'Water and marine resources' exemplifies the introduction of the wider scope applied, as it considers the materiality for suppliers and end-consumers in addition to Matas.



Double materiality assessment

Environment

*Climate neutral.
Plastic reductions.*

- 1 Climate change
- 2 Water and marine resources
- 3 Plastics
- 4 Packaging
- 5 Biodiversity and ecosystems

Social

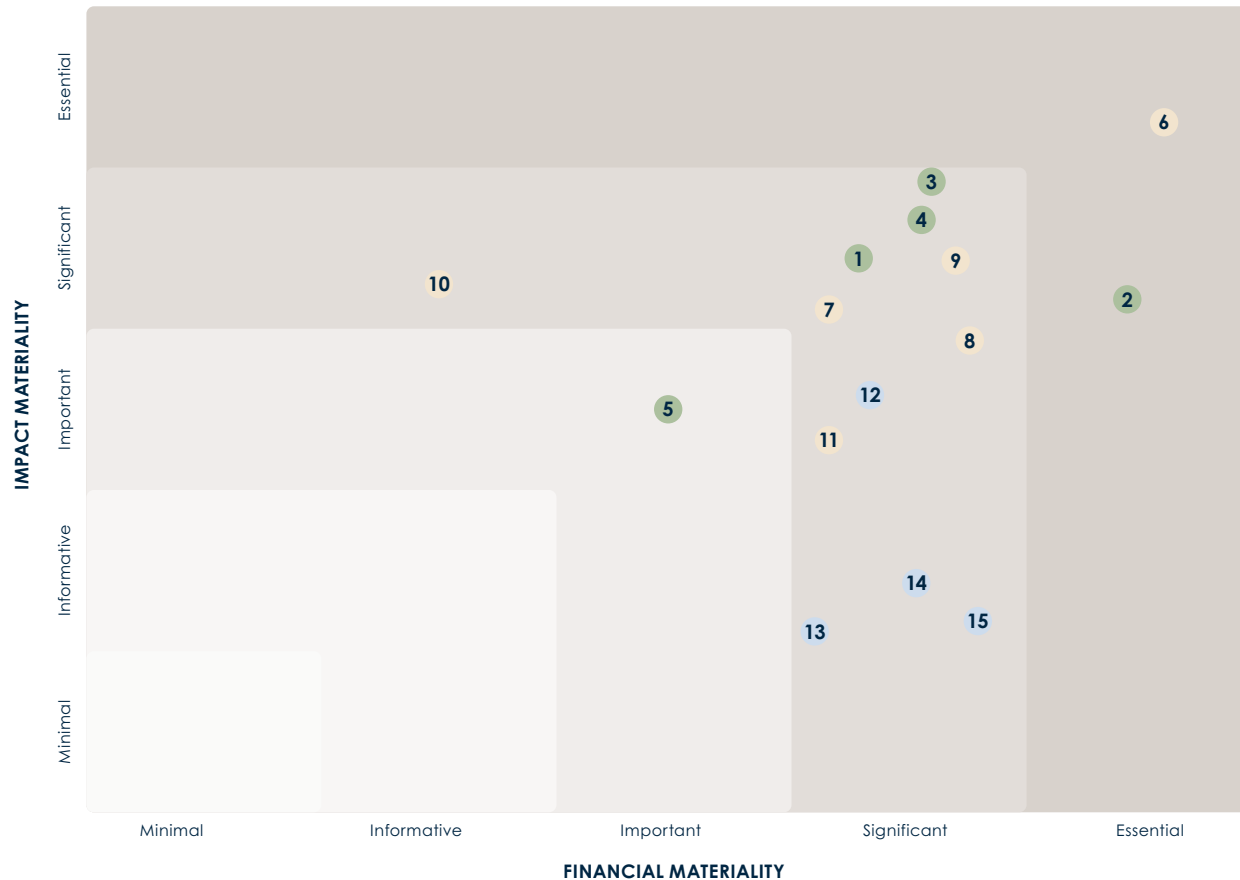
*Best place to be. Diversity.
Public health.*

- 6 Product transparency and safety
- 7 Occupational health and safety
- 8 Education
- 9 Work and income
- 10 Labour and human rights
- 11 Diversity

Governance

*Transparency.
Accountability.*

- 12 Data safety and ethics
- 13 Anti-corruption
- 14 Stakeholder engagement and recourse
- 15 Taxes



ESG strategy

Matas' ESG strategy supports Matas Group's growth priorities

In 2021, Matas presented a new strategy "Growing Matas Group" with the purpose 'Health and Beauty for Life'. The strategy is anchored in an omnichannel business model, where focus is centered on online growth, assortment expansions, connected retail potential and a solid logistics operation to support the growth. Matas' ESG strategy is fundamental in achieving the strategic growth priorities whilst ensuring a long-term sustainable business.

In this way, Matas' ESG strategy determines that when working towards reaching Matas' strategic priorities and targets for 2025/26, Matas should responsibly manage resources and reduce waste where possible. When expanding the existing product assortment, it ensures the health of customers and the environment, and it acts as safeguard for Matas' employees in their work environment.



PURPOSE

Health and Beauty for Life

STRATEGIC PRIORITIES FOR 2025/26

Growing Matas Group: #1 for health and beauty	Commercial: #1 offer	E-commerce: #1 online	Connected retail: #1 in-store	Brands: #1 products	Logistics: #1 operator
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ESG STRATEGY

 <p>Sustainability: Minimize the climate footprint of shopping</p>	 <p>Health: Contribute to public health</p>	 <p>Inclusion: Empower our colleagues and customers</p>
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ESG MILESTONES: OPERATIONAL GOALS AND COMMITMENTS

 <p>Matas will use less resources and reduce its CO₂ emissions and use of plastic in the value chain.</p> <ul style="list-style-type: none"> • CO₂ neutral by 2030 • Eliminate 100 million pieces of plastic 	 <p>Matas will focus on mental and physical health and be an inclusive and diverse Company.</p> <ul style="list-style-type: none"> • Promote public health • Best place to be and grow in the retail industry 	 <p>Matas will lead the sustainability agenda and ensure reporting compliance and data transparency.</p> <ul style="list-style-type: none"> • Leading sustainability • Reporting excellence
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Operational goals and commitments to guide strategy implementation

Matas' ESG strategy cover six operational goals and commitments:



1. CO₂ neutral by 2030

Matas is committed to reducing CO₂ emissions and aims to achieve net zero emissions by 2030. 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 product packaging, transport plastics, plastic bags, among other things.



3. Promoting public health

As a leading beauty, wellbeing and health influencer in Denmark, Matas is committed to promoting the physical and mental health and wellbeing of its customers through product offering, health advice, partnerships and customer interactions.



4. Best place to be in the retail industry

Matas wants to set an example among Denmark's big retail chains. This means working proactively to enhance employee satisfaction, strengthening diversity and creating an inclusive culture. Matas wants to be a good place for employees to work, and this should be felt in all Matas' external stakeholder relations.



5. Living sustainability

Matas is committed to ensure implementation of the ESG strategy at business unit level in order to reach the set operational goals and commitments. Matas enables an organizational structure that supports the transformation towards a sustainable business conduct.

6. Reporting excellence

Matas is committed to secure compliance in all current and future sustainability reporting requirements. Matas will strive to improve data transparency and disclosure degree in close dialogue with relevant external stakeholders and users of the sustainability reporting.

ESG governance

ESG is relevant to all Matas employees and there is a will to make a positive impact throughout the Matas Group. The systematic effort to govern all ESG topics is placed on members of the Matas ESG Board, which is responsible for implementing ESG responsibilities across business units, teams and functions.

Matas' first ESG Report for the financial year 2021/22 was released simultaneously with the development of a new ESG governance structure. The organizational change was needed to ensure ESG strategy implementation and management of ESG related risks. At the center of this transformation was the development of the ESG Board. During the financial year 2022/23, there has been further improvements to the ESG governance organization, responsibilities and remuneration structure.

ESG Board

The ESG Board is responsible for driving and reporting on ESG strategy implementation and progress. Members of the ESG Board include both representatives from the management team and business unit leaders and have been chosen as board members given their direct impact on realizing the operational ESG

goals and commitments. At 31. March 2023, the ESG Board constituted 11 board members.

The ESG Board also ensures that Matas' ESG related risks are governed and managed at each business unit where the risk can have an impact. Each of the ESG categories, which the ESG Board members are responsible for, represents a material risk defined by Matas' double materiality assessment.

The Board meets 5 times a year to oversee implementation of the ESG strategy, sets sub-targets to meet the 2030 goals. During the meetings the ESG Board members discuss internal and external factors that pose a challenge for realizing the goals. The ESG Board reports bi-monthly on target progress and defines workstreams that support the ESG strategy and goals.



The Board meets

5 times

a year, to oversee implementation of ESG strategy

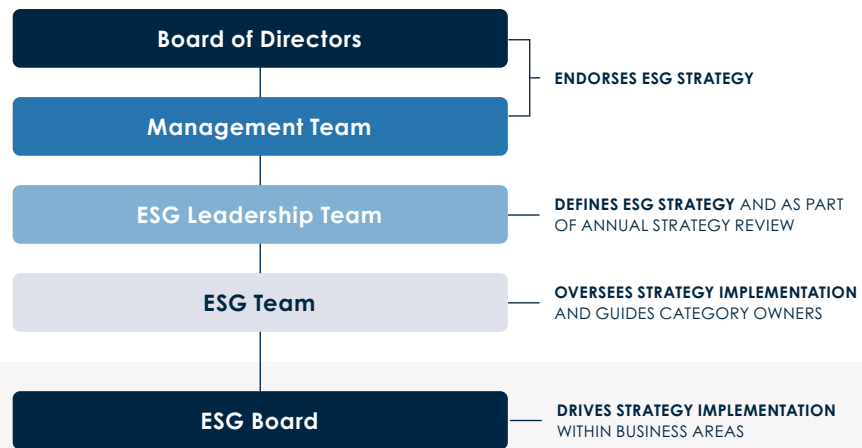
Remuneration linked to ESG performance and goals

ESG performance is an integrated part of the CEO and CFO remuneration packages, with 7.5% of the target bonus linked to the performance of Matas' ESG goals: 1. CO₂ neutral by 2030, 2. eliminating 100 million plastic pieces, 3. supporting public health and 4. best place to be in retail.

To further strengthen the responsibility and drive progress for ESG strategy implementa-

tion, Matas remuneration structure has been amended during the financial year 2022/23. Now targets in bonus agreements are linked to specific and quantifiable ESG goals. Identifying which goals are linked to discretionary targets is based on a relevance assessment, where role, function, and possible impact on the ESG goals are considered.

ESG Board



Environment

ESG category	Business area
CO ₂ - Energy management	IT/Facility
CO ₂ - Logistics transportation	Logistics
Logistics packaging	Logistics
Product packaging	Private Label



Social

ESG category	Business area
Product transparency and safety	Private Label
Public health	Health
Human resources	HR
Labour relations and human rights	HR
Diversity and inclusion	Communication
Occupational health and safety	HR



Governance

ESG category	Business area
Governance	Comm. and ESG
Sustainable procurement	Commercial
Anti-corruption	Legal
Data safety and ethics	Legal

Roles and responsibilities

ESG Board

- Ensures implementation of ESG strategy in all business units
- Ensures workstreams and resources to reach goals and commitments on business unit level
- Discusses opportunities, risks and challenges
- Reports on performance and progress related to goals and commitments

ESG team

- Guides and supports ESG Board and board members
- Oversees ESG Board reporting and progress
- Oversees and manages sustainability reporting
- Sets out relevant sustainability KPIs and ensures targets are in place and are reported
- Oversees and manages ESG reporting and ratings
- Initiate policy updates and sustainability standards

ESG leadership team

- Defines ESG strategy and develops and adjusts as part of annual strategic review
- Defines the sustainability framework and operational goals, targets and commitments

Management Team and Board of Directors

- Endorses ESG strategy
- Board of Directors approve policies and standards

ESG reporting





Environment

- ▢ Climate impact
 - ▢ Matas' CO₂ commitment
 - ▢ Matas' plastic commitment
- ▢ Protecting the environment
 - ▢ Matas' ingredients policy
 - ▢ Subsidiary brands
 - ▢ Case



Vi har
reduceret
plastforbruget i
vores nye krukker
med 30%



Climate impact

As the leading retail chain within health and beauty in Denmark, Matas has an obligation to conduct a long-term sustainable business in order to ensure a responsible business model for our shareholders, customers, employees and the society. Protecting the climate and managing associated risks are essential to doing business in a sustainable way.

The key climate risk associated to Matas' direct emissions continues to be the electricity consumption in the physical stores. A risk that within the past year has proven to be more relevant to manage than ever before. Previously focus was on reducing CO₂ emission through reducing energy consumption. However, now focus also needs to be on managing consumption responsibly in order to ensure the availability of energy for society at large.

When looking at Matas' continued online growth strategy, the previously identified risks remain relevant: Transport of goods to stores and customers and the use of carbon intensive cargo and logistics material are activities that can potentially pose a negative effect and constitute a climate risk.

Matas' sustainability ambition, as described in the ESG strategy, is the overarching guiding principles for internal decision making. It ensures that every business unit and employee consider both growing the business and protecting the climate when making decisions in their day-to-day work. When product developers relaunch Matas' private label product ranges, they choose to increase the use of less carbon intensive material, and logistics operations continue to find alternatives to virgin plastic when transporting goods to customers and stores. Only by making ESG ambitions into operational goals that are relevant for the teams and employees, Matas is able to lessen the negative impact on the climate and transition towards a more sustainable business conduct.

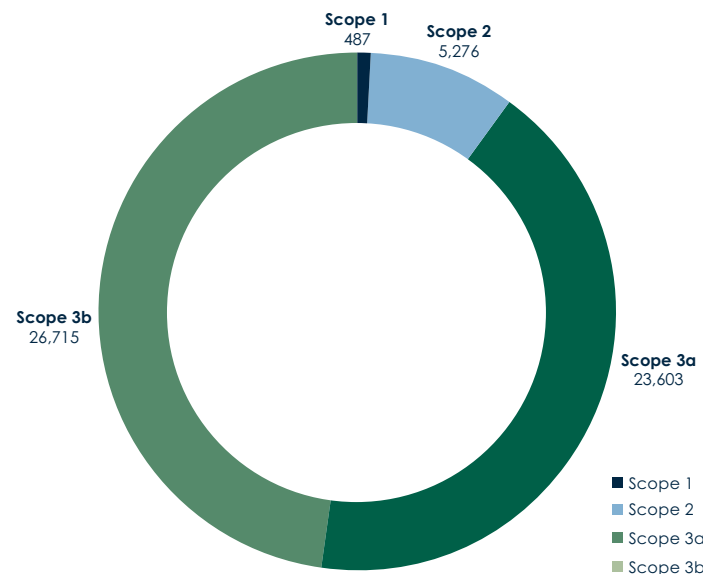
Matas' CO₂ commitment

As set out in the ESG strategy, Matas is committed to become CO₂ neutral by 2030. The ambition is 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' private label brands and the transport of goods (part of scope 3).

Matas continues the work to reduce CO₂ emissions with increased focus on energy reductions for electricity and heating; transition to renewable energy sources; reduction of carbon-intensive materials; transition to transportation powered by renewable energy and supporting a green transformation by purchasing offsets in relevant projects. The majority of Matas' emissions are found in the purchase of goods from external labels and brands, where emissions are placed in scope 3. Matas is therefore not able to directly influence these companies' climate policies

and ambitions but has set out to engage in dialogues with the largest suppliers in order to address climate policies, reporting and carbon neutrality goals.

Matas' CO₂ emissions in 2022/23 (CO₂e, tons)



56,081 t CO₂e

CO₂ emission for 2022/2023

26.4 t CO₂e

Per Matas FTE

12.5 t CO₂e

Per DKKm revenue

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

In the compilation of the carbon accounts for the financial year 2022/23 a number of revisions and changes have been implemented across Matas' CO₂ emissions scopes 1, 2 and 3. Furthermore, the carbon accounts have undergone some adjustments regarding the accounting practices, which has resulted in reallocation of emissions across scopes. See the full restatements at page 63.

Significant changes in scopes 1 and 2

The most significant changes in emissions across scopes 1 and 2 are a result of an increase in market-based emission factor for electricity in Denmark in 2022. The emission factor has seen an increase of 9% from 2021, due to an increased sale of RECs in Denmark, as the location-based emission factor decreased by almost 3%. The increase in emission factor diminished the expected total emission reduction, as Matas has succeeded in reducing its energy consumption (2%), the consumption of natural gas (6%) and the consumption of petrol and diesel (2%). In addition to this, RECs certificates have been purchased to ensure an emission reduction as well (11%).

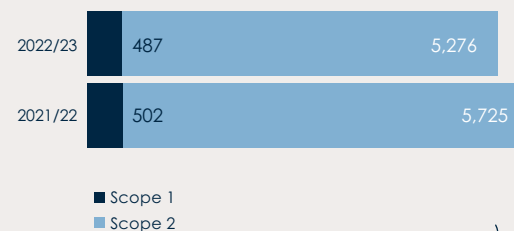
The overall total emission across scopes 1 and 2 has been reduced by 7.5% compared to 2021/22 primarily by reducing consumption and purchasing RECs.

Significant changes in scope 3

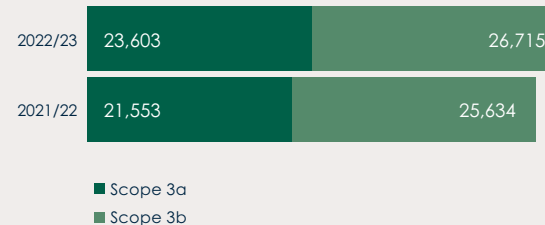
The most significant changes in scope 3 are the result of an increase of purchased products and services, covering the purchase of private label and external brands (4%) and other products and services (approx. 13%). However, there are emission reductions related to less purchases of plastics (36%) and paper/cardboard (23%). In addition to the overall spend increase, Matas has been able to improve data quality and on that basis recalculated the emission factor for the purchase of external brands for sale.

The total emissions for scope 3 have increased by 7% due to the adjusted emission factors and the increased spend on goods and services.

Scopes 1 and 2 CO₂ emissions development (CO₂e, tons)



Scope 3 CO₂ emissions development (CO₂e, tons)



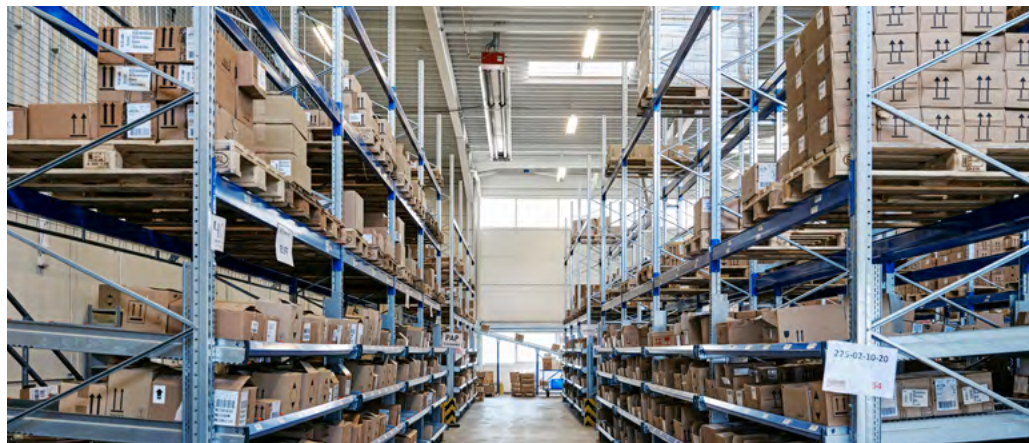
Changes in CO₂ intensity

Looking at Matas' direct and indirect emission from scopes 1 and 2 separately, the CO₂ intensity per employee has decreased by 6%, and the CO₂ intensity in relation to revenue has decreased by 14% from 2021/22.

When looking at Matas' full carbon account, covering not only scopes 1 and 2, but also the indirect emissions constituting scope 3, Matas has identified an increase in CO₂ intensity per employee by 7% and a decrease in the CO₂ impact in relation to revenue by 3%.

Matas recognizes that the effort to reduce emissions in scope 3 still relies on collaboration with suppliers and engagement with the wider value-chain, as Matas only has an indirect influence on its suppliers CO₂ emissions, and while more are committing to climate targets and improving their accounting coverage and quality, many are still in the process of engaging on the climate issue. Matas intends to increase the focus on supplier engagement for the financial year 2023/24.





Energy reductions in stores, HQ and warehouses

During the financial year 2022/23, a range of activities have reduced Matas CO₂ emissions. The activities cover pilot projects that have tested reduction potential but also long-term projects to fundamentally change behavior to reduce consumption. The latter is exemplified with the focus Matas has had on reducing electricity and heating in all their 260 physical stores. In August 2022, to counter the expected energy crisis, Matas sent out directions for all store employees to turn down the heat at 19 degrees throughout the winter months and reduce the basic load on electricity by turning of the switch

completely during closed hours. Furthermore, Matas decided to initiate similar measures for the headquarter and warehouse locations, where the heat and electricity were actively managed resulting in reductions of energy consumption (2%) and nature gas consumption (6%).

Despite the realized carbon reductions through energy consumption savings, electricity in stores remains to be the majority of Matas CO₂ emissions in scope 2. Therefore, Matas will continue to address ways to reduce the use of electricity in stores. For the coming financial year, this means initiating a behavioral scheme targeted at the employees at the

stores. The scheme will educate employees to ensure sustainable behavior and guide responsible consumption of electricity.

LED refurbishment in stores

Since 2019, Matas has fully refurbished 48 selected stores and converted the light sources from halogen to LED. During the financial year, refurbishments have completed the transformation to a more sustainable lighting for four stores and two of Matas four warehouse locations. For the financial year 2023/24, Matas will test LED lights with a smaller watt in stores to uncover the reduction potential.

Purchase of renewable energy

During the financial year, Matas Group bought RECs amounting to 1,600,000 KWh ensuring a CO₂ emission reduction of 11% in marketbased emissions of scope 2 based on the financial year 2021/22 consumption



3%

reduction in scope 1 emissions

of electricity. For the financial year 2023/24 Matas will set a strategy for renewable energy consumption, considering several solutions, including, but not limited to, undertaking a power purchase agreement and/or RECs.

Charging stations at HQ and warehouse

To support a more sustainable behavior among employees, Matas has installed four charging stations at the parking area of its headquarter, and thereby providing the employees with the option to charge their electric vehicles at work. Having access to charging stations can potentially reduce some of the perceived challenges for employees who consider switching to an electric car and hereby Matas can support employees in transitioning to a more sustainable commute.



8%

reduction in scope 2 emissions



Matas supports consumer choice for more sustainable shopping options

During the financial year, Matas made several significant improvements to cater for customers who want more sustainable shopping options. One of the improvements has been to seamlessly integrate online shopping with physical stores and save both on transportation of goods and shipping packaging. When a customer places an order at matas.dk and chooses the delivery option 'collect at store within 1-2 days', and the store has the ordered products on shelf, the order is picked directly at the store and the customer can pick up the order often within five minutes. An average of 9% of the online sales are handled this way, resulting in a more responsible use of transportation and packaging.

In addition to this, Matas has worked on guiding the customer with relevant sustainable certification labelling on products at Matas.dk. This makes it significantly easier for customers to choose organic, locally produced or Nordic Eco-labelled products. Matas' digital 'Live Shopping format' contains health and beauty product advice and has replaced the physical brand magazine Skøn with a digital publication, meaning that Matas no longer distributes a physical magazine in the 260 stores.

Matas' plastic commitment

Matas wants to create a more sustainable retail trade and has set a goal to remove 100 million pieces of plastic from the value chain by the end of 2030.

The goal was set simultaneously with the goal to create significant online growth, thus the work to ensure this is achieved in parallel with a responsible consumption of resources. Currently, Matas has been able to remove up to 44 million plastic pieces and is looking further into innovative solutions to reduce even more plastics from its value chain.

Use and reduce responsibly

To ensure a responsible use of resources and plastic reductions, Matas will work on a three-tier level: Reduce, reuse and recycling;

1. Reduce the consumption of materials and plastics where possible
2. Increase the use of recycled materials and recycled plastics, and
3. Ensure that materials are recycled after use.

Retail Sector Cooperation

Matas has in the recent financial year continued its collaboration with the Retail Sector Cooperation, under the Danish Ministry of Environment. The cooperation has designed a set of circular design principles to contribute to promote plastic recycling in the retail industry. The common design principles aim to ensure that manufacturers design plastic packaging with maximum recycling potential once the product's life ends.

Matas aims to put the design guidelines to use and supports the work to ensure better options for recycling plastic in the industry. This means, that where Matas has a direct influence on the choice of materials, e.g. in the product development of its private labels, it is a priority to develop product packaging in mono-materials, as this maximizes the possibility of recycling when the product is used and should be deposited.



Matas has since 2019 removed

44 million

plastic pieces



Plastic reductions in Matas' private labels

Matas continues to work with plastic reductions in cooperation with private label suppliers when developing Matas brand series. Thus, during the financial year 2022/23, Matas has worked to reduce the use of virgin plastic on several relaunches.



68

of Matas' private label products packaging contain recycled plastic

**M. Cosmetics Professional: From silicone to FCS certified wood**

In the relaunch of M. Cosmetics Professional make-up brushes, the plastic wrapping around the product was removed and replaced with FSC certified cardboard boxes. Furthermore, the silicone handle was removed and replaced with FSC certified wood. The relaunch will result in the reduction of around 90,000 plastic pieces per year.

Sun care products with 42% recycled plastics

When relaunching Matas Striberne Sun Care during the financial year 2022/23, work was done to increase the level of recycled plastic in the product tubes. Now the sun care range on average contains 42% recycled plastic. Thus, the relaunch has ensured that Matas is saving 857 kilos of plastics per year on this range.



Christmas giftboxes reducing virgin plastics by 5 tons

In the relaunch of the 2022 Christmas gift boxes, all plastic foil around the cases was removed. For 12 out of the 19 boxes in assortment, the inner plastic cases were removed and replaced with paper filling. The last 7 boxes now have 80% recycled inner plastic. The relaunch realized plastic reductions of approximately 5 tons.

Plastic reductions in logistics operations

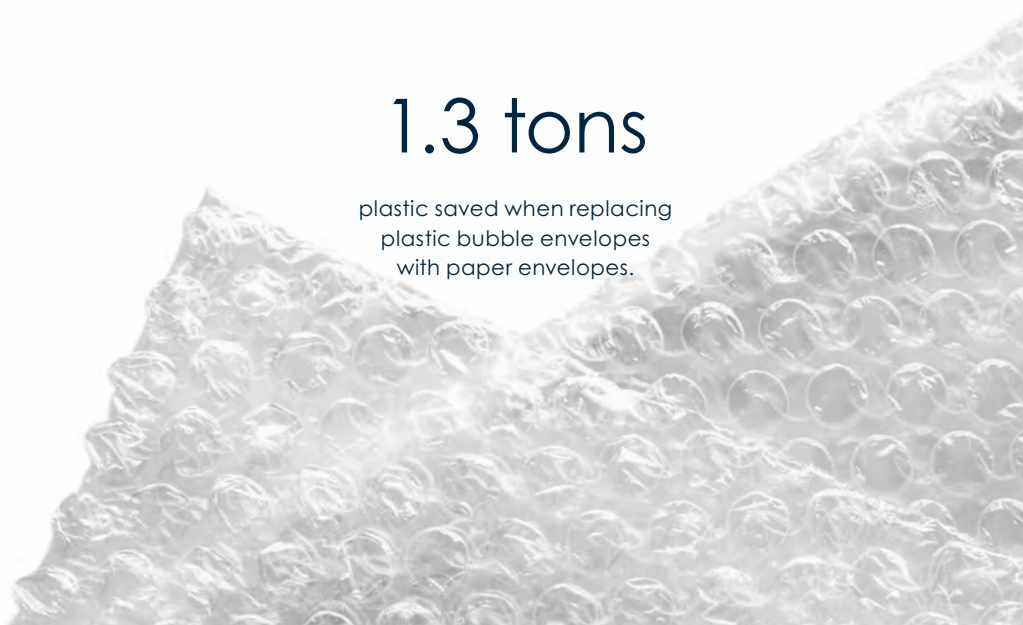
In addition to plastic reductions in private labels, Matas has been able to reduce the use of virgin plastic in the logistics operations during the financial year 2022/23. Switching from 50 my to 40 my in transport plastic wrapping has accumulated 2.4 tons plastic savings, and the 40 my plastic wrapping consists of 100% recycled plastic, eliminating the use of virgin plastic all together. Furthermore, plastic bubble envelopes, used for webshop orders,

have been replaced with paper envelopes saving 1.3 tons of plastic a year. Matas logistics operations have since the 2019 baseline reduced the use of virgin plastics with 28 tons, by replacing plastic filling in webshop orders with paper filling.

For the coming year, Matas will continue the effort to reduce the use of virgin plastic in its operations, across both private label product development, in stores and in logistics operations.

1.3 tons

plastic saved when replacing plastic bubble envelopes with paper envelopes.



Better at home recycling options for customers

Another focus activity this financial year has been to reassess the Matas Return System potential. Despite the system's ability to collect 23 tons plastic for recycling each year, Matas has revisited its potential in the current context of Denmark's waste regulation. As a result, the impact of new national sorting criteria for household waste has been assessed. As household sorting today enables customers to sort their waste at home, it provides easier options to ensure that plastic waste is recycled. This devaluates the Return Systems potential, and therefore Matas has decided to focus on reducing plastic where possible and develop products in mono-material for maximum recycling ability.





Protecting the environment

Safe and well-documented private label products are fundamental for customers as well as the Matas brand and present a way to care for the environment, while making certified, trusted and popular beauty and health products.

Protecting the environment remains to be as important for Matas as ever. Matas' customers know and respect Matas for developing products that have a high standard for health as well as safety, and that simultaneously consider the safety of the environment. Matas' private label ingredient policy sets higher

demands for formulation and product development than national and international law in the industry. Therefore, it is associated with great risk if the credibility of Matas' private label products is questioned.

Matas' ingredients policy

Matas' ingredients policy guides the formulation of private label products and describes ingredients Matas does not accept in the formulation of its private label products.

The ingredients policy considers both the environment and the health of Matas' customers. Furthermore, the policy takes a strategic approach towards accommodating all customers regarding choice of ingredients. Special consideration has been given to the especially sensitive customers and children.



16%

of Matas' private labels are certified with RSPO

PFAS

Perfluorinated and polyfluoroalkyl substances, commonly known as PFAS, have gained increasing national and international media attention during the financial year due to its potential to harm both environment and human health. PFAS substances contain carbon-fluorine bonds, which means that they resist degradation. They easily migrate into the environment making it a significant environmental pollution.

PFAS in Matas' private label products

Matas supports the phasing out of PFAS substances and a potential ban to formulate products using PFAS. Since 2019 Matas has laid out restrictions in its ingredients policy banning the use of PFAS substances when formulating and developing Matas private label products. Matas follows any development in legislation for PFAS and stays updated on nationwide cases with significant PFAS pollution.

PFAS in products from other suppliers

During the financial year 2022/23, Matas requested all its external suppliers to report any products sold in Matas that contained PFAS, their plan to replace the ingredients with an alternative to PFAS, as well as the timing for the phase-out.

The response from the suppliers was in favour of removing PFAS, and the suppliers, who were formulating with the ingredients, were actively reformulating products without PFAS or had immediate plans to replace the substances.

In addition, it is laid out in the updated Code of Conduct for Suppliers that Matas expects its suppliers to actively work to avoid or phase out the use of PFAS in the products sold in Matas. For the coming financial year, the priority is to implement the new Code of Conduct in future supplier contracts and obtain sign-off from existing suppliers.

Ingredients not allowed in the formulation of Matas' private labels

- Micro plastics (phased out since 2014)
- Fluor compounds (perfluorinated alkyl substances PFASs, including PFOS and PFOA) (phased out since 2019)
- Parabens
- Phthalates (all types)
- Formaldehyde, paraformaldehyde and formaldehyde splitters

Certifications

Matas works actively to certify private label products, as it is described in Matas' ingredients policy that where a product can be certified, it will be certified. This is done both to guide customers in Matas' products when they choose products based on criteria such as environment, unwanted chemistry or ingredients, but certifications are also prioritized for the purpose of protecting the environment from potentially harmful substances.

For Matas' private labels, 49% of skincare products and 46% of haircare products are certified with at least one certification. The priority depends on product and sub-brand, but focus is either the Nordic Swan Ecolabel, Asthma- Allergy Nordic, The Vegan Trademark or RSPO certifications.



25 %

of Matas' private labels are formulated with 'Mass Balance' sustainable palm oil



Nordic Swan Ecolabel

Established in 1989, Nordic Ecolabelling works to reduce the environmental impact from production and consumption of goods by placing their logo, The Nordic Swan Ecolabel, on products that adhere to the strict environmental requirements in all relevant phases of the product's life cycle.



Asthma-Allergi Danmark

Asthma-Allergy Nordic

Asthma-Allergy Nordic is a certification that caters for those who suffer from asthma, allergy or other sensitivities, and for those who want to avoid perfumes and ingredients that are potential allergens. Asthma Allergy Nordic is a collaboration between the asthma and allergy organizations in Norway, Sweden and Denmark.



The Vegan Trademark

Since 1990, the certification The Vegan Trademark has helped customers identify vegan products free from animal ingredients.



Roundtable on Sustainable Palm Oil

Founded in 2004, Roundtable on Sustainable Palm Oil works to ensure a sustainable production of palm oil, by a range of activities, such as banning the use of fire on RSPO-certified areas and the requirement that planting on new area must not cause deforestation.

Subsidiary brands

Working actively to develop safe beauty products with less impact on the environment is also a vision shared by Matas' subsidiary KOSMOLET, who produces the make-up and skincare brands Nilens Jord and MIILD.



MIILD

MIILD is a beauty brand that develops beauty products certified by Allergy-Certified, Nordic Ecolabel and ECOCERT. The brand was developed, founded and run by two make-up enthusiasts with the common goal of revolutionizing the beauty industry with a shared focus on supporting the environment, people and nature. MIILD insists on transparency in the cosmetic world, where they believe the market has an enormous potential for greater awareness of hypoallergenicity, sustainability and love and responsibility for nature.



Nilens Jord

Nilens Jord is a make-up and skincare brand that works to reduce the use of product packaging and plastics. In their skincare line, most of the packaging is reusable, and on their make-up line, they have reduced their use of plastics with 15% by replacing the packaging on their newest mineral foundation.

In addition, they work continuously to reduce their CO₂ footprint through the development of processes throughout the organization. Thus, they work to ensure that most raw material purchases, where possible, are sourced in Europe in order to minimize the CO₂ footprint from transportation.

“Matas should always be the safe choice”

In some areas, Matas pursues a stricter policy for house brand ingredients than required by law. One example of health and safety considerations taking priority is PFAS.

Matas wants its house brands to be free from harmful substances. In case of doubt about the harmful effects of an ingredient, the Company often takes a proactive approach in order to protect consumers – even if it is not required by law.

Alice Wassard, Head of Matas Own Brands, and Kirsten Johansen, Brand Marketing Manager, explain:

“We always keep close tabs on new developments. If science is discussing new substances on the observation lists, we consider whether that is something we should phase out as quickly as possible. Our general approach is to follow a stricter ingredients policy than required by law”, says Kirsten.

Alice calls this approach ‘due diligence.’

“We want consumers to be able to trust us and our products, which appeal to all age groups and cover all phases of life. Matas should always be the safe choice”, she says and points out that the product Striberne is part of Matas’ DNA and a loyalty driver.

“If you like Matas Striberne, you obviously need to revisit Matas. Our health and beauty therapists tell us that they are always comfortable recommending our own brand to customers. They are premier products that you can trust and that are affordable to all”, Alice comments.



Alice Wassard
Head of Matas Own Brands



Kirsten Johansen
Brand Marketing Manager



4%

increase of private labels that have achieved Asthma Allergy Nordic certification

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— We want consumers to be able to trust us and our products, which appeal to all age groups and cover all phases of life. Matas should always be the safe choice, she says and points out that Matas Striberne are part of Matas' DNA and a loyalty driver.



Quality and trust

Matas has built valuable consumer confidence by being one step ahead of regulatory requirements in several areas, such as reducing the use of plastics and chemicals in products.

"We banned fluorinated substances from Matas' own products already in 2019" Kirsten explains.

The EU will soon launch a roadmap intended to result in a ban on fluorinated substances, which are found in a large number of consumer and food products. But it could take years before this happens, and that is why Matas is being proactive.

A commercial business should of course have leeway for innovation. But at the same time, Matas must be true to its own mission

to promote the beauty, health and wellbeing of Danish consumers. The products should hold attraction to consumers without jeopardising their health and safety.

"It goes without saying that we should continue to be innovative and competitive, and we never compromise on quality. So our approach is also pragmatic. But our commercial interests must not always outweigh other considerations. We need to be worthy of the trust we enjoy from consumers", says Alice and points out that Danish consumers of all ages shop at Matas.

"Massive market shares such as ours come with a great responsibility in terms of protecting consumers. This is a responsibility we are happy to take on.

Suppliers of non-Matas brands have also been asked to state whether their products contain PFAS.



3%

increase of private labels that have achieved Nordic Ecolabel certification



What does the law say?

- Under current law, the authorities must substantiate that fluorinated substances are harmful before they can ban them. This happens product by product. As a result, only a few substances have been banned to date.
- The EU is working towards making it easier to ban entire groups of similar substances.
- Denmark and a number of other countries are working towards getting the EU to ban fluorinated substances. This could take years, though.
- Matas banned PFAS from its house brands in 2019.

Source: Forbrugerrådet Tænk



Social

- People at Matas
- Training and education
- Health and safety
- Diversity and inclusion
- Case
- Matas as a corporate citizen
- Human rights



People at Matas

During the financial year, Matas has planned and rolled out a new people strategy to mitigate the negative impact on the industry, while at the same time strengthening the Company to deliver on the business strategy and growth ambition.

Employee turnover is a significant risk, not just for Matas, but for the retail industry in general. The low unemployment rate is making it difficult to recruit and vocational education is getting less popular. Customers' derogatory language is getting more common and young women have increasing mental health challenges. Some of the internal risks affecting companies are lack of diversity and equality, but also, employees demanding a hybrid workplace sets new workstream standards and demands for new organizational structures and processes.

Several factors affect Matas' employee turnover. One of the factors, that has a significant impact is seasonal peaks around Black Friday

and Christmas. As a consequence Matas increases its number of seasonal staff to respond to this demand.

Another factor affecting employee turnover is operational changes. During the last two years changes to store operations have resulted in an increase of short-term tenures. The stores now operate with a combination of employees on short-term contracts alongside employees with a high-level professionalism to create flexibility. However, for the financial year 2022/23 Matas has managed to lower its total employee turnover, but has also seen a significant decrease in employee turnover in stores.

Training and education

Matas' ambition is to become a place where everyone can see a long-term development plan with appropriate means to progress and develop. For the coming year, Matas will focus on internal communication, to increase awareness of career paths and leadership training, and invest in further development of talent programs.

Matas' new people strategy considers the risks and challenges facing the retail industry and identifies gaps to becoming a competitive and sustainable workplace. The strategy is guided by the ambition to become a workplace with more competent, happier and healthier employees.

During the financial year 2022/23, Matas started to work with a new HR set-up. This resulted in improvements to employee satisfaction surveys, the implementation of new work environment processes and the identification of external partnerships to support the new people strategy. The strategy describes a renewed focus on employees' health. Consequently, Matas has during the financial year made efforts to play an active part in increasing their employees' health, both

mentally and physically, across the Company. This has resulted in partnerships with specialized organizations working to promote mental health, among others with True North and Potential Project.

True North

98% of Matas' store employees are women, and 55% of them are under the age of 26. Therefore, young women's decreasing mental health is affecting Matas, but it is also a topic where Matas wants to make an impact and aim to influence the negative trend in society. The organization True North has during the past 15 years helped over 40,000 young people to find their personal compass and build mental resilience. With True North's competencies in mental training of young people, Matas wants to strengthen their

trainees, so that mental training and exercise become an established part of the materialist education.

Potential Project

With mental training and exercises Potential Project has over the past decade helped over 350,000 individuals at more than 500 organizations to adopt new ways of working and leading. During the financial year, Matas teamed up with Potential Projects to give

employees mental training options, as part of creating options to increase the health of Matas employees.

For the coming financial year, Matas will continue its collaboration with True North and Potential Project and activate other partnerships with the aim of supporting Matas' employees' mental and physical health.





Health and safety

Creating a healthy and safe workplace is one of the most important priorities for Matas. With a diverse group of roles, that spans from warehouse logistics, administrative work and store front professionals, the health and safety guidelines for employees cover all roles and functions.

As per national law, Matas has a work environment organization in place that secures occupational health and safety at the workplace. The organization helps to ensure a healthy and good working environment across the diverse roles and departments. Matas has formed work environment groups that represent warehouse functions, administrative functions and store functions. All team members have voluntarily agreed to become a part of the team and work closely and collaborative for a good work environment. The working environment representative is elected for a two- to four-year period and is protected by the same rules as a shop steward. All working

environment representatives have completed the statutory working environment course.

During the financial year 2022/23, Matas experienced a marginal increase in reported work injuries, due to the tragic shooting at Field's in July. One of the biggest Matas stores is located at Field's, and the store was open at the time of the shooting, implicating the Matas employees working at the time. No employees suffered physical harm. Matas ensured that all employees received support and guidance from a crisis psychologist immediately after the event.

Diversity and inclusion

Matas works to create an inclusive culture that values employees' different backgrounds, perspectives and experiences. Matas supports equal opportunities for all employees and prohibits discrimination based on gender, ethnicity, age, religion, disability, sexual orientation, or any other characteristic protected by law.

During the financial year, Matas remained committed to promoting diversity among its employees, with a specific focus on increasing female representation in middle and senior management as well as on the Board of Directors. The latter discusses gender diversity on an annual basis at the Group's management levels and sets specific targets for it. The Board of Directors recognizes the importance of a broad composition that encompasses members' competencies, experience, knowledge, gender, and age. The Board of Directors' ambition is to sustain diversity and ensure that the management team reflects a balanced distribution of gender as defined in the Danish Companies Act.

There is a broad composition in the management team with profiles from various Danish and international educational institutions, including CBS, University of Copenhagen, DTU, Harvard and Regents University.

Matas aims to employ candidates for management positions with profiles and qualifications best suitable for the Company and in the best interest of Matas. In this context, Matas has during the financial year 2022/23 applied its diversity policy to ensure that gender is considered when appointing candidates for management positions, along with other recruitment criteria, such as professional qualifications, experience within trade, diver-

sity, educational background, etc. Furthermore, Matas' general procedures in terms of employment support equal career opportunities for all, and job postings are encouraging anyone with interest in the job to apply, irrespective of gender, age, ethnicity, disability, sexual orientation and religion.

Project KLAP

Since 2015, Matas has supported Project KLAP, an initiative that works to introduce people with cognitive disabilities into the job market. KLAP employees are people who, because of their disabilities, need support to enter the common job market. By collaborating with KLAP, Matas can give job opportunities to people, who cannot hold a standard 9 to 5 job, and hereby promote better wellbeing for a group of valued employees with special needs. Currently, Matas employs 24 people through the programme.

Pride Partnership

After years without the recurring celebration of Copenhagen Pride as a result of the COVID-19 pandemic, Matas participated for the first time in the Pride parade in August 2022. To support the official partnership, Matas ran a brand campaign under the name Matas Loves Pride. The campaign ran nationwide on online and offline media and starred four Matas employees and their personal stories. Matas used its brand power and platforms to facilitate a debate about gender diversity, body awareness and generally about topics

that revolve around the right to being oneself without necessarily fitting into the usual notions and narratives of normality.

Unconscious bias workshop

Following the Pride campaign, a norm critical workshop to train for identifying unconscious bias in the Company was rolled out. Employees from HR, Sales, Communication, ESG, Brand and Marketing departments were represented at the session, ensuring that every team that actively works with people, whether it be in the external or internal representation of the Matas brand was present and trained to identify unconscious bias.

Employee satisfaction surveys to gauge inclusion

In order to make employment surveys an indication of progress towards a more diverse and inclusive workplace, Matas has implemented new questions targeting the corporate culture. As part of the bi-annual employee satisfaction survey, employees are asked if they feel they truly can be themselves in the workplace. Current scoring rates Matas 8 out of 10 on this question.

For the coming year, Matas will continue to ensure improvements to create an inclusive and diverse work environment. Policies and employee handbooks will be re-written to remove unconscious bias and will include recent updates to the maternity policy, where legislation has secured equal sharing of leave with benefits between parents.

“I’m **super proud** that Matas is addressing this issue”

Matas is making psychological resilience part of its trainee programme and addressing a major issue of our time: young girls struggling with their mental wellbeing.

You need to have been living on another planet for the past year to not have come across headlines on young girls’ mental health challenges. It is one of the most important issues of our time and something that also concerns Rikke Wolff, Director of CSR, HR and Communication at Matas.

With Matas reflecting society at large, there are bound to be young women among its staff who struggle with mental health issues.

“More than half of our shop assistants are under the age of 26. Most of them are women and girls struggling with their mental wellbeing typically having a short or no secondary education. In other words, this is not confined to public statistics and the media. It is a real problem that also concerns our staff”, says Rikke.

An in-house satisfaction survey showed that more than a third of Matas’ staff are struggling with mental health issues. At the same time, today’s labour market is challenged by the fact that fewer people choose vocational training programmes, meaning that competition for labour has grown even sharper.

“The need to be a decent workplace and to stand out as something young people want to be part of is acute. We are in the eye of the storm and have a unique opportunity to do something about it.”

Resilience and life skills

Against this background, future Matas trainees will undergo a mental health programme with True North – owned by Nicolai Moltke-Leth, a sociologist and former member of a special operations commando unit.

He has more than 15 years’ experience working with personal development for youth, and now Matas’ trainees get to benefit from his experience.

“We will be working with strength of character and psychological resilience at individual trainee level. Resilience is a sense of control, so the trainees will be working on developing themselves, their thoughts, feelings and behaviour. We will build confidence in their own skills, honing their talents, strengths and, not least, sense of connectedness.”

Nicolai Moltke-Leth uses the expression ‘life skills.’ That is what he wants for his students. “It is a good expression that captures the ability to navigate both alone and together with other people – even amid challenges.”

Donald Duck magazines and records

According to Nicolai Moltke-Leth, the lack of mental wellbeing that is so common among young girls in particular is tied to social media use.



Rikke Wolff
Director of CSR,
HR and Kommunikation

“Half of every young women are not happy with themselves”

“I am 52 years old. When I was young, I could close my door and keep the world out. I could put on a record and read a Donald Duck magazine. That was it. Nowadays, the door into young people’s lives is wide open all the time. Even if you go to be by yourself, it is difficult to manage. My own kids are also on their phones all the time with the whole world in their heads”, he says.

Being constantly exposed on social media is poison to your self-esteem, he finds.

"Social media have created a fierce comparison culture with everyone else eating better, having nicer vacations and getting better grades than me. There is always someone else to compare yourself against, and the bar for what constitutes the good life is set very high. Unrealistically high, even, because what you see is never the whole picture", says Moltke-Leth.

Learning to say 'who cares'

One young woman who recognises part of her own life in Nicolai Moltke-Leth's analysis is Malene Gulddahl Klint, 24, who works at Matas in Ry.

"I know it all too well. Many young people – especially girls – are so worried about not doing well enough, and looks are also a major concern. They constantly compare themselves with other people, and a culture of having to perform all the time has evolved" she says.

Malene has struggled with mental health issues herself, not only because she has ADHD, but also because she was afraid of not being good enough when she was younger.

"My grades were poor because I did not believe in myself and because I had not been taught how to manage my strengths and weaknesses" explains Malene, who finally got the right help through the psychiatric system.

Today, she has moved on and has confidence in her own skills. She has worked for Matas for four years and loves her job, which allows her a great deal of responsibility and opportunities to boost her self-esteem.

She believes that a programme designed to build the resilience of each trainee is the right approach.

"You need to be able to say 'who cares'. And you need to learn to put your foot down, define your boundaries and believe that you are doing the right thing. A lot of young girls are struggling with that, and young girls make up most of Matas' employees. It is a win-win for the employees and for the Company. I am super proud that Matas is addressing this issue."

Body, heart, head

Learning how to tackle difficult situations lies at the heart of the True North programme designed for future Matas trainees, which will take up a week of the two-year trainee programme. The trainees will be exposed to experience-based learning in the shape of physical exercises designed to sharpen their teamwork skills and build trust in their own abilities.

"Our way differs from the school approach. Schools normally begin by pouring theoretical knowledge into students' heads, but they do not always get to use it in practice. We start by giving them a bodily experience" Nicolai Moltke-Leth explains.

“There’s always someone else to compare yourself against, and the bar for what constitutes the good life is set very high”

Nicolai Moltke-Leth
Sociologist, Founder of True North

The trainees are asked to imagine, for example, that they are having a conflict with a friend or finding themselves in a difficult situation with a customer.

"Then we ask: Would you like to learn how to emerge from this stronger?'. We roleplay the situation to the point where they feel they have the tools to solve the conflict. Then you have their attention. They feel the experience on their own bodies, their hearts get involved, and then their heads follow."

Afterwards, the trainees are asked to reflect in plenum on the challenges they encountered, the purpose being to foster an environment at Matas where you help each other and learn from each other as good colleagues.

"It gives them a common language. They have shared some experiences and come to some realisations together that they can now apply to their work at Matas" Nicolai Moltke-Leth explains.

Beauty and health

It was the action-oriented approach to youth development that caught Matas' interest and made them choose True North, Rikke explains.

"Nicolai is very good in his field. He successfully steers young people in the right direction, and imagine if we could give our employees the gift of empowering them to find their way in life after having completed a trainee programme with us. It is an amazing opportunity to empower our own employees while at the same time assuming social responsibility" she says, pointing out that Matas should not only be associated with beauty."

"As part of our business strategic focus, we also want to be associated with health. In order to communicate this to the world, we need to get our own house in order to preserve the integrity of our brand."

Matas as a corporate citizen

For many customers, Matas is a well-known local store with a nationwide presence. This results in high expectations that Matas behaves socially responsible. During the financial year 2022/23, Matas has engaged in several projects and partnerships to benefit the health and wellbeing of its Danish customers.

40% of women with unhealthy eating habits often feel stressed out.

Matas Health Index, 2022

Matas Health Index

As the leading beauty and health retailer in Denmark, Matas has an opportunity to influence accessibility to health products and advice that supports the ordinary customers' ability to democratize and strengthen their own health. With the large contact surface with nearly the entire society, and especially with the 1.9 million Club Matas members, Matas has a responsibility that goes beyond simply putting products on a shelf. Matas wants to be a retailer that strengthens customers' access to health information, expert knowl-

edge and advice, thereby strengthening the customers' knowledge of their own health. This is why Matas launched the Matas Health Index during the financial year, a health survey that asks Club Matas members, primarily women aged 13-80, about their mental and physical health. With the results of the Health Index, Matas wants to give women access to insights into the general health of women in the society and dive deep into topics that are up-to-date and relevant to them, including mental health and sexual wellbeing.

GIRLTALK ♥ DK

Girltalk

During the first release of the Health Index it became evident that the Index uncovered the same disturbing trends as seen from media and research institutes, being, that young people, and especially young women struggle with their mental health. Matas is concerned about this negative trend in society and believes that it is important to take immediate action to reverse the trend, where possible. Since 2021, Matas has collaborated with the organization Girltalk that works to

support the mental health of young people. Through the years this collaboration has resulted in articles addressing mental health issues and video content seeded at Matas digital channels giving both the young segment and adults advice to support mental health. For the financial year 2022/23 Matas held a fundraiser and raised more than DKK 400,000 for Girltalk. For the coming year Matas will continue the collaboration with Girltalk and activities to strengthen young women's mental health.



Cancer Society

Matas has since 2007 partnered up with The Danish Cancer Society to guide and educate customers in how to minimize the risk of getting skin cancer, through the activation of proper sun care advice and product fundraising. Using customer touch points and own media channel placements, Matas has increased accessibility to expert knowledge

from The Cancer Society and given customers advice on how to take preventative measures to increase the negative impact from sun exposure. In the coming year, Matas will broaden its focus to include several health areas in which the Cancer Society can act as an expert increasing the preventative health advice to the customers.

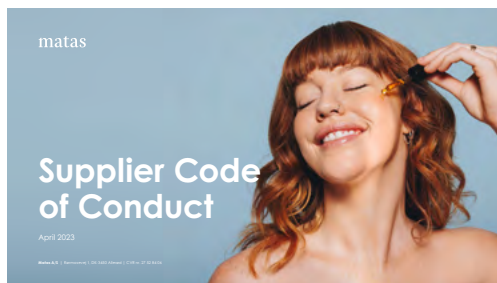
Human rights

Matas is committed to upholding and respecting human rights as outlined in the Universal Declaration of Human Rights by the United Nations.

This includes, but is not limited to, providing equal opportunities for all employees, including the freedom to establish labour unions and the right to collective bargaining without any restrictions.

Matas understands that the risks associated with child labour, discrimination, and the restriction of labour union establishment by suppliers or sub-suppliers are critical concerns of human rights violations. Matas is committed to mitigating these risks by requiring suppliers, through the Matas' Supplier Code of Conduct, to develop and produce products without using child labour. This requirement is embedded in all supplier agreements.

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.



Supplier Code of Conduct 2023

[Read more](#)





Governance

- ▢ Gender diversity
- ▢ Supplier Code of Conduct
- ▢ Due diligence process
- ▢ Anti-corruption and bribery
- ▢ Whistleblower process
- ▢ Tax residence
- ▢ Data ethics and privacy



Gender diversity

Matas acknowledges the importance of diversity, in all its forms and aims to be an attractive workplace by encouraging diversity among its employees. Matas believes that offering a workplace where diversity is valued not only resonates with the customers but also builds a high performance and engaged workforce that is fundamental for the success of the Company.

Matas believes that a diverse workforce is fundamental to enhance the Company's competitiveness, performance, and overall work atmosphere. Prioritizing diversity and inclusion as a significant part of the Company's ESG strategy and setting operational targets to achieve a diverse and inclusive workplace will help to create a sustainable long-term business

conduct. Matas recognizes that ensuring diversity in the workforce can influence an inclusive corporate culture and hereby aims for the Company's employees, as well as Executive Management and Board of Directors to reflect the surrounding community.

Gender diversity in leadership positions

Matas is committed to promoting gender diversity across all levels of the Company. The aim is to maintain an equal share (40%-60%) of both genders on Matas' Board of Directors and in the first and second management level in accordance with the provisions of the Danish Companies Act and the Danish Business Authority's (Erhvervsstyrelsens) guidance heron.

The Company currently fulfills the requirements, as reported below, as it adheres to the guidance and overview of equal gender distribution in relation to the number of board members and persons at Matas' other management levels*.

If situations arise where an equal share cannot be maintained, Matas will set concrete targets for when an equal share can be reestablished.

- Matas A/S Board of Directors comprises of two women and four men, thereby fulfilling the requirement of gender balance.
- Matas Operations A/S Board of Directors comprises of one woman and two men, which also fulfills the requirement.
- Other management levels consist of directors of Matas A/S and other management positions that refer into the directors, and have line manager responsibility. This consolidated group comprises 16 women and 23 men. This management level hereby fulfills the requirement of gender balance.

The overall gender distribution of Matas' employees comprises 9% men and 91% women.



33%

women in Matas A/S
Board of Directors

33%

women in Matas
Operations A/S
Board of Directors

41%

women in Matas' other
management level

* <https://erhvervsstyrelsen.dk/vejledning-maltal-og-politikker-den-konsmaessige-sammensaetning-af-ledelsen-og-afrapportering-herom>



Supplier Code of Conduct

During the financial year 2022/23, Matas updated the Supplier Code of Conduct to reflect expectations and ESG goals and commitments.

The purpose of Matas' Supplier Code of Conduct is to establish principles, guidelines and requirements for Matas' suppliers and partners. The Code is the foundation for how Matas does business with suppliers and partners and it describes the principles that ensure trustworthy business conduct and ethics between Matas and third parties. The Code represents the requirements that must be met when Matas enters into partnerships and is an integral part of any supplier agreement. It covers guidelines on anti-corruption and

bribery, data ethics and privacy, health and safety, human rights, protection of people, including both the employees in the value chain and the society, and the protection of the environment. In addition to this, it sets out expectations to Matas' suppliers, that they actively work to reduce their CO₂ emissions and plastic consumption. It also states the disciplinary actions that Matas will undertake if violations to the Code of Conduct in the value chain are identified.



Due diligence process

Matas welcomes the upcoming statutory reporting requirements from the EU and views them as contributing to a transition towards a more sustainable industry. Therefore, in the coming year, Matas will undergo a gap analysis to access the necessary requirements of the Due Diligence Directive in conjunction with the work to prepare Matas to be able to report on the upcoming Corporate Sustainability Reporting Directive. Matas' current due dili-

gence processes and preparedness follow case by case identifications of issues and provide sufficient alertness to handle these issues. However, Matas' long-term ambition is to implement a modern due diligence structure and process that systematically and continuously search for issues and incidents in all relevant partner relationships in the Matas value chain in the effort to proactively manage these.

Whistleblower process

Matas has a whistleblower system to enable employees and anyone outside of the Company, such as, but not limited to, suppliers, partners and customers, who wish to report suspected misconduct such as violations of the Company's internal policies or applicable laws, as well as fraud, without revealing their identity. Reports are submitted via a portal and are anonymized. The Chairman of the Board of Directors, the Head of Human Resources, and the Head of Safety and Security are the only individuals who can access the reports, and deletion of reports requires the approval of at least two of these three people.

Matas has a method for communicating with whistleblowers anonymously. New employees are informed about the whistleblower scheme when they begin their tenure, and Matas regularly provides information about the scheme through internal communication channels. A link to access and report through the whistleblower system is communicated on the frontpage of matas.dk, accessible for anyone who wants to report misconduct.

During the financial year 2022/23, no reports were submitted by employees or other stakeholders.

Anti-corruption and bribery

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 is committed to complying with all applicable laws and actively fighting against corruption in all forms. The Company's policies state that no employee may receive or solicit services, gifts, or payments

that could be interpreted as an attempt to obtain benefits for themselves or the Company. Any violation of these policies will result in serious disciplinary measures against the employees involved.

Throughout the financial year 2022/23, no cases of corruption were reported, and Matas does not anticipate any such incidents in the upcoming years.

Tax residence

Matas A/S operates in Denmark and 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.



Data ethics and privacy

Matas is aware of the importance of safeguarding personal data including processing it ethically, as Matas, besides data on employees and customers, holds personal data of 1.8 million Club Matas members.

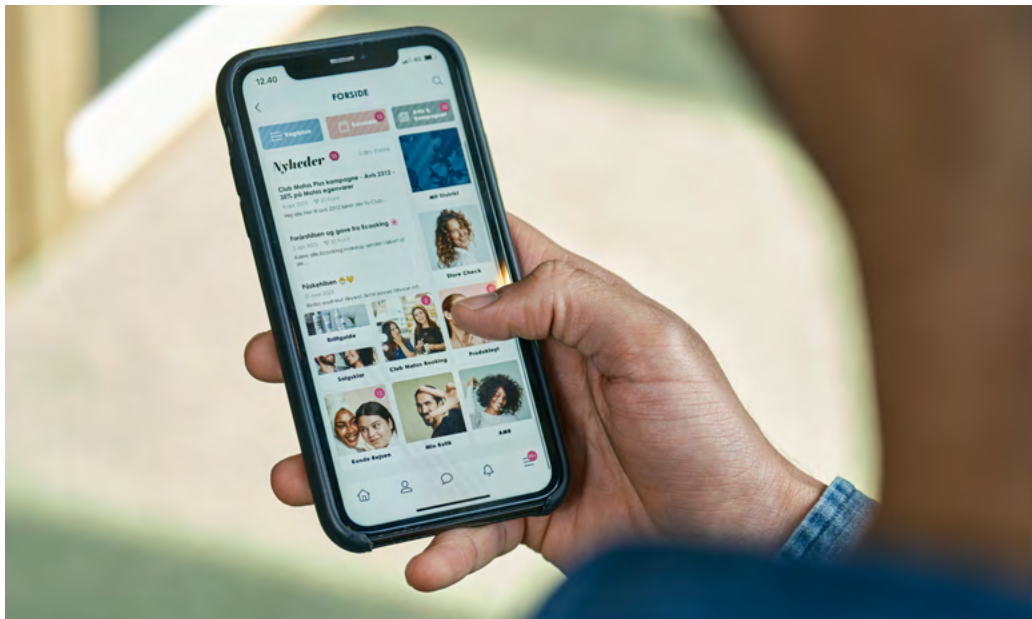
Matas considers non-compliance of this responsibility to be of significant risk to both the Company and its customers. Therefore, Matas has developed privacy and data ethics policies to ensure responsible, transparent and appropriate processing of personal data and to demonstrate Matas' commitment to secure processing of personal data.

Personal data protection

The privacy of individuals is important to Matas, as the Company continuously strives to adapt its processes to comply with privacy regulations to ensure data confidentiality and integrity. Matas considers it imperative that customers, employees, and other stakeholders have faith in Matas' ability to only process personal data in accordance with the stated purpose and always adhere to applicable data protection regulation. Matas is committed to ensuring that the data

of customers, employees and other stakeholders is never used without legal basis, and that the individual persons, whose data are being processed by Matas, are fully informed about the use of their data via Matas' privacy policies. The aim is to be transparent in all dealings and provide individuals with relevant information and easy access to manage their own data via Matas Customer Relations. Matas' data privacy policies are available on matas.dk.

Matas follows an annual GDPR activity plan to make sure processes and documentations are accurate and that relevant controls are carried out. This work is carried out in a dedicated GDPR compliance software system. Matas has implemented procedures to make sure that data breaches are being notified to the applicable authorities and the affected individuals. The Company ensures appropriate



data processing agreements are in place with all data processors, which are chosen with careful consideration to make sure that they can adhere to Matas' security standards. A meeting forum between IT and Legal has been established with weekly meetings to secure correct implementation of new data processors and maintenance of existing IT solutions focusing on protection of personal data.

Data ethics policy

Matas defines data ethics as Matas' ethical considerations in connection with responsible use of data and new technologies. Data ethics are important to Matas, since Matas places a high value in respecting the privacy and integrity of its employees, customers and other stakeholders. Therefore, decisions regarding use of personal data are both based on legal requirements and ethical

considerations, even if such ethical considerations are not required by law.

In order to ensure that data ethics are upheld in the Company, Matas follows the six principles recommended by the Danish Expert Group on Data Ethics, which include Self-determination, Equality and Justice, Dignity, Progressivity, Responsibility and Diversity. To ensure that these principles are followed in Matas' daily operations, a Data Ethics Committee has been established with leading representatives from all areas of the Company. The Committee is responsible for monitoring from a data ethics perspective how personal data is processed in the Company in order to ensure compliance with Matas' data ethics principles. The Committee reports to the Executive Management, and Matas' Board of Directors evaluates the data ethics policy on a regular basis. Matas data ethics policy is available on matas.dk.

Security

Matas operates a security policy with strict management of access rights that ensures that only specially designated persons have access to specific data about individuals. To prevent accidental access to data or outright cyber attacks, Matas always uses the latest network security technologies, two-factor validation of privileged remote access as well as a large segmentation of the network. The

entire infrastructure is monitored 24/7 by an external Security Operations Center (SOC), which monitors and correlates incidents in the network related to the security around systems and data.

In addition, we use independent external security companies that continuously perform penetration tests from external touch points towards Matas' network in order to verify that the implemented security systems work as intended.

E-learning and awareness campaigns

Matas' employees undergo ongoing training in the safe and correct processing of personal data. The training is carried out four times a year and consists of topics related to both personal data protection and IT security. In addition, regular awareness campaigns are conducted to strengthen our employees' resistance towards cyber attacks such as phishing attempts.

Facts

- Reporting framework
- The EU taxonomy
- ESG data
- Accounting practice
- Other



Reporting framework

It is a priority for Matas to increase the transparency of ESG reporting to facilitate a genuine transformation that fosters dedication towards sustainability objectives within the organization. Moreover, prioritizing reporting excellence can effectively mitigate the practice of green washing and green hushing, while ensuring that customers and other stakeholders are not misguided.



Matas is committed to maintaining transparency in its ESG reporting by keeping itself informed of the latest reporting platforms available. The Company adheres to statutory standards and requirements and regularly evaluates its participation in voluntary reporting platforms to provide its stakeholders with up-to-date and relevant information.

ESG reporting and rating

Fundamental to the commitment 'Reporting excellence' is the understanding that a trans-

parent and open dialogue with selected ESG rating agencies is needed in order to improve reporting and disclosure. Therefore, Matas continues to guide its reporting based on both legislative requirements and valuable feedback from ESG rating agencies Nordea, MSCI and Morningstar Sustainalytics. During the financial year 2022/23, Matas' rating has improved within the overall ESG rating categories.

Rating Agency	Rating	Coverage	Comments
	BBB	Nordic	Disclosure above industry average
	AA	Global	Corporate Governance significantly above industry average
	13,6	Global	High score on ESG Governance, Scope of GHG reporting and Whistleblower programme.

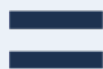
UN Global Compact Signatory

Throughout the financial year, Matas has upheld its commitment to the UN Global Compact as a signatory.

In adherence to this, Matas has submitted its first Communication on Progress (COP) report through UN Global Compact's new electronic submission portal and is due to submit its second COP report in June 2023.

The COP report covers Matas' progress in implementing the ten principles of the UN Global Compact. The overarching objective of Matas being a UN Global Compact signatory is to take a methodical approach to enhancing the company's impact in the areas of human rights, labour rights, environmental responsibility, and anti-corruption measures. Matas is committed to operating in accordance with the principles of the UN Global Compact.

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



UN development goals

Matas' ESG goals and commitments support 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 organization to which they are relevant.

SDG	Matas	Matas ESG targets that promote selected SDG	Matas initiatives that promote selected SDG	Matas' policies that promote selected SDG
	No sub-goals are selected but Matas works to promote the overall goal to ensure healthy lives and promote well-being for all age groups	Promoting Public Health	Matas People Strategy (page 34-35) Matas Health Index (page 40) Pride Partnership (page 37)	Matas Diversity Policy (page 37, 43-44) Matas Employer Handbook (page 37)
	5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decisionmaking in political, economic and public life	Best place to be in the retail industry	Unconscious bias workshop (see page 37)	Matas Diversity Policy (page 37, 43-44)
	8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	Best place to be in the retail industry	Unconscious bias workshop (see page 37)	Matas Supplier Code of Conduct (page 45) Matas Employer Handbook (page 37)
	12.4 Achieve the environmentally sound management of chemicals and all wastes throughout their life cycle 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse 12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	CO ₂ neutral by 2030 Eliminating 100 million plastic pieces Promoting public health	Matas Return System (page 26) Retail Sector Cooperation (page 24)	Matas Ingredients policy (page 28) Matas ESG Strategy (page 12-13) Matas Supplier Code of Conduct (page 45)
	No sub-goals are selected but Matas works to promote the overall goal to take urgent action to combat climate change and its impacts	CO ₂ neutral by 2030 Eliminating 100 million plastic pieces	Matas' CO ₂ Commitment (page 19) Matas' Plastic Commitment (page 24) Retail Sector Plastic Co-operation (page 24)	Matas ESG Strategy (page 12-13) Matas ingredients policy (page 28) Matas Supplier Code of Conduct (page 45)
	14.1 By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution	Eliminating 100 million plastic pieces	PFAS mapping (page 28)	Matas ingredients policy (page 28) Matas ESG Strategy (page 12-13) Matas Supplier Code of Conduct (page 45)

The EU taxonomy

In order to reach the objectives of the European Green Deal the EU wants to direct investments towards sustainable projects and activities. To scale up these sustainable investments the EU taxonomy was introduced. It creates a clear definition of what is considered 'sustainable' and acts as a common classification system for sustainable economic activities. The Matas Group has reported on the EU taxonomy since the financial year 2021/22.

For Matas, taxonomy reporting has been applicable for the Group's ESG reporting since 2022, where the ESG report for the financial year 2021/22 reported on the Group's eligible high-emission sector activities described by the taxonomy's two environmental objectives 'Climate Mitigation' and 'Climate Adaptation'. For the financial year 2022/23, the Group now reports on eligible economic activities and their alignment degree (see pages 56-58 for the full taxonomy reporting in compliance with the mandatory reporting templates. Reporting templates have been filled out for Matas Group's CAPEX, OPEX and revenue (turnover). For the coming financial

year, Matas will work on including the additional four environmental objectives into its taxonomy reporting, as it is expected that the newly released drafts for the screening criteria will be adopted into the taxonomy reporting framework.

Results in 2022

For the financial year 2022/23 Matas has identified following taxonomy eligible economic activities, which relate to the environmental objective of Climate Change Mitigation (CCM) as set out in the taxonomy reporting framework:

CAPEX

- 6.5 Transport by motorbikes, passenger cars and light commercial vehicles. This economic activity covers leasing and purchasing of company cars and leasing of light transport vehicles.
- 7.1 Construction of new building. This economic activity covers the purchase of a new site for the future building of Matas' new warehouse.
- 7.3 Installation, maintenance and repair of energy efficiency equipment. This economic activity covers the Group's work with energy refurbishment across both lighting and air conditioning.
- 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings). This economic activity covers installation of chargers for electric vehicles.
- 7.7 Acquisition and ownership of buildings. This economic activity covers the Group's long-term rental of buildings, offices and warehousing.

OPEX

- 6.5 Transport by motorbikes, passenger cars and light commercial vehicles. This economic activity covers repair, maintenance and cleaning of company cars.
- 7.3 Installation, maintenance and repair of energy efficiency equipment. This economic activity covers maintenance and reparations of ventilation, lighting, heating, etc.
- 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings). This economic activity covers the repair and maintenance of chargers for electric vehicles.
- 7.7 Acquisition and ownership of buildings. This economic activity covers the repair, maintenance and cleaning of buildings, offices and warehouses.

Revenue

Matas does not have any taxonomy eligible economic activities related to revenue, nor does it expect to have economic activities related to revenue in the coming financial year. However, Matas will continue to screen its revenue and assess in accordance with new guidelines and regulatory updates to the taxonomy reporting framework and criteria.

Minimum safeguards

To determine the alignment of eligible economic activities, the reporting companies shall adhere to the Minimum Safeguards referred to in point (c) of Article 3. This is defined by specific required procedures implemented by the company that is carrying out an economic activity. The required procedures are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental Conventions identified in the Declaration of the International Labor Organization on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

The specific required procedures cover, among other things, a Human Rights Policy

and a Human Rights Due Diligence Process which ensure a responsible business conduct is embedded into policies and management systems. The underlying requirements include specific procedures to identify and assess impacts and risks, disclosure and communication requirements and grievance mechanisms. In addition to this the Minimum Safeguards set out requirements for the reporting company to combat bribery, bribe solicitation and extortion, and measures to ensure consumer interests and fair competition and tax practice.

It is assessed that Matas does not comply with the Minimum Safeguards as of now, mainly due to the specific points related to having a Human Rights Due Diligence Process, which is ongoing in nature, with a systematic effort to identify breaches in the value chain. Therefore, Matas is not able to report any aligned activities as of now. Matas' current Due Diligence Process and preparedness follow case by case identifications of issues and provide sufficient alertness to handle these issues (see page 46). Whenever entering into a contract

with a new supplier, Matas conducts extensive dialogue and research. This preliminary process into partnerships suffices to gain access to an assessment of potential risks associated with said supplier. After signing new suppliers, Matas continues to have a close dialogue on a monthly basis. This strengthens the alertness and preparedness for identifying breaches in the value chain.



EU taxonomy effort the coming year

For the coming financial year, Matas Group will work to support the taxonomy reporting with documentation for compliance with the technical screening criteria. In addition to this, Matas will assess the newly released drafted screening criteria on the remaining four environmental objectives as it is expected that these will be adopted into the reporting framework. Also, the Group will consider the EU taxonomy's technical screening criteria for future planned economic activities that are covered by the taxonomy and aim to apply these where possible in the execution of future activities and in the dialogue with external suppliers.

A focus for the coming year will also be to strengthen the Group's existing processes and policies aiming to fulfill the requirements of Minimum Safeguards. It is assessed that Matas currently does not comply with the Minimum Safeguards with the current Due Dilligence Process layed out, but it is a ambition to become compliant to the requirements and therefore to adopt to a process described by the taxonomy reporting framework.



Climate change mitigation



Climate change adaption



Pollution prevention



Circular economy



Sustainable use of water and marine resources



Healthy ecosystem

Substantially contribute
to at least one of the six environmental objectives as defined in the Regulation



Do no significant harm
to any of the other five environmental objectives as defined in the proposed Regulation



Comply with
Minimum Safeguards

The EU taxonomy establishes the criteria for determining whether an economic activity qualifies as environmentally sustainable. In the determination process the undertaking assesses a screening of their taxonomy-eligible activities to determine their degree of alignment with the criteria for being environmentally sustainable. For an economic activity to be aligned, and hereby qualify as an environmentally sustainable activity, the activity must

1. contribute substantially to one or more of the environmental objectives, **2.** do no significant harm to any of the environmental objectives and **3.** be carried out by an undertaking that is in compliance with the minimum safeguards. In order to assess the degree to which an economic activity complies to 'substantial contribution' and 'do no significant harm', the regulation has established a range of technical screening criteria underpinning each environmental objective.

Turnover

Economic Activities (1)	Code (2)	Absolute turnover (3)	Proportion of Turnover (4)	Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')					Minimum safeguards (17)	Taxonomy aligned proportion of total turnover, year N (18)**	Category (enabling activity) (20)	Category (transitional activity) (21)		
				Climate Change Mitigation (5)*	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)					Biodiversity (16)	
Text		Millions, local CCY	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES				0%																
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.00	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%			
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Acquisition and ownership of buildings		0.00	0%																	
			0%																	
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0.00	0%																	
Total (A.1+A.2)		0.00	0%																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities		4,489.60	100%																	
Total (A+B)		4,489.60	100%																	

CAPEX

Economic Activities (1)	Code (2)	Absolute CapEx (3)	Proportion of CapEx (4)	Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')						Minimum Safeguards (17)	Taxonomy aligned proportion of total CapEx, year N (18)**	Category (enabling activity) (20)	Category (transitional activity) (21)
				Climate Change Mitigation (5)*	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)				
Text		Millions, local CCY	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES			94,5%																
A.1. CapEx of environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.00	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned)																			
Acquisition and ownership of buildings		188.61	74,8%																
Construction of new buildings		43.08	17,1%																
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)		0.44	0,2%																
Installation, maintenance and repair of energy efficiency equipment		4.14	1,6%																
Transport by motorbikes, passenger cars and light commercial vehicles		4.30	1,7%																
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		240.57	95,5%																
Total (A.1+A.2)		240.57	95,5%																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Capex of Taxonomy-non-eligible activities		11.43	4,5%																
Total (A+B)		252.00	100%																

OPEX

Economic Activities (1)	Code (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')						Minimum Safeguards (17)	Taxonomy aligned proportion of total OpEx, year N (18)**	Category (enabling activity) (20)	Category (transitional activity) (21)	
				Climate Change Mitigation (5)*	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)					
Text		Millions, local CCY	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES				100%																
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.00	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%			
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Acquisition and ownership of buildings		17.99	88%																	
Data processing, hosting and related activities		0.21	1%																	
Installation, maintenance and repair of energy efficiency equipment		2.13	10%																	
Transport by motorbikes, passenger cars and light commercial vehicles		0.16	1%																	
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		20.49	100%																	
Total (A.1+A.2)		20.49	100%																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
OpEx of Taxonomy-non-eligible activities		0.00	0%																	
Total (A+B)		20.49	100%																	

Accounting practice

The share of taxonomy-eligible economic activities is expressed as the proportion of turnover*, total investments (CAPEX) and direct operational expenditures (OPEX) related to assets or processes listed in the taxonomy. An allocation key has not been applied, as the expenditures related to the identified economic activities are accounted for separately in our budgets and therefore not at risk of double counting. Furthermore, as we only assess one environmental objective, double counting is also avoided when allocating revenue, CAPEX and OPEX to the environmental objective. The taxonomy reporting is done at a Group level, ensuring that the reporting covers all Matas Group's subsidiaries.

Revenue*

The reported total revenue follows the revenue reported in the Matas' Annual Report 2022/23 (see note 3,4).

The reported taxonomy revenue KPIs are:

1. Eligible revenue. This KPI is defined as taxonomy-eligible revenue / total revenue.
2. Aligned revenue. This KPI is defined as taxonomy-aligned revenue / total eligible revenue.

CAPEX

The taxonomy defines CAPEX as tangible and intangible assets during the financial year, considered before depreciation, amortization, and any re-measurements, including those resulting from revaluations and impairments, for the relevant financial year and excluding fair value changes. Also covered by the definition is additions to tangible and intangible assets resulting from business combinations. Matas taxonomy reporting will not include goodwill in CAPEX as it is not defined as an intangible asset, following the definition set out in IAS 38. The reported total CAPEX is aligned with reported additions in Matas Annual Report 2022/23 on the following points in the taxonomy CAPEX definition a.) IAS 16 Property, plant and equipment (see note 17), b.) IAS 38 Intangible assets (see note 15) and f.) IFRS 16 Leases (see note 30).

The reported taxonomy CAPEX KPIs are:

1. Eligible CAPEX. This KPI is defined as taxonomy-eligible CAPEX / total CAPEX.
2. Aligned CAPEX. This KPI is defined as taxonomy-aligned CAPEX / total eligible CAPEX.

OPEX

The taxonomy defines OPEX as direct non-capitalized costs that relate to research and development, building renovation, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment that are necessary to ensure the continued and effective functioning of such assets. However, in Matas' taxonomy reporting OPEX covers the direct expenditures related to the taxonomy eligible economic activities identified under capital expenditures, which is why research and development are not covered in the OPEX KPIs.

The reported taxonomy OPEX KPIs are:

1. Eligible OPEX: This KPI is defined as taxonomy-eligible OPEX / total OPEX.
2. Aligned OPEX: This KPI is defined as taxonomy-aligned OPEX / total eligible OPEX.

Taxonomy alignment process

The process for determining Matas Group's degree of sustainable economic activities has been conducted in three steps:

1. Screening and identifying eligible economic activities across the Matas Group carried out in the reporting period.
2. Assessing the identified economic activities' alignment degree by compliance checking up against the technical screening criteria.
3. Comparing defined requirements in order to comply with Minimum Safeguards against Matas Group's existing procedure and policies.

* The EU taxonomy applies **turnover** to cover reporting companies' income. However, in Matas financial reporting **revenue** is applied, which is why Matas' taxonomy reporting will apply same wording.



ESG data

Climate and environmental

Data	Unit	2022/23	2021/22	2020/21
Climate				
CO ₂ e Scope 1 - location based	tons CO ₂ e	486.8	501.9	n/a
CO ₂ e Scope 2 - location based	tons CO ₂ e	2,108.7	2,342.2	n/a
CO ₂ e Scope 2 - market based	tons CO ₂ e	5,276.2	5,725.3	n/a
CO ₂ e Scope 3	tons CO ₂ e	50,317.8	47,187.5	n/a
Scope 3 categories included	Number	5	5	n/a
CO ₂ -e intensity (revenue)	tons CO ₂ -e/ DKKm	12.5	12.8	n/a
CO ₂ -e intensity (FTE)	tons CO ₂ -e/ FTE	26.4	24.7	n/a
Energy				
Energy consumption	GJ	103,846	106,044	n/a
Renewable energy percentage	%	13	0	n/a

Data	Unit	2022/23	2021/22	2020/21
Ressources				
Water	m ³	8,886	8,236	n/a
Purchased cardboard/paper – percentage of recycled material	%	92	82	n/a
Purchased plastic – percentage of recycled plastic	%	39	12	n/a
Waste	Tons	1,210	1,258	1,390
Waste intensity (revenue)	Tons/DKKm	0,27	0,29	0,33
Recycled Waste	%	69	66	69
Plastic – removed	Number	44,019,944	39,081,783	37,949,783
Private label brands – partially recycled plastics	Number	68	58	n/a
Private label brand certifications – RSPO (Mass Balance)	%	16 (25)	16.3	11.5
Quality				
Private label brand certifications – The Nordic Ecolabel (Svanemærket)	Number	316	307	278
Private Label brand certifications – Ashtma Allergy Nordic (Den Blå Krans)	Number	184	177	171



ESG data

Social and employee-related

Data	Unit	2022/23	2021/22	2020/21
Diversity				
Full-time employees		2,124	2,164	2,152
Subsidised flexi-jobs		42	50	44
Project KLAP		24	31	31
Gender diversity, overall (m/f)		9/91	8/92	8/92
Gender diversity, other management level (m/f)		59/41	64/36	59/41
Gender pay gap (m/f)		49/51	n/a	n/a
Workforce nationalities		15	n/a	n/a

Data	Unit	2022/23	2021/22	2020/21
Occupational Health & Safety				
Sickness absence, all groups, excl. pregnancies	%	2.3	2.9	2.2
Sickness absence, all groups, incl. pregnancies	%	4.8	5.5	4.4
Reported occupational injuries	Number	51	44	45
Employee turnover, total	%	47.8	49.3	0*
- HQ and warehouse	%	15.4	9	8
- Stores	%	53.3	56.0	49.0
Leave	Number	72	94	84
Proportion of trained beauty and health therapists, and beauty and health therapists in training	%	79	80	85
Health and beauty therapists in training	Number	236	143	176
Employee satisfaction (overall)	Score	7.5	7.6	7.7



ESG data

Governance

Data	Unit	2022/23	2021/22	2020/21
Composition of the Board of Directors				
Members of the Board of Directors	Number	6	6	6
Board meetings	Number	10	13	12
Board meeting attendance	%	97	100	100
Gender diversity, Board of Directors (m/f)	%	67/33	67/33	67/33
Percentage of independent board members	%	100	83	83
Risk and regulation				
Whistleblower reports	Number	0	0	0
Reports of corruption	Number	0	0	0

Data	Unit	2022/23	2021/22	2020/21
Remuneration				
Pay gap between CEO and employees	Times	19	18	18
Shares held by members of the Board of Directors	%	0.07	0.09	0.09
Shares held by members of the Executive Management	%	0.46	0.44	0.43
CEO remuneration linked to ESG goals	%	7.5	7.5	0
Donations and partnerships				
Donations to NGOs	DKK	3,085,754	4,222,966	2,472,283
Danish Doctors' Vaccination Service	Number	0	12,534	27,269

Accounting practice

Introduction

The accounting practice should give the users of the ESG report a view of how the reported ESG KPIs are identified and what definitions, limitations and methods are applied. Furthermore, the accounting practice provides an overview of new ESG KPIs that Matas has chosen to include in the ESG reporting, in addition to restatements to existing ESG KPIs.

New ESG KPIs for the financial year 2022/23

Based on engagement with the users of Matas' ESG reporting and the extend to the requirements set out in the EU taxonomy directive, Matas' ESG reporting now also report on the following KPIs:

- Gender pay gap
- Workforce nationalities
- Total employee turnover (also on team level)
- Taxonomy-eligible revenue
- Taxonomy-eligible CAPEX
- Taxonomy eligible OPEX

Restatements

In the case where Matas enables access to better data, adjust methods, changes accounting practices and principles – all applied to ensures a higher data quality – the adjustments are restated.

In the financial year 2022/23 adaptations of the accounting practice for the ESG KPIs have been made in Matas ESG reporting:

1. Water: This KPI now includes water consumption from Matas' subsidiary Firtal Group. Previously reported KPI has been recalculated to include this new data.

2. Purchased cardboard/paper – percentage of recycled material. This KPI comprises of the consolidation of purchased cardboard and purchased paper. For the financial year 2021/22 these KPIs were split but are consolidated for the financial year 2022/23.

3. Waste: The KPI now includes 3 decimals to uncover waste trend in relation to waste amount and revenue. This calculation has been applied for the previously two reporting years.

4. Recycled waste. Matas' supplier on waste management (Marius Pedersen) is disclosing better data on percentage of recycled waste. Previously reported KPI has been recalculated to include this data improvement.

5. Plastic – removed. The data foundation contains more data sources and categorization of plastic savings in conjunction with Matas' suppliers.

6. Private labels (RSPO certifications). This KPI now also reflects the percentage of products containing mass balance palm oil.

7. Gender diversity, overall management (m/f). New regulatory updates to the Danish Companies Act have meant a redefinition of how to report on gender diversity. Consequently this KPI now comprises of first level of management and second level of management. The KPIs have been recalculated for the previously two reporting years to provide consistency in the reporting and in accordance with the new updates to the regulation.

8. Full-time employees. In order to ensure consistency with the Annual Report the accounting practice to calculate the KPI has been adjusted to apply the same definition as Matas' Annual Report.

9. Employee turnover. The KPI reports on one total employee turnover %, in addition to employee turnover on team level (HQ and warehouses and in stores). This has been adjusted to provide user of the ESG report with one aggregated KPI on employee turnover, but also to show the trends at team levels for a full comprehension of turnover.

10. Employee satisfaction scores: The overall employee satisfaction score is representative for the employee satisfaction across functions and teams. The individual scores on

satisfaction in relation to functions and teams (stores, warehouse and webshops) are therefore considered redundant and have been removed.

11. Carbon account: Leased cars have been moved to scope 1 rather than scope 2 due to GHG protocol guidance in relation to operational control (292 t CO₂e). Products and goods purchased for sale are calculated with an emission factor that is an average of five different suppliers' scope 1 and 2 emissions instead of scope 1-3 emissions from only one supplier: The emission factor for products and goods for resale has increased from approx. 5 g CO₂e/DKK to approx. 13 g CO₂e/DKK (scope 1 and 2) due to improved data quality from more suppliers. Geniads has moved from scope 2 to scope 3 in the investment category based on an assessment of operational control. The consumption of cardboard/paper and plastic for 2021/22 has been adjusted down by 80% due to an incorrect correction. From the travel account, in 2022/23 an estimated 20% has been used for air travel (114 t in scope 3). The impact of replacing cooling gas cannot be calculated for Firtal as the system has been replaced and there is no data for this. Matas will adjust emissions if it is possible to access data for calculating emissions from the replacement.



Accounting practice

Climate and environmental data

Matas scopes 1, 2 and 3

Matas' Greenhouse Gas Accounting and inventory, which form the basis of Matas' calculation of emissions in Matas' scopes 1, 2 and 3, is based on the Greenhouse Gas Protocol Corporate Standard.

Matas has chosen to apply the operational control approach to set the reporting boundary. The accounting year for the Greenhouse Gas Accounting follows the financial year (1 April to 31 March).

The Greenhouse Gas accounting has 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 methods.

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 covers

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 and services' and 'Downstream transportation and distribution'.

Matas' GHG accounting cover the following physical and legal entities within the operational boundary:

- Matas (CL1, CL2, CL3, CL4, 'hutments', 'stores')
- KOSMOLET
- Firtal
- Web Sundhed
- GeniAds (50% ownership)
- MIILD A/S

Scope 1

Unit: tCO₂e
Direct emissions from sources controlled or owned by Matas Group comprise: 1) fuels for truck owned by KOSMOLET and for leased company vehicles, Matas Group's procurement and consumption of 2) natural gas and 3) cooling gas.

Owned van – emissions are calculated for annual fuel consumption.

Leased vehicles – emissions are calculated by leasing company.

Natural gas – emissions resulting from natural gas are estimated based on gas consumption, general and one case specific emissions declaration.

Cooling – emissions are estimated based on inventory, plant emissions, operating emissions and disposal emissions. Conclusion is one case of new cooling equipment – replacement of old system in one location. Operating emissions are estimated based on the annual filling of cooling gas. In one case equipment was disposed of/discontinued.

Matas' is currently determining with the supplier the extent to which it is possible to assess the emissions from the replacement of the cooling system and will restate emissions when data is retrieved.

Scope 2

Unit: tCO₂e
Indirect emissions from sources controlled or owned by Matas Group, comprising Matas Group's procurement and consumption of 1) electricity, and 2) district heating.

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. The general declarations for 2022 for eastern Denmark and western Denmark are from Energinet. Electricity consumption at HQ (CL1, CL2) and for Matas' shops is supplied by Norsk Elkraft, and emissions are estimated directly by Norsk Elkraft based on hourly consumption data and energy mix.

District heating – emissions resulting from district heating are based on energy consumption and the general annual emission



Climate and environmental data – continued

factor and in one case a specific emissions 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 has been omitted, the consumption is in some cases assumed to equal last year's consumption (CL3 and CL4).

Market based electricity emissions are reduced with the purchase of 1,600 MWh of renewable energy certificates from Norsk Elkraft.

Scope 3

Unit: tCO₂e

Other indirect emissions from activities under Matas Group not 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:

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. business travel

4. upstream and downstream transportation and distribution,

5. upstream leased assets (stores, warehouse).

General purchases – 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 physical 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 for scopes 1 and 2 only. Emissions from the procurement of third-party goods are based on consumption data from ELC, Henkel, Dr. Bonners and Natura emissions for scopes 1 and 2, 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 scope 3 vary considerably and are therefore excluded till such a point where consistent data is available. 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.

Waste and recycling – volumes are based on statements from Marius Pedersen and Stena Recycling and emissions factors related to incineration in Danish waste to heat/energy respectively recycling (ioutside scope).

Upstream and downstream transport and distribution – Emissions are calculated directly by logistics operators based on haulage (tonnes km). The emissions of a Matas-owned transport vehicle are calculated based on the annual fuel consumption.

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.

Scope 3 categories included

Unit: 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 and services' and 'Downstream transportation and distribution'.

Energy consumption

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.



Climate & Environmental data – continued

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.

Water

Water consumption in the financial year from properties owned/leased by Matas Group. The actual water consumption of Firtal Group is also included in the calculation. An average water consumption (cubic meters/sqm) has been calculated for Matas warehouse and administration premises based on Matas' headquarters (HQ) and warehouse (CL1) for the period 1 April 2022 until and including 31 March 2023. This factor has then been used to calculate the water consumption for other warehouse and administration premises based on their floor area in square meters. At store level, an average water consumption of 0.10 cubic meters/sqm has been calculated. The calculation is based on water consumption data for a full year, 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 meters for the total number of square meters 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.

Purchased cardboard/paper – percentage of recycled material

The share of purchased paper/cardboard made of recycled paper/cardboard.

Purchased plastic – percentage of recycled plastic

The share of purchased plastic made of recycled plastic.

Waste

Weight of the total tons 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 151 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 (tons per store) has been calculated based on Marius Pedersen's statement of the total volume of waste collected from 151 Matas stores. This factor has then been multiplied by 109 for an estimate of the total volume of waste for the stores not included in Marius Pedersen's statement and for which

waste data is currently not available. Waste data from STENA Recycling covers all 260 stores.

Waste intensity (revenue)

Waste generated relative to amount of revenue.

Recycled waste

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. In addition to this, Matas' supplier of waste management Marius Pedersen also reports on the amount of collected waste that is either incinerated and prepared for recycling. The amount of collected waste that is prepared for recycling is also covered in the reported amount of recycled waste. The calculation is based on the share of waste collected by STENA and Marius Pedersen and is relative to the total waste footprint generated by Matas.

Plastic – removed

One plastic unit is defined as: one plastic bag, one piece of product packaging, one piece of transport plastics or 15 grams of plastics from the logistics operation (corresponding to one standard plastic bag).

Private Labels brands – partially recycled plastics

House brand products with packaging consisting of a degree of recycled plastic.

Private label brand certifications – RSPO (mass balance)

Percentage of RSPO-certified house brand products (and house brand products that are formulated with mass balance palm oil). RSPO-certified products (numerator)/all house brand products that contains palm oil (denominator). House brand products formulated with mass balance palm oil (numerator)/all house brand products that contains palm oil (denominator).

Private label brand certifications – Nordic Ecolabel

Matas house brand products with the Nordic Ecolabel (Swan Label) certifications at the end of the financial year.



Accounting practice

Social data

Full-time employees

Average number of employees.

Subsidized flexi-jobs

Matas staff employed in subsidized flexi-jobs.

Project KLAP

Staff employed with Matas under project KLAP (in practice only store employees).

Gender diversity, overall m/f

All Matas employees.

Gender diversity, other management m/f

Other management consist of Matas directors and other management positions that refers into Matas directors, and have line manager responsibilities.

Gender pay gap

Distribution of differences between pay in relation to gender.

Workforce nationalities

Number of different nationalities employed at the end of the financial year.

Sickness absence, all groups, excl./incl. pregnancies

Sickness absence among store employees.

Reported occupational injuries

Calculated by full years, 2022, 2021, 2020. Figures comprise all departments.

Employee turnover

Departed employees as a percentage of the average number of employees.

Leave

Number of Matas employees on leave at the end of the financial year.

Proportion of trained beauty & health therapists

Number of trained employees as a percentage of FTEs. Trained employees are defined as all trained employees (whether beauty and health therapists or sales assistants w. profile), store managers, deputy store managers and trainees.

Health & beauty therapists in training

Beauty & health therapist trainees for the financial year 2022/23.

Employee satisfaction (overall)

The satisfaction measurement method / EVI (evidence-based measurement) applied since 2020 (AS3) builds on 15 evidence-based questions divided into four categories. The four areas surveyed are: job meaningfulness, management and cooperation, organizational values and work-life rhythm. All employees, temporary and permanent, are invited to participate in the survey. The survey is conducted bi-annually.

House brand certifications

– Asthma-Allergy Nordic

Matas house brand products with Asthma-Allergy Nordic (Blue Label) certifications at the end of the financial year.

Accounting practice



Governance data

Members of the Board of Directors

Matas board members at publication date.

Board meetings

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.

Whistleblower reports

Whistleblower reports to Matas falling within the correct use of the whistleblower scheme.

Reports of corruption

Reports via Matas' whistleblower scheme and via other of Matas' channels of communication.

Pay gap between CEO and employees

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.

Donations to NGOs

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 and sunglasses, 2) GirlTalk.dk (collection via Club Matas points), and 3) CPH Pride (sales of CPH Pride 2022 bracelets, Limited Edition Luxury Shampoo).



Other



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