

**Annual and
Sustainability Report 2020**
The Weleda Group and Weleda AG



Diversity means stability

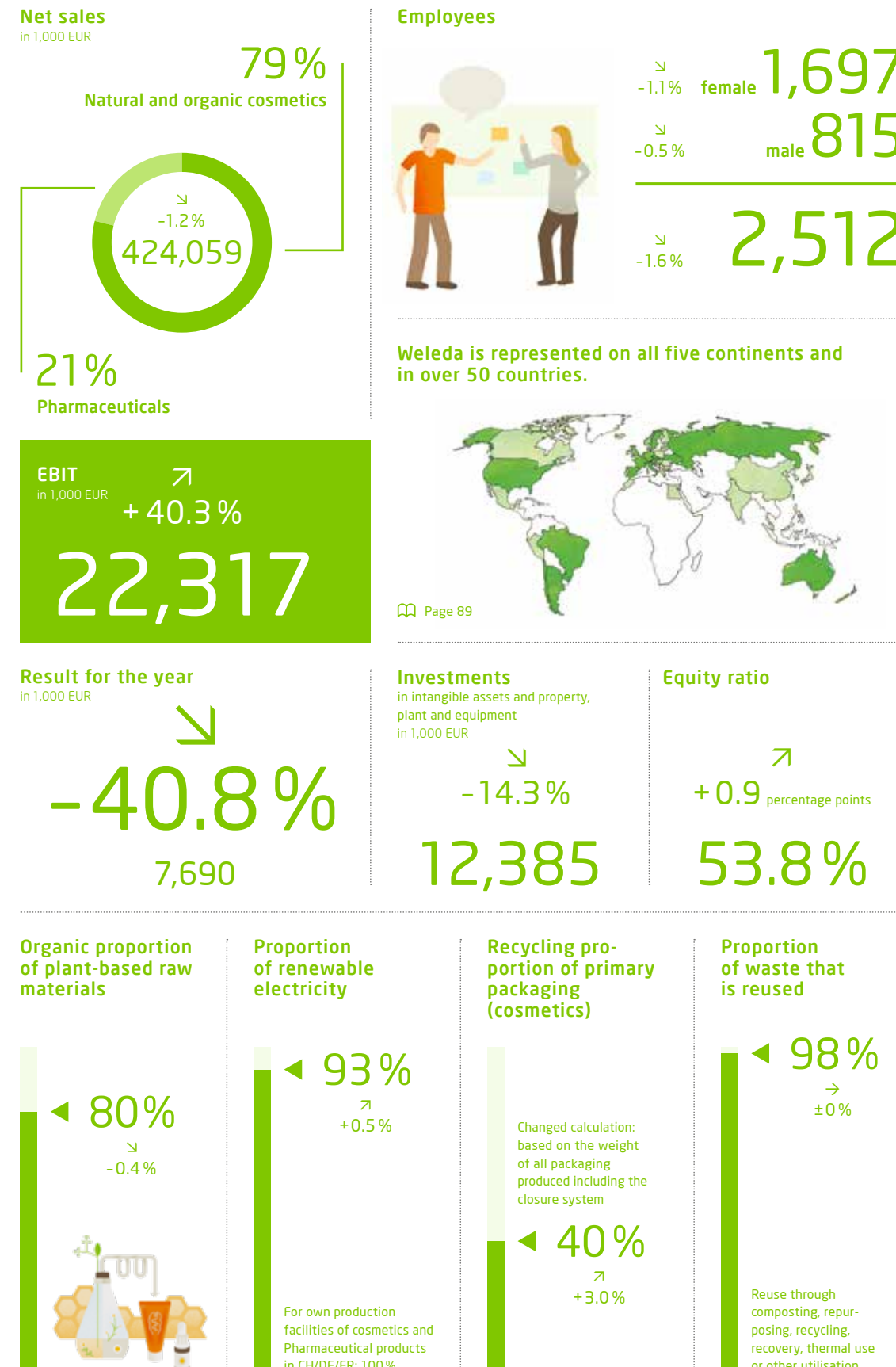
For 100 years we have been learning from nature and what it offers us. It is full of strength and diversity. But the ecosystem of the different life forms on our earth is highly sensitive. Keeping it in balance is important for maintaining the stability of all ecosystems. That is why we are putting so much energy into preserving, protecting and increasing biodiversity. This report tells you what we do exactly.

For example, we value healthy and living soil and make sure we use it in our medicinal herb gardens and cultivation projects. This type of soil is alive, stores carbon and provides our plants with all the active ingredients they need to thrive. You can read more about this from page 22.

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Selected key figures



Financial key figures

Economy

	2020 in 1,000 EUR	2020 in 1,000 CHF ¹	2019 in 1,000 EUR	2019 in 1,000 CHF ¹	Change in % 2020/2019 based on EUR values
Weleda Group – key figures					
Net sales	424,059	453,937	429,268	477,548	-1.2
Net sales natural and organic cosmetics	333,182	356,657	326,981	363,757	+1.9
Net sales pharmaceuticals	90,877	97,280	102,287	113,791	-11.2
Operating result (EBIT)	22,317	23,889	15,906	17,695	+40.3
EBIT in % of net sales	5.3 %		3.7 %		
Consolidated result for the year	7,690	8,232	12,980	14,440	-40.8
Cash flow from operating activities	38,017	40,696	26,626	29,621	+42.8
Net assets ²	73,277	79,253	47,689	51,838	+53.7
Investments in intangible assets and property, plant and equipment	12,385	13,258	14,454	16,080	-14.3
Full-time equivalents (FTE) as at December 31 st	2,169		2,181		-0.6
Balance sheet total	284,824	308,051	277,955	302,138	+2.5
Shareholders' equity	153,257	165,755	146,992	159,781	+4.3
Equity ratio	53.8 %		52.9 %		
Weleda AG – key figures					
Result for the year		10,625		223	
Shareholders' equity		95,432		84,584	+12.8
Distribution in % of nominal value		7.0 % ³		0.0 %	

¹ At balance sheet date or average rates for the year

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

³ Pursuant to the proposal made by the Board of Directors to the General Shareholders' Meeting on June 4th 2021

Value added statement

	2020 in million EUR	2020 in %	2019 in million EUR	2019 in %	Change in % 2020/2019
Origin					
Revenue (sales, other income and interest income)	427.3		432.2		-1.1
Input (cost of materials, changes in inventory, depreciation and amortisation and other inputs)	-246.8		-249.5		-1.1
Value added	180.5		182.7		-1.2
Distribution					
To employees (employee income, as well as social contributions and Pension Fund)	158.7	87.9	164.4	90.0	-3.5
To public authorities (taxes)	11.3	6.3	2.5	1.4	+352.0
To charitable organisations (donations), pursuant to paragraph 2 (3) of the articles of incorporation	2.6	1.4	2.6	1.4	+0.0
To lenders (interest expense)	0.3	0.2	0.2	0.1	+0.0
To shareholders (distribution)	0.9 ¹	0.5	0.0	0.0	n. a.
To the company (retained earnings)	6.7	3.7	13.0	7.1	-47.7
Value added	180.5	100.0	182.7	100.0	-1.2

All information based on average rates for the year. Comments to the value added statement: see page 88

¹ Pursuant to the proposal made by the Board of Directors to the General Shareholders' Meeting on June 4th 2021

Key figures at a glance

Brief profile

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

Weleda products are available in more than **50** countries. The company employs **2,512** people¹ worldwide to develop, produce and market its products. The Swiss stock corporation has its headquarters in Arlesheim (Switzerland) and its largest branch in Schwäbisch Gmünd (Germany). The Group furthermore includes **25** companies in **20** countries.

Anthroposophy inspires the view of the human being and understanding of nature that is at the heart of Weleda's purpose: unfold health and beauty in harmony with human and nature.

Group structure and shareholders

34 per cent of the capital and 76.9 per cent of the voting rights of Weleda AG are held by two principal shareholders: the General Anthroposophical Society (AAG, Dornach, Switzerland) and Klinik Arlesheim (KA, Arlesheim, Switzerland), formerly Ita Wegman Klinik AG. The remaining voting and non-voting shares are publicly floated. Under the company's articles of incorporation the registered shares of Weleda AG may be transferred only with the written permission of the Board of Directors of Weleda AG. Acquirers must be members of the General Anthroposophical Society, Dornach. In order to be valid, the transfers have to be registered in the company's share register.

Capital structure of Weleda AG²

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

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

² The share capital is fully paid. As at December 31st 2020, there is neither authorised nor contingent share capital. Every registered voting share entitles the bearer to a single vote in the General Shareholders' Meeting.

Dear Readers

When I wrote the foreword to the report in March 2020, the coronavirus pandemic had only just begun spreading across Europe and the world. It has radically changed our human and social lives. One year on, it is becoming increasingly obvious that the pandemic is not only a major challenge but also a warning signal about our relationship with nature.

The pandemic is a call for us to rethink this relationship and to follow up with actions that come from a deepened understanding of nature and human life on earth.

I am very grateful to all our employees. Working together they have managed to keep Weleda on course. It has been a massive achievement! We have also been fortunate that our products have been available at all times in every one of the lockdowns and our customers have remained loyal.

The company has a good bill of health. We also passed 2020 in good economic shape. This means we can tackle the projects we have committed ourselves to with confidence. You can see this in the figures at the back of the report.

We very much regret having to postpone the events we had planned and prepared for 2021 as part of Weleda's 100th anniversary to 2022. All these events come under the banner "Preserving biodiversity". Biodiversity and good soil are the keys to the future of life on our planet and also major factors in halting the process of ongoing global warming and even reversing it. For us, biodiversity is not only about species diversity, but also the basis of all life and a prerequisite for the health and beauty of people and nature.

That is why we have made biodiversity the main topic of this report. To make this topic more digestible, we have divided the report into five sub-topics. Each of these sub-topics is directly and indirectly related to biodiversity.

The sub-topics are: climate protection, healthy soils, ethical sourcing of raw materials, health, and beauty. We have asked people to talk about each sub-topic. They have told us how they see things, what inspires them, what gives them hope, but also what they expect from companies like Weleda to shape the future sustainably and ecologically. We then report on what Weleda has done, is doing and will do in the respective area.

Let our commitment to biodiversity help us become more and more empowered to achieve our mission: Unfold health and beauty in harmony with human and nature.

Yours,

Paul Mackay
Chairman of the Board of Directors of Weleda AG

The Board of Directors of Weleda AG



"Joie de vivre, vitality and beauty come from spiritual, social and biological diversity. Weleda utilises and protects this diversity. Weleda products are made from natural substances and promote health and beauty."

Thomas Jorberg,
Spokesman of the Management Board
of GLS-Gemeinschaftsbank



"Fertile soil is, so to speak, where heaven and earth breathe. It is where the biodiversity that we perceive as beautiful and healthy is created. At Weleda, we promote diversity and obtain products from it for the health and beauty of lots of different people."

**Ueli Hurter, Co-head of the Section
for Agriculture at the Goetheanum and
Demeter farmer**



"Real beauty does not need a covering cosmetic, but a translucent and highlighting one. It helps people appear as nature meant them to appear."

Paul Mackay,
Chairman of the Board of Directors



"Sustainability is a topic that all companies have to deal with today. Weleda started out on this journey 100 years ago, not yesterday."

Monique Bourquin,
Member of the Board of Directors



"A pharmaceutical company like Weleda that is committed to health strengthens people as individuals and the diversity in nature and culture."

**Prof. Dr Harald Matthes, Senior Doctor
at Havelhöhe Community Hospital in Berlin**



"For beauty and health to constantly flourish, we must always remain true to the basic principles of thinking, feeling and willing, even after 100 years."

**Elfi Seiler, pharmacist and co-owner of
the St Peter Pharmacy in Zurich**



"Doing business means doing something for others, which is what motivates me. Profit gives a company room for manoeuvre and must never be an end in itself. Following this maxim is the way to sustainable business."

**Dr Andreas Jäschke, Head of
Organisational Culture at Ariesheim Clinic**

The Executive Board of Weleda AG



"Biodiversity is the prerequisite for the health and beauty of all living things. When every living thing has a space in which it can develop according to its inner nature, it will contribute to the health and beauty of the whole."

Nataliya Yarmolenko, Chief Commercial Officer



"For me, real sustainability means taking responsibility. Making a significant positive contribution to the common good and the environment is enshrined in our articles of association and therefore Weleda's purpose."

Michael Brenner, Chief Financial Officer



"The health of people and nature is closely linked to sustainability and biodiversity. Medicines should not only be produced in an ecologically responsible way, but must also have a sustainable therapeutic effect."

**Aldo Ammendola,
Chief Research and Development Officer**



"At Weleda we farm biodynamically and give more back to the soil than we take out. That's what healthy business is to us."

Alois Mayer, Chief Operations Officer

Weleda's sustainability programme

Our sustainability programme 2018 to 2022, which applies to the entire Weleda Group worldwide, is in its fourth year. We are still pursuing our goals with the same rigour as we did in previous years, and are approaching the end point, which also represents a new beginning. We are already working on the follow-up programme for 2022 to 2025, which will focus even more on the most important impact areas.

Attractive and sustainable packaging

Two years ago, Weleda set itself a new, long-term packaging vision: "Zero Waste. Zero Harm. 100 % Consumer Relevance." Weleda packaging should not cause any problems in the world, but at the same time it should be attractive and easy to use. We made great progress on the primary packaging for our natural cosmetics in 2020. Thanks to green glass and plastics with a high proportion of post-consumer recycled material, we have now achieved a figure of around 40 per cent. The measures we took in 2020 include switching the bottles for Calendula Milk and Calendula Oil to 97 per cent recycled material (the other 3 per cent are dyes), and making Skin Food Body Butter available in green glass pots. This year, we will make further switches to glass and recycled plastic. Another major milestone is our "unpacked" pilot project. For the first time, selected shower gels and body oils will be available in stores for self-filling.

Weleda joins B-Corp

When this report was published, Weleda was in the home stretch of the verification process. B-Corp is an international sustainability certification at corporate level and a community of corporations that want to do business in a meaningful way to align financial and ethical value creation. At the core of a B-Corp is its "mission lock". Since 2020, Weleda's articles of association have enshrined what has been the default position for us for 100 years: "The purpose of the company is to make a materially positive impact on the common good and environment through its business activities."

Biodiversity and soil health

We support soil resilience, biodiversity and local ecosystems worldwide through our eight biodynamically managed Weleda medicinal herb gardens and around 50 raw materials projects. In the Weleda medicinal herb gardens, our gardeners cultivate a resilient ecosystem rich in species. Weleda promotes biodynamic and organic cultivation around the globe. We obtain our plant-derived raw materials from a land area of about 250 square kilometres. This is where we lay the foundations for healthy soils. They are the key to intact ecosystems, healthy people, a healthy climate and therefore our health in general.

Transparent climate protection

Last year, we prepared for the first time a very comprehensive climate assessment of our business activities. This includes any significant indirect impact that would otherwise be invisible. The results and further details can be found on the next pages and in the separate climate section – including an outlook on our ambitious measures and targets.

New impact models

In the future, we will be placing even greater emphasis on two principles in our commitment: as a first step, the overall impact. This is the holistic, long-term and indirect impact that facilitates particularly powerful positive development overall. In the second step, we will find partnerships with like-minded people who can achieve outcomes together that no one can alone. Two examples:

► LIVING SOIL JOURNEY

The Weleda Living Soil Camp was originally planned for the summer of 2021. 60 people will meet up for a week and look 100 years into the future. Two questions they will look at are: What will humans and nature need in the year 2121? And how can we set new incentives from today, especially for biodiversity and healthy soil? We have had to postpone the camp for a year due to the pandemic. Instead, we are working together with Project Together on their Farm Food Climate Challenge this year. This challenge consists of online events where a large group of people work together to develop new ideas and business models for soil, health and agriculture. The most promising solutions will be invited to the Living Soil Camp and be given further support.

► MUNDI – Educational Initiative for Sustainable Development Schwäbisch Gmünd

In January 2021, Weleda teamed up with the city of Schwäbisch Gmünd to set up a new centre of excellence for education for sustainable development. The goals: tangible on-site educational work on sustainability issues, networking of regional actors and initiatives, and communication. MUNDI is based on the Latin term "gamundia" which is the name of our largest production site. MUNDI is a German acronym which stands for the initiatives' main areas of activity: people, environment, nature, diversity, inclusion. The first proposals are being developed and are expected to be announced in spring 2021.

Weleda's climate footprint

The climate footprint is classified into three scopes. Scope 1 and Scope 2 refer to the company's energy footprint, Scope 3 to everything else. Weleda's energy footprint is only a very small part (less than 1 per cent) of its total climate footprint. This comprises around 1,240,000 tonnes of CO₂ equivalent (2019). The purpose of the climate balance sheet which this data is based on was to collect rapid, robust and decision-relevant climate data for all key areas. This balance sheet has not been externally validated yet. The figures for Scope 3 are also based on empirical and approximate values; we have assumed a fluctuation range of ± 20 per cent for the entire Scope 3. But even with this fluctuation range, the orders of magnitude are still the same and therefore useful as a basis for taking action. From 2021, we will regularly prepare externally validated carbon footprints that also address the problem of complex Scope 3 data collection.

~1%

Energy footprint



Weleda's energy footprint is about 10,000 tonnes of CO₂ equivalent (2019). This is our impact on the climate through our own energy consumption. It corresponds to Scope 1 and Scope 2 of the Greenhouse Gas Protocol. Weleda will be arithmetically climate-neutral at this corporate level from 2021. We are already reducing these energy-related emissions by more than 30 per cent through the use of renewable energy.

~8%

Products
~100,000 t CO₂e

Besides the company's climate footprint, this also includes packaging, raw materials, advertising materials and the transportation of goods. We want to give our customers the opportunity to actively protect the climate by purchasing Weleda products. That is why all Weleda products will be arithmetically climate-neutral from 2022. To accomplish this, we will have to offset about 100,000 tonnes of CO₂ equivalent annually. We will do this through efficiency improvements, renewable energy and, most importantly, initiatives in our own supply chains (insetting) and beyond (offsetting).

~3%

Last mile
~33,000 t CO₂e

Combined together, the impact on the climate from trips to the shops for shopping and all online order deliveries is more than three times greater than the corporate footprint.

~8%

Taxes and duties
~102,000 t CO₂e

Weleda naturally pays taxes and duties. Unfortunately, these also have a big impact on the climate, for example when the state invests in road construction or in conventional energy production.

~14%

Finances
~175,000 t CO₂e

The Weleda company's and the Weleda Pension Foundation's (in Switzerland) assets and investments have a big impact on the climate. In the years ahead, we want to make even greater use of climate-friendly property and investment opportunities.

~9%

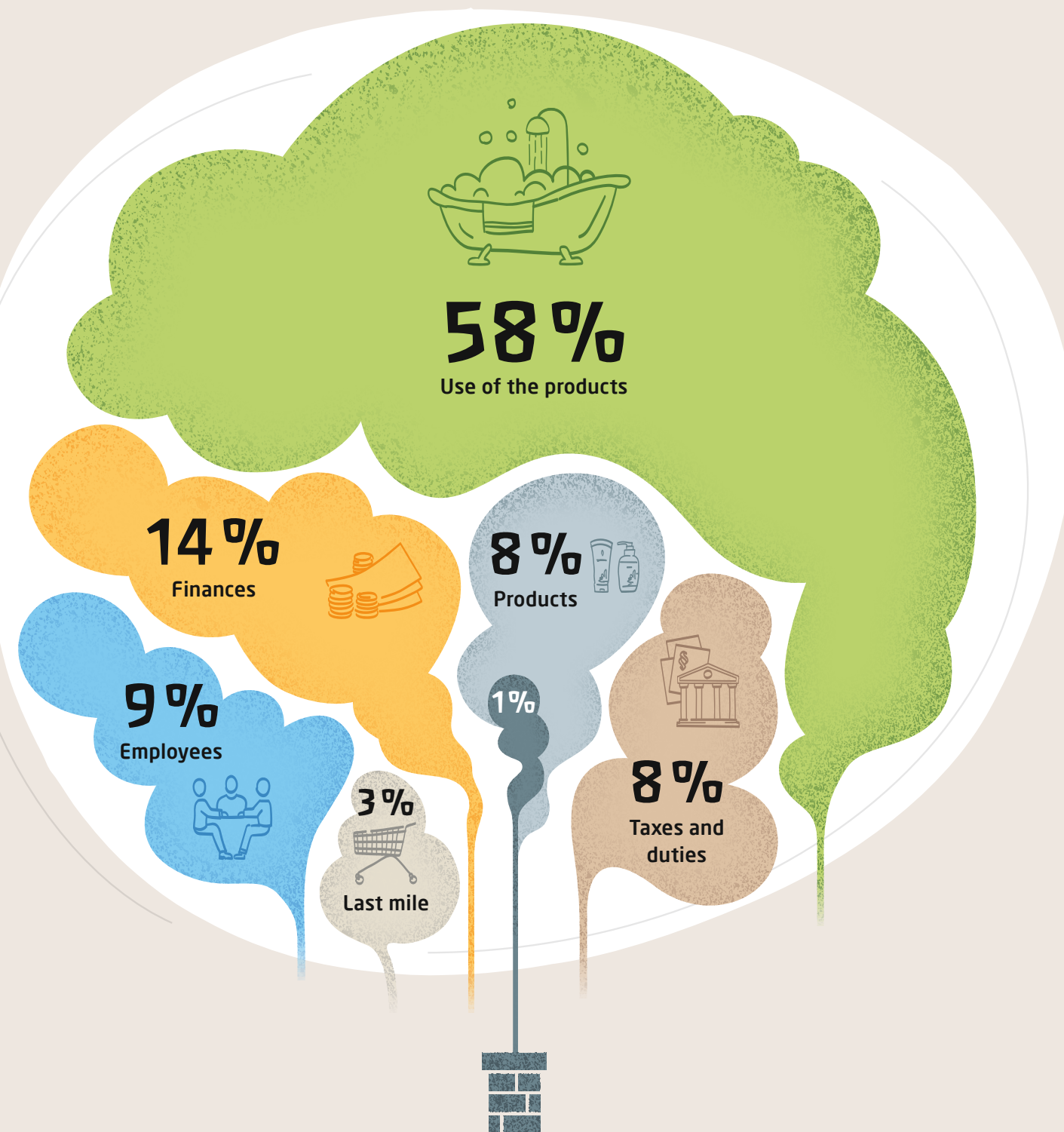
Employees
~107,000 t CO₂e

Weleda's workforce of over 2,500 worldwide receive money from the company in the form of wages and salaries. Many very environmentally conscious people work at Weleda. However, the way they use their money has a big overall impact on the climate, especially in the areas of housing, food and mobility. That is why an important pillar of our climate protection is raising employees' awareness and motivation.

~58%

Use of the products
~773,000 t CO₂e

Weleda produces a lot of popular products for showering and bathing. The energy consumed by our users to heat the water for showering and bathing has by far the greatest impact on the climate. Detergents are known to have the same impact. That is why raising awareness and motivating consumers is also very important.



CLIMATE PROTECTION

For some time now, the talk has been of a climate crisis rather than climate change. It is the great challenge of our times but sadly not the only existential crisis we are having to face in the 21st century. There are, though, reasons to be hopeful. People all over the world are joining forces and getting involved.



“We’re the problem when it comes to climate change and it’s very difficult to portray ourselves as the enemy.”

Marine biologist Antje Boetius conducts research on Arctic expeditions in the polar ice and travels in a submarine in the deep sea. She deals with the consequences of man-made climate change, while also calling for quick solutions. “Humanity must stand together in this crisis. We only have one earth.”

Ms Boetius, what exactly attracted you to the deep sea?

My curiosity. We know only a fraction of the deep sea, which covers almost 70 per cent of the earth’s surface, which therefore means we only know about a fraction of life on earth. We’re still a long way from exploring all the mountains to the extent we have done on land, taking samples from the ground every hundred square kilometres and documenting life there. Because we have cameras in the deep sea and are moving around there with submarines, we know that the landscape under water is different every 50 to 100 kilometres – just as it is on land.

You have been a regular part of Arctic expeditions since 1993. What changes have you noticed?

In 1993, it took the icebreaker Polarstern weeks to reach the Siberian seas as the ice was so thick. Almost 20 years later I led a large international expedition that nearly reached the North Pole. It was the year with the largest ice minimum ever. We have been witnessing sea ice loss for many years. That summer we could actually see the ice vanish before our eyes. In 1993, the ice was on average four to five metres thick. Today, it is less than one metre.

It’s said the Arctic is like an early warning system for climate change. Did your observations in the Arctic Ocean draw you to the topic of the climate?

No, it started earlier when I was involved in a research project on gas hydrates, i.e. frozen methane in the sea. The biggest sources of methane –

a greenhouse gas that is 22 times more potent than CO₂ in terms of greenhouse effect per molecule – are stored under water, but it breaks down more quickly. What’s incredible is that, despite this, hardly any of it escapes from the sea. So what happens to it? We’ve discovered there are micro-organisms on the seabeds all over the world that eat and break down the methane. If these micro-organisms didn’t exist, we would have a completely different climate, indeed a completely different earth. For a long time, we scientists have been conducting research in our disciplines in isolation. This earth system research, which I’m interested in, doesn’t just deal with the earth as a whole, but also looks at it as a system, with humans and nature interacting with each other – this also includes climate change.

On talk shows, you regularly criticise politicians and their reluctance to protect the climate. When did you realise it wasn’t enough to do research and provide data, that you had to get involved in the political debate?

After giving lectures or on talk shows, I was being asked for my opinion as a marine researcher about overfishing or climate change. And this was happening more and more. Of course, I also do a lot of research into the climate in all its facets. Most people live with their backs to the sea and don’t think about how their actions on land, for example, the plastic they consume, affect the oceans. Over the past 20 years, I’ve therefore shifted my research more in this direction.

Antje Boetius is a marine researcher, a director of the Alfred Wegener Institute in Bremerhaven, a professor at the University of Bremen and a member of the German National Academy of Sciences Leopoldina. Apart from the deep sea, she is researching the effects of climate change on polar ice and therefore on life on earth. She has received a number of awards, including the Federal Cross of Merit, the German Environment Prize and the Leibniz Ring.

“The 1.5 degree target was ambitious, but there is no real sign that we are on track to achieving it.”

Politicians talk a lot about the climate, but every year we conclude that not enough is being done about it. Do you sometimes think about giving up?

No, because that would serve nothing. I sometimes feel sad and even angry when terrible things happen like the littering of the oceans and we don't think enough about the future. Political targets have been agreed, but we should have been much more ambitious long before that. The 1.5 degree target was ambitious, but there is no real sign that we are on track to achieving it. And the coronavirus crisis ultimately came about because we have been treating nature wrongly. It's sad that we didn't use the knowledge that we have much earlier. For example, there's more logging going on than ever before in the rainforests. We're slowing down the process of transforming the energy system that powers the global economy, which we so urgently need.

What does this transformation involve exactly?

We need to cut back enormously on the use of fossil fuels. They are only cheap because the damage they cause is not priced in. We absolutely must stop subsidising non-sustainable production and get out of coal. Renewable energy must become cheaper instead.

Before the coronavirus crisis, the Fridays for Future movement brought climate change to our attention in a way that politics and science had failed to do before. What can we learn from this movement?

Of course we are touched when children and young people go out into the streets and say to the adults: “You're stealing our future, shame on you!” Fridays for Future looks for scientific advice and collects facts, but it communicates through different channels and in a different language than science does, and with a much wider reach. Children and young people think in different time frames to adults, which is an important consideration.

The coronavirus lockdown was hailed as good news for the climate. Rightly so?

The lockdown is proof that CO₂ emissions and air

pollution will decrease if we travel, work and consume energy differently. But it's not a solution of course. Around the world, we have almost stopped flying, industrial production has nosedived by 20 to 30 per cent, traffic has plummeted, and yet, according to projections, we only saved six per cent CO₂ in the first two months. We can learn a lot from this. Flying less and eating less meat are not enough. We need a major transformation, an energy transition and the complete replacement of fossil fuels in all areas, in transport, industry, construction, heating and agriculture. Flying is part of it, but only a small part. The short-term unplanned, even chaotic savings as a result of coronavirus are not the climate protection we need.

What lessons from the coronavirus crisis can we draw for the climate crisis?

Both are global problems that require international cooperation and transparency – you have to be able to trust each other to implement solutions quickly. With climate change, too, science identified problems early on and collected and analysed data. The whole world has prioritised the virus since the pandemic started. Climate change has never been prioritised in this way.

Why is that?

From the get-go, the message from politicians and the industry was that climate protection is expensive and we still have time. Science has also treated climate change as a protracted problem. Unfortunately, this is wrong. Climate change has been around for a long time. Disasters are happening everywhere you look: deaths from heat waves, storms and flood and massive damage. Mild winters and dry springs are on the increase. Bangladesh suffered a shocking storm and a tsunami of almost five metres. Researchers have been warning about the increase for years. The suffering that is being caused by man-made climate change is simply mind-boggling.

Will the crisis push climate protection off the agenda or lead us to a rethink?

The coronavirus crisis has superseded everything else for now. Slowing down the spread is the number one priority at the moment. The virus is seen as alien life, an external enemy. For us, it's easy to band together and fight against it. But with climate change, we're the problem – and it's very difficult to portray ourselves as the enemy. But we must stop blaming future generations for the problems caused by the way we exploit nature.



Antje Boetius has taken part in a total of 49 research trips during which she dived more than three kilometres deep with submarines.



SOPHIA KIANNI

"Seven years ago, I decided to become an advocate after witnessing the severe effects of environmental degradation in Iran. When I brought up my concerns with my relatives, I was disheartened when they informed me that they knew nothing about climate change. Determined to educate my Iranian family, I began to pore over climate research; however, I quickly realised that there was no information available in Farsi, their native language. I worked diligently with my mom to translate climate research to help them understand the severity of the climate crisis, and then decided to start my nonprofit, Climate Cardinals, to continue making climate education more accessible. To solve climate change, we need everyone, everywhere to take action. Consumers want to shop from ethical companies that align with their values; corporations must innovate to become more sustainable and equitable in order to ensure we are making progress on climate commitments."

Sophia Kianni is a climate activist and founder of Climate Cardinals.
For further information, visit: www.climatecardinals.org

IMEH ITUEN

"Climate protection, as it is currently conceived, is geared towards protecting the most privileged people. True climate justice focuses on the most marginalised people; develops climate action plans with them in mind and in collaboration with them. People from regions badly affected by climate change have been trying to make their voices heard for years through attention-grabbing actions. It is a fact that people have been dying from the consequences of the climate crisis for decades. That's why it should be Fridays for Past and Present, not Fridays for Future. Even in the name of this movement there is, in a sense, a colonial amnesia."

Imeh Ituen researches global climate policy at the University of Hamburg.





Rob Hopkins is an environmentalist and founder of the worldwide Transition Town movement. The 51-year-old is a lecturer, researcher and author of *The Power of Just Doing Stuff: How Local Action Can Change the World*, (Green Books, 2013).

“I can see and feel the change and then draw new motivation and inspiration from it.”

People everywhere are actively working against climate change and for a future without fossil fuels. What motivates Rob Hopkins, the founder of the worldwide Transition Town movement?

Mr Hopkins, you are constantly dealing with the dangers of climate change and peak oil. How do you remain an optimist?

Of course there are also days when I feel things are hopeless, but at the same time I have a very privileged place within the Transition Town movement. I'm right at the hub, so to speak, where all the stories of initiatives from all over the world come in, and hardly a day goes by where I'm not thinking: Wow, look what's happening and what people are getting up to!

If you believe the majority of climate researchers, there's almost no time left to turn the tide.

When the Intergovernmental Panel on Climate Change announced in its last climate report that we needed immediate, far-reaching change in all parts of society, we should have been euphoric in our response: “Fantastic, we can rethink everything and let our imaginations run wild!” Instead, as a society we have tended to respond with frustration and lethargy.

Where does this lethargy about the future come from?

Right now I'm working on a book about the imagination. One of the most fascinating aspects is the neuroscientific evidence that shows that when we are stressed, scared or traumatised, the hippocampus, which is sort of memory and imagination centre in the brain, visibly shrinks in size.

How should we counter the damage?

The crucial piece of the puzzle in the middle has been missing for a long time: what I can achieve together with the people around me. This is precisely where the most potential lies. I can walk through Totnes today and see the hundreds of trees that we've planted. I see hundreds of solar panels on the roofs that weren't there before. I can see and feel the change and then draw new motivation and inspiration from it.

What skills do we need to equip ourselves for a future without fossil fuels?

In French, there is the wonderful word “bricolage”, which comes from the verb “bricoler” (“to tinker”) and describes the ability to make the best of what one has at hand. For me, this is one of the most important skills we need to cultivate our imagination more again. We need to reduce our CO₂ emissions by ten per cent every year? Fantastic, let's think about all the great things we could do to make this come about. This is exactly the mentality we need. We must all become masters of bricolage.

“We need to reduce our CO₂ emissions by ten per cent every year? Fantastic, let's think about all the great things we could do to make this come about.”



DR STEFAN SIEMER
Head of
Corporate Sustainability

Our understanding of climate protection is a venture. We know that when it comes to climate, our responsibility does not stop at the factory gate or with our own products – and we want to make this extended co-responsibility transparent despite its complexity. If we really want to make a big difference, we need completely new climate protection ideas for our consumers and employees and for our finances. By 2025, we want to reduce and offset our total climate footprint by 350,000 tonnes of CO₂. To reach people, climate also needs a concrete, tangible translation. That is why all Weleda products will be arithmetically climate-neutral from 2022. This will give our customers the opportunity to actively protect the climate by using Weleda products.

Figures from the Weleda world

10,000
tonnes of

CO₂ equivalent per year is a rough estimate of the energy-related climate footprint of the entire Weleda Group (Scope 1 and Scope 2). From 2021, we will be arithmetically climate-neutral here.

100,000
tonnes of

CO₂ equivalent per year is a rough estimate of the product-related climate footprint of the entire Weleda Group (including energy). From 2022, we will be arithmetically climate-neutral here.

107,386
kilometres

were cycled and walked by Weleda employees in 2020 alone in our Bike to Weleda programme – despite the lockdown in many countries.

20
times

This is how much better it is for the climate if the body oils from our “unpacked” pilot project are filled in their own reusable containers, compared with the already sustainable glass packaging of a new product. We very much hope that this pilot project will prove very popular so that we can produce more unpacked products in the future.

ONE MILLION TREES

Planting a tree is often a symbolic act – against climate change and for biodiversity. Our branch in the UK works with the non-profit organisation Treesisters for this purpose. The goal is ambitious: plant one million trees where they are most needed. Treesisters supports reforestation projects around the globe. Besides their positive impact on the climate, trees prevent flooding and erosion and protect natural habitats for humans and animals. The organisation works in particular with initiatives led by women. So far Treesisters has planted almost 70,000 trees with Weleda's support.

For further information, visit: www.treesisters.org



100 PER CENT CLIMATE-NEUTRAL ENERGY SUPPLY AT THE HEADQUARTERS IN ARLESHEIM

The planned switch to 100 per cent Swiss biogas in 2021 means that Arlesheim will use 100 per cent renewable energy in all of its own buildings in the future, including production. The energy mix consists of locally produced biogas, district heating from a wood chip heating network in the neighbourhood, locally produced and self-generated green electricity and geothermal energy.



100 PER CENT CLIMATE-NEUTRAL BUSINESS IN BENELUX

Weleda Benelux has been completely carbon-neutral since 2014. It has achieved this through a range of measures: 100 per cent renewable electricity, ongoing efficiency improvements, its own solar installations and electric cars, and offsetting the remaining climate footprint.



HEALTHY SOILS

Very often we treat our soil like dirt. Year after year, we are losing valuable soil because of deforestation, erosion and sealing, soil that we actually urgently need – for biodiversity, climate protection and the cultivation of food.



“We have to start using more natural processes again.”

People are moving further and further away from nature, yet they are part of it and only need to be able to decipher it. David Holmgren, the founder of permaculture, believes that we can learn to live differently when the need arises.

Mr Holmgren, permaculture and the Fridays for Future movement basically want the same things: sustainable living and economic activity to protect nature. While Fridays for Future has grown bigger and bigger in recent years, permaculture has been less prominent. What can permaculture learn from the current environmental movement?

The climate strikes are more radical than the idea of permaculture. While radical environmentalism tries to stop other people or systems from doing certain things, permaculture focuses on the positive in the private sphere, in the household. The advantage of radical environmental movements is the solidarity that is created.

Is interest in permaculture growing again thanks to Fridays for Future?

I observe again and again that people who fight passionately to change the world eventually get burnt out because the change doesn't happen fast enough for them. Some of them find their way to permaculture because they can implement their ideas there in private. Permaculture technologies are indeed used in demonstrations and activist camps, also by Fridays for Future. For example, composting toilets are often installed in the sleeping quarters at camps.

You once said that a permaculture farmer spends 80 per cent of his time trying to understand nature. What do you learn from observing the environment?

I like comparing it to body language. We can read body language and thus other people. Some people are even particularly good at it. It is similar to nature. You can “read” whether a tree is healthy, whether it will one day grow so big that it takes the light away from the other plants around it. Just as one learns to understand the meaning of body language through experience, reading nature comes with experience. Modern

people, however, have forgotten this. They rely on someone else to explain things to them, they have to read it in books.

When did we start to move away from nature?

The development of modern agriculture and grain cultivation began 10,000 years ago. Since then, agriculture has developed further and further away from nature – and so have we.

Today, agriculture is a high-tech industry.

On the one hand, yes. On the other hand, an ecological, local food production has emerged in parallel, in which traditional, old plant varieties are being cultivated again. I am convinced that we need to use more natural processes again instead of pushing the boundaries further and further. For example, through genetic engineering, which manipulates nature to the highest degree. We have to make amends, ultimately nature is in control. The depletion of fossil fuels means the end of our power over nature.

David Holmgren is the co-founder of the permaculture concept first published in 1978. It is based on observing ecosystems and cycles in nature and mimicking them for agriculture and horticulture. He has been living on his permaculture farm Melliodora in Australia since the eighties. His latest book: *RetroSuburbia: The Downshifter's Guide to a Resilient Future* (Melliodora Publishing, 2018).

“We have to make amends, ultimately nature is in control. The depletion of fossil fuels means the end of our power over nature.”





David Holmgren's farm Melliodora is regarded a prime example of permaculture and attracts interested people from all over the world.

Permaculture is most often associated with small home gardens. Can permaculture feed humanity?

Permaculture cannot feed cities with ten million inhabitants, it is not designed for that. It is possible, but for this to happen, large areas of land taken over by industrial agriculture would have to be converted to permaculture and many people would have to leave the cities and move to rural areas. There are studies that show that permaculture produces excellent yields; higher yields are possible than in conventional fruit and vegetable cultivation. The only thing is that conventional agriculture cannot imagine doing without fertilisers and sprays. But the fact is that the current form of agriculture will not be able to feed the world for much longer, precisely because it is not sustainable.

What do you mean by that?

In order to produce cheap food, industrial agriculture destroys soils, is demonstrably responsible for the loss of species, and depletes resources. To feed the world, we need to design a new system, and permaculture can contribute a lot. At the moment, however, small farms that feed families and supply local markets still have a very big part to play in how the world is fed. They don't call what they do permaculture, but they apply elements of it. Much more of that is possible to achieve.

Does permaculture also work in cities?

Since the early beginnings of permaculture, there has been a great interest in how permaculture can be applied in cities. Margrit and Declan Kennedy, two architects, took one of the first courses with Bill Mollison and worked on greening residential buildings in Berlin in the 1970s. When they heard about the permaculture idea, they adopted our principles for their work. This is one way we can change and adapt cities to apply permaculture. In cities, interpersonal issues are also involved, which are disconnected from agriculture. For example, how we organise our community in a sustainable way.

Where do you see the greatest responsibility for climate protection – in the political arena, with companies or with each individual?

There are two opposing views on the subject: firstly, that everyone is a consumer and supports a system with every purchase. And there is the view that a handful of companies are responsible for all the pollution. Of course, companies make products for the roughly two billion people who belong to the middle class worldwide, and pol-

“The fact is that the current form of agriculture cannot feed the world for much longer, precisely because it is not sustainable.”

lute the planet in the process. But they wouldn't sell anything if people didn't want it.

Many are calling for a sustainable new beginning in the post-pandemic world. Is the crisis an opportunity for positive change and a turnaround?

Absolutely, and partly because people are stuck at home due to social distancing and isolation. Many people have realised how poor their homes are – not necessarily in financial terms. But poor in terms of how little they can take care of themselves, how little creativity they have when it comes to managing everyday life. For people practising permaculture, growing their own food in a strong home community and organising things rather than just being part of the overall economy, restrictions on where they can go are not such a big problem.

The idea of humanism has been part of the permaculture concept from the beginning. How does this philosophy still inspire you today?

The idea that humans are the problem and destroy nature is rooted in environmental thinking. In the humanist idea, the human being can be part of the solution and not just part of the problem. A positive and motivating thought. I am firmly convinced of this to this day.

ANA DE LIMA

"A diverse and living soil is the basis of a healthy ecosystem. To protect this diversity, we support the people who live on this soil. In this way, we are defending the Amazon against the overexploitation of nature. To do this, you have to understand complex local structures and encourage the population to become active themselves. Promoting regenerative agriculture, as we do, may be a relatively small lever, but it can have a big environmental and social impact."

Ana de Lima, through her organisation Meli Bees, promotes regenerative agricultural practices in indigenous communities living in vulnerable areas around the Amazon. For further information, visit: www.meli-bees.org



IVO DEGN

"Anyone who grew up in the country knows how good it feels to get their hands dirty. Our soils are literally the foundation of our lives. As is so often the case, we lose sight of it precisely because it is so important. By working with the Farm-Food-Climate programme, we aim to deeply embed appreciation for the issue in society. How can we value agriculture's crucial contribution to our soils? How can we implement an agricultural economy that protects soils, ecosystems and the climate on a practical scale? How can we distribute food in such a way that all actors in the value chain win? How can the political course be set so that we are not only sustainable but also regenerative? Seeing how strongly the issue of healthy soils moves a broad alliance of public and private actors and brings them to act together inspires me every day."

Ivo Degn is involved with Project Together's Farm-Food-Climate Challenge, a platform for working together to find ideas and solutions to shape the agri-food sector of tomorrow. For further information, visit: www.projecttogether.org/farm-food-climate-challenge



“Diversity means stability.”

Geographer Stefan Schwarzer wants to use regenerative agriculture to try to save the climate. In the ecovillage Tempelhof in Germany, he demonstrates what the agriculture of the future could look like.

Mr Schwarzer, the soil in Tempelhof is considered difficult to cultivate – how do you support soil life?

By promoting the symbiotic relationship between plants and soil life. Soil life acts as the plant's living nutrient pool – when it needs minerals, they are always available. And this in turn leads to a healthy plant with a high nutrient density. We try to support this million-year-old symbiosis by keeping the soil covered with living plants as much as possible, with green manure and mixed cultivation, but also with “weeds”, which achieve the same effect if they are not cleared out.

What is “constructive” in this method?

Today, many natural resources such as soil, biodiversity or groundwater are degraded and heavily overexploited. To leave a healthy earth – in both senses – for future generations, we need to rebuild resources: plant trees, provide food and habitat for insects and birds, build up the soil, increase water infiltration into the soil and thus also counteract flooding and replenish groundwater supplies.

Why can carbon dioxide be stored in the soil by building up humus?

Plants absorb CO₂ from the air and convert it into carbon. They pump much of it into the soil to nourish the soil life. This in turn is also made up of carbon and additional minerals. Bacteria can multiply rapidly – when they die, organic matter builds up in the soil: humus. If the roots of harvested plants are left in the soil, it remains as stored biomass. Soil organisms compost them and work them further into the soil. You can also feed organic matter from above: mulch material such as straw, hay, leaves, wood chips, organic waste or compost.

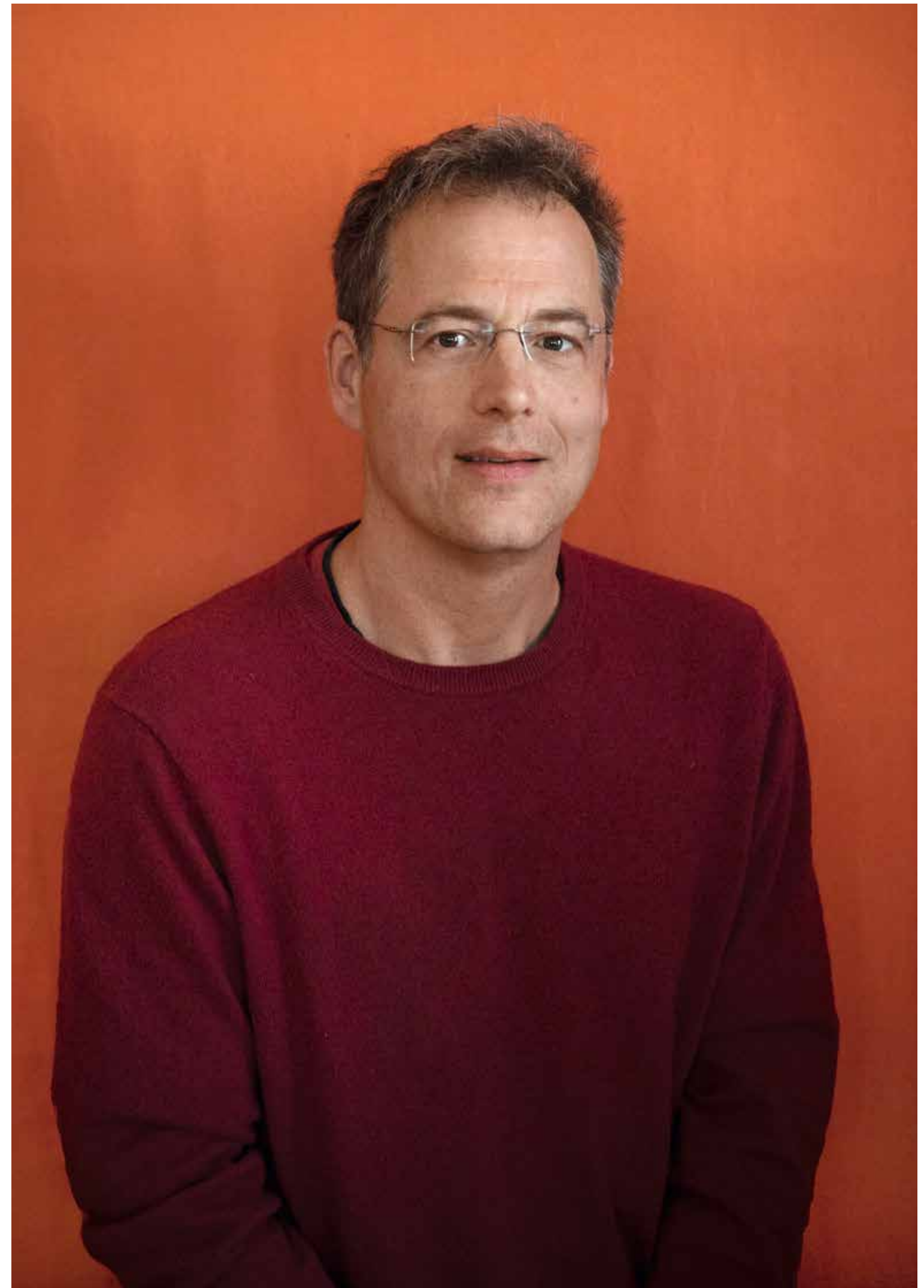


Can regenerative agriculture also be used in the home allotment garden?

Of course, for example, by covering the soil with mulch and adding good compost that feeds the soil life. And by deliberately promoting the diversity of plants. Diversity means stability in the system: a voracious insect that loves carrots will not be able to spread as far if its natural enemies are around. Beneficial organisms can be supported by planting hedges, shrubs or insect hotels.

Stefan Schwarzer is a physical geographer and permaculture designer living in the ecovillage Tempelhof. He works for the United Nations Environment Programme in Geneva, where he deals with global environmental issues. His main objective is to link global goals with local actions.

“Today, many natural resources such as soil, biodiversity or groundwater are degraded and heavily overexploited.”





PIERRE KAPPLER
Head Gardener Switzerland/
France

The ground beneath our feet unfortunately does not yet get the attention it deserves. Every year, we lose an area of around 14 million football pitches of soil through deforestation, slash-and-burn and sealing, among other things. Conventional agriculture is further depleting the soils, the humus and nutrient content is declining. According to estimates, we will soon no longer be able to grow food on a large part of our soils. Biodynamic agriculture, as practised by Weleda in its eight medicinal plant gardens, has been counteracting this with its regenerative methods for almost 100 years. We don't poison the soil. Instead, we foster humus formation and increase soil fertility in a natural way.

Figures from the Weleda world

7 billion
living beings

are found on average in one kilo of soil. Among them are lots of protozoa, bacteria and fungi, but also worms, isopods and arthropods.

50 %
CO₂

is bound in our soils worldwide. Soils are climate protectors – after the oceans, they are the largest CO₂ reservoir.

2,000
years

are needed for ten centimetres of healthy soil to emerge naturally.

24 billion
tonnes of

soil is lost to erosion every year.



HOW WE IMPROVE THE SOIL

The soil is the start and the finish of everything that happens in the garden. In our medicinal plant gardens we experiment and learn every day how to make the soil healthier and more fertile. We pass on this knowledge to our cultivation partners all over the world. We compost plant residues and cow dung and give the soil its own nutrients back. Bushes and shrubs protect against erosion. Our garden in the Netherlands, for example, was full of clay soil at the beginning and nothing would grow on it. Since the treatment with biodynamic preparations, we have been growing healthy plants here. Because the plants of tomorrow grow in the soil of today.



BIODYNAMIC FARMING

Everything that grows and thrives on our own plots and fields we cultivate biodynamically. With various natural methods we try to keep the soil healthy and alive and to strengthen it. For example, by using green manure. As a catch crop, legumes such as red clover bridge the time that lies between two crops. They absorb nitrogen from the air, convert it into food for soil organisms and protect against sun, wind and rain. In this way, they naturally prevent the soil from eroding.



THE KINGFISHER IS BACK

Not only plants feel good on our healthy soils, but so do animals. After we established native fish in the ponds of our German medicinal herb garden, it did not take long for the kingfisher to return. The bird with its unmistakable bright blue colour is dependent on natural waters and their banks and feeds on small native fish. The kingfisher has also been spotted in our garden at our headquarters in Arlesheim. For us, this is further proof of ecological linkages. We protect biodiversity by restoring the natural cycles.



ETHICAL SOURCING

Global supply chains are complex and often not transparent. For outsiders, it is almost impossible to track them: compliance with social and ecological standards is still rare. But with our supply chains, we can make an enormous contribution to people and nature.



“We need an economic model that is oriented towards the limits of the earth’s capacity and towards justice and the common good.”

For Vandana Shiva, the principles of biodiversity are the basis of true democracy. The charismatic Indian physicist and activist is highly concerned and is calling for civil disobedience.

Ms Shiva, you are calling for civil disobedience. Does this give expression to your deep inspiration from Mahatma Gandhi?

That is absolutely correct. Gandhi coined and gave life to the term satyagraha for this. In my activist life, satyagraha is the central theme. This means fighting against untruths with civil disobedience. Lies like the one that agrochemicals can feed the world or that pesticides, i. e. agricultural poisons, are necessary and safe.

What are the current satyagrahas?

In this time of extreme destruction of biodiversity and climate catastrophe, we need an all-unifying Satyagraha for Life. The Fridays for Future movement is currently extremely important. The young generation is practising civil disobedience worldwide with an impact we could hardly have imagined.

What is the relationship between biodiversity and agriculture?

Sustainable agriculture not only preserves but also creates biodiversity, which provides us with a diverse range of food. Our body needs more than just calories. We also need minerals, trace elements and vitamins, i. e. the greatest possible diversity of cultivated and also wild plants to ensure food for a healthy diet. We do not need toxic pesticides if the diversity of flora and fauna is in balance. This creates the basis for healthy and fertile soils that do not need artificial fertilisers from chemical factories. By using agricultural chemicals and monocultures, we are not only destroying plant diversity, but also destroying the livelihood of pollinating insects.

Why are healthy seeds so important?

Seeds are biodiversity. But it is now an unfortunate fact that the agrochemical industry, with its drive to control agriculture, is destroying the enormous diversity of our seeds. For example, thousands of maize varieties were bred from the wild plant teosinte by the indigenous peoples of Latin America, and farmers even developed over 200,000 varieties from an Indian native form of rice. Seeds are designed for diversity, which forms the basis of our healthy diet.

What are the crises to be solved besides the Corona pandemic?

We face three other major crises: climate chaos with peak oil, staggering biodiversity loss and the food crisis, all of which are linked. The key message, “Soil not Oil”, demonstrates this: a crucial way to solve these crises is to practise agriculture that works with healthy soil, and not based on oil.

Vandana Shiva holds a PhD in quantum physics and has been an activist for environmental and civil rights and ecofeminism since the 1970s. In 1982, she founded the Navdanya (Nine Seeds) Foundation and was awarded the Alternative Nobel Prize, among other honours.

“The young generation is practising civil disobedience worldwide with an impact we could hardly have imagined.”

“A rapid and consistent shift to organic farming has become a matter of survival.”

Does the “obsolete model of agriculture” serve as a saviour for these crises?

The solutions are indeed not to be found on Wall Street or in corporate headquarters, but above all in the countryside. Agriculture is a forward-looking economic model and a central solution factor, but only if it is practised in a sustainable and ecological manner. More people will have to work in agriculture again, even in rich countries. We need to return to real world economics and we should build new models of mutual support. If we do not prepare now, we will not only have fierce conflicts, but a struggle pitting everyone against everyone.

So the solution is in the hands of the farmers?

I see my role as honouring the hard work of smallholder farmers. If we don't, no one will want to do this work anymore. The global trend and the rural exodus are proof of this. But who will produce our food in the future? Industrial agriculture destroys food, we waste up to 90 per cent of available calories by feeding grain to livestock. Sustainable agriculture is not possible without a combination of animals, crops and trees.

So what is the most important thing to achieve the changes that are needed?

A new way of thinking. Thinking changes as a result of education. The best kind of education is practical experience. When you use your hands and have contact with the earth and with animals, the brain is activated in a certain way. I recommend gardening as a school subject for all children. Let them choose their own path, but we should at least give them gardens.

Your goal is to rid the world of pesticides by 2050. A crazy dream?

The idea to fight for a pesticide-free world with a clear timeline was born in 2017. We organised a Bhoomi festival for Mother Earth. The communities of our Navdanya Movement of the whole Himalayan region came together. Even Prime Minister Chamling, who converted the Indian state of Sikkim to “100 per cent organic”, and the mayor of the South Tyrolean municipality of Mals, who

successfully banned pesticides from his apple-growing region by referendum. That doesn't sound like a crazy dream.

What does society have to do to achieve this?

We need to communicate that the same pesticides that are killing bees and butterflies are also making farmers and consumers sick. We need to start calculating and internalising the costs of these diseases for society and also for individuals. Then it will quickly become apparent that we can no longer afford or allow chemical agriculture and the wrong kind of food. A rapid and consistent shift to organic farming has become a matter of survival.

And what can we do ourselves?

Our global community is the sum of all individuals. When each individual changes, society is changed. All paradigm shifts start very small before they turn into a big wave. This also applies to biodiversity, climate protection and, above all, the much-needed radical agrarian reform.

What is your vision for the future?

Well, I see two very controversial futures. Either we continue on the destructive path that poses a massive threat to human and planetary health, including to the 200 or so species we lose every day. So it can happen to us that we disappear from the planet. Or we protect the earth, the environment, biodiversity and ecological processes so that ecosystems can regenerate.

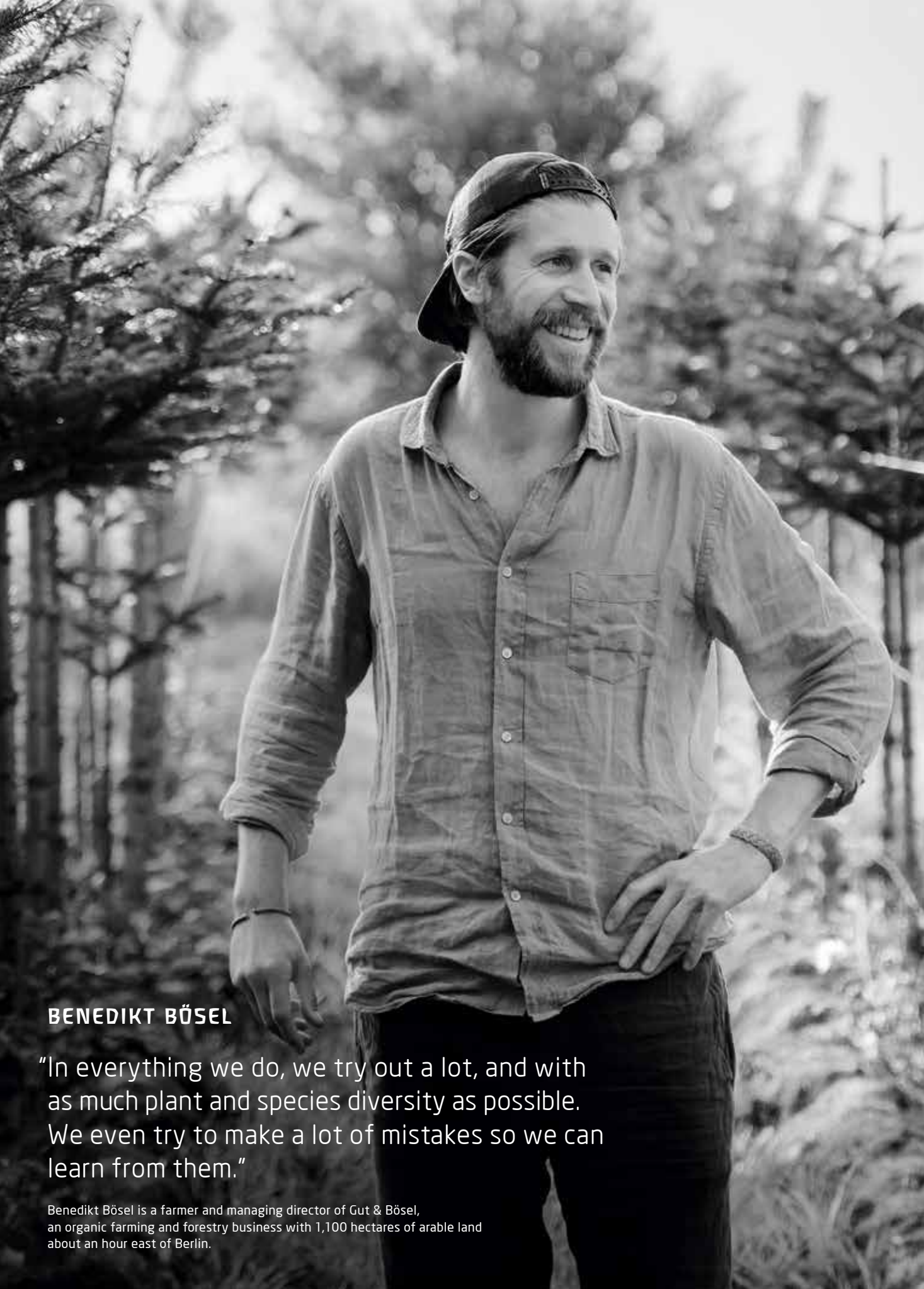
What message do you want to share?

Most importantly, that we are not masters or even owners, but part of nature. We must not only take, but also give back and work not against, but with nature for the benefit of all. We must stop exploiting the unlimited natural wealth of the earth for unlimited economic growth. We need to make peace with nature by creating toxin-free systems of production and consumption.

For further information, visit:
www.navdanyainternational.org/de



When each individual changes, society changes. Vandana Shiva is convinced of this.



BENEDIKT BÖSEL

"In everything we do, we try out a lot, and with as much plant and species diversity as possible. We even try to make a lot of mistakes so we can learn from them."

Benedikt Bösel is a farmer and managing director of Gut & Bösel, an organic farming and forestry business with 1,100 hectares of arable land about an hour east of Berlin.

SARA CONSTANTINO

"How do we cultivate a fruitful reciprocal relationship with the environment that provides for us? We can learn this from the people who practise the coexistence of humans and nature every day. Indigenous communities observe and understand nature, their traditional medicine is based on ancient knowledge about plants and their active ingredients."

Sara Constantino from Colombia is an environmental activist, social media influencer (@laeconstantino) and works with indigenous communities.





Helena Norberg-Hodge, 75, is a leading globalisation researcher and founder of Local Futures, an organisation that promotes cultural and biological diversity worldwide. She is the author of the best-selling books *Ancient Futures*, *The Economics of Happiness* and *Local Is Our Future*.

“We need to respect natural diversity and emulate it.”

Industrial agriculture no longer has a future: its impact on people, the climate and biodiversity is too dramatic. Helena Norberg-Hodge explains how we can solve the problem in harmony with people and nature.

Ms Norberg-Hodge, you have been researching the effects of globalisation on traditional cultures and agriculture for many years. What conclusion were you able to reach?

That it can't go on like this. Industrial agriculture is responsible for deforestation, depleted soils, drained rivers and lakes, species extinction on a small and large scale, the list could go on endlessly. Pesticides destroy the soil, poison the groundwater and destroy biodiversity. If we don't change something now, we will soon no longer be able to grow food.

Can locally produced food feed the growing world population?

Absolutely. Indeed, local food production is key to feeding the world's growing population.

Why?

It is important to understand the structural link between local food production and biodiversity in agriculture. In contrast to the global market, which demands huge quantities of uniform goods, local markets require a large variety of different products. By prioritising production for local needs, local food production promotes biodiversity.

What do you say to critics who justify monocultures in view of the gigantic demand for food?

Our common sense tells us that industrial monocultures do not work in the long run. We achieve high yields in the short term, but this is disproportionate to the ecological damage. Agriculture must work with nature, not against it. And nature strives for diversity. If we respect and emulate this diversity, we benefit doubly.

How can this be achieved?

It's simple: diversity instead of uniformity in cultivation. A farm can, for example, enhance grain fields with fruit trees or vegetables and at the same time practice species-appropriate animal husbandry. These types of farms produce far more food than industrial monocultures, in some cases up to 20 times more, according to some scientific studies. This is achieved by using every ecological niche instead of squeezing agricultural ecosystems into a uniform and unnatural culture.

And what impact does this have on biodiversity and the climate in concrete terms?

A positive one! Intercropping not only prevents the worst effects of globalised and industrial agriculture, but reverses them. Organic farms mimic natural ecosystems and strengthen the cycles and processes within the system. They also provide jobs and food security. We are addressing three major problems: the climate crisis, the loss of biodiversity and the food shortage.

“Local food production is key to feeding the world's growing population.”



BAS SCHNEIDERS
Head of International
Strategic Sourcing

We take the sourcing of our raw materials around the globe very seriously. We don't only pay attention to social and economic standards along the entire supply chain. Because biodiversity in the cultivation areas is particularly close to our hearts. We support small-scale farming structures, promote soil improvement and respect biodiversity. We are the only European company to be certified with the UEBT (Union for Ethical BioTrade) seal of quality. In 2020, we started even more new cultivation projects, such as the beeswax project in Cameroon, and continuously improved existing ones.

Figures from the Weleda world

47
audits

were carried out in 2020. This involved scrutinising each of our supply chains to see if they met the strict requirements of UEBT.

For 500
beekeepers

we ensure a steady income in more than 40 villages with the new beeswax project in Cameroon. We also promote the protection of biodiversity and created 32 new jobs.

650
natural raw materials

for our natural cosmetics are sourced from all over the world under the strictest social and ecological standards.

Over 150
ingredients

that can be used pharmaceutically are contained in the medicinal plant arnica. We source them from controlled wild harvests and process them in our natural cosmetics and medicines. It is particularly helpful for bruises, muscle injuries and sprains.



THE TRUE COSTS

How does the cultivation of our plant-based raw materials affect the climate and biodiversity, and how can this be measured in monetary terms? This is the subject of what is known as true cost accounting. For all essential plant raw materials we want to know the true costs and also find out what positive effect biodynamic cultivation has. The initial results offer hope: bitter oranges from Egypt, which we use for neroli oil, have a benefit of 3.30 euros per kilogram and 600 euros per hectare of cultivated land. This is because more CO₂ is bound than emitted by the compost incorporated into the soil. By way of comparison: conventionally grown bitter oranges generate a loss of 4.50 euros per kilogram.

RATANHIA WILD HARVEST IN PERU

The root of the ratanhia bush is rich in tannins and has a soothing effect on the gums. That is why we use extracts of it in our ratanhia toothpaste and ratanhia mouthwash. Demand is continuously increasing, and their population is under threat. For many years, Weleda has been promoting organic wild harvesting in the barren, rocky landscapes of Peru, where the inconspicuous shrub with its many roots is at home. The love of nature is the top priority here. Where we harvest a root, we immediately sow again. Biologists check the population regularly in the process.



WE PROTECT WHAT WE CULTIVATE

Our cooperation with BOS (Borneo Orangutan Survival) is ongoing. After reforesting part of the rainforest, creating jobs and thus contributing to community development, we are now pushing ahead with the rewetting of the peat bog rainforest. In doing so, we are protecting what we have established and are providing a habitat for the orangutans once again. The peat bogs are enormous CO₂ reservoirs. Protecting them not only preserves biodiversity, but also actively protects the climate.



HEALTH

What does it actually mean to be healthy? Humans are not just made up of a body, they also have a soul and an individual personality. Besides taking care of ourselves, we should be mindful of the health of nature. For only when human and nature are in harmony with each other can we use the powerful healing forces of nature.



“Care is not only daily hygiene, care should always be celebrated as well.”

Midwife Sissi Rasche’s ambition is to facilitate a beautiful birth in which both the baby and the mother feel comfortable and secure. How she connects her philosophy with sustainability and why changing nappies can also be something beautiful.

Ms Rasche, when asked whether it should be a girl or a boy, most parents answer: “The main thing is healthy!” As a midwife, how do you deal with being allowed access to the most intimate moments and at the same time with this responsibility?

There is a very big responsibility, and I am always aware of that. As a midwife, you can’t have a bad day. When you are assisting a birth, you have to leave everything that you are experiencing in your own life outside. Then the door opens and I try to handle each birth as if it were the first or only birth for that woman. Good care is the be-all and end-all. If it’s a home birth, I also say: I prefer to do too much once rather than too little. I don’t have to prove anything to myself, but my big goal is to guide woman and child safely through a birth.

What is your philosophy?

For me, my philosophy as a midwife is to provide holistic care. That is why I decided directly after my training to care for women holistically: during pregnancy, during birth and in the post-partum period. An intensive accompaniment where you get to know each other and share this path together. Because I am convinced that if a woman is not left alone some place where she doesn’t know anyone and doesn’t feel comfortable, many complications that could arise during childbirth can already be remedied. That is why for me the comprehensive package is my dream job. This is not always easy due to the difficult situation midwives are in, because the financial aspect plays such a big role.

Weleda has committed itself to anthroposophical medicine: to view the organism as a whole when healing and to activate the body’s own defences. Is there a common ground with the way you approach things?

Absolutely! As a midwife, you already are exposed to Weleda during your training, it accompanies you, I always think it’s good when you see the whole picture and don’t just pick one thing, and instead look at how you can support women in their holistic well-being. In this way, it creates a better environment for the mother-child relationship, but also for the whole family situation.

After all, a birth is a momentous experience. How important is mental health in addition to physical health?

I pay great attention to that. Some women who have had a caesarean section, for example, are often afraid that they have failed. My constant companionship enables me to provide much better support for women. Also in the post-partum period, which is a tightrope walk, especially for the psyche. You have given birth to a child and your hormones are in a state of flux. This is a very intense period for most women and the whole family. It is then important to simply be there,

Sissi Rasche works as a freelance midwife in Berlin and knew from the age of 15 that this was her dream job. Together with her colleague Kareen Dannhauer, the 35-year-old has launched the podcast *Midwife Salon* – to offer women even more holistic care.

“I don’t have to prove anything to myself, but my big goal is to guide woman and child safely through a birth.”





Sissi Rasche is the mother of three children.

to be someone to talk to. And to observe at an early stage if mental health is suffering as a result. How can the woman and the families be supported so that a good balance is restored? Because if the mother is not well, the rest of the family is not well either. That is why the skilled interaction and collaboration of psychologists, maternity nurses and paediatricians is also very important. Many women feel that their problems are not taken seriously. It is a code of honour in my work to simply listen to the women and in this way establish a rapport.

What role does sustainability play in your work?

Unfortunately, sustainability is not so easy when it comes to maternity care. A lot of waste is produced in the clinic because there is no other way to maintain hygiene. However, when I accompany families on the path to parenthood as a midwife, I see it as my job to educate parents, limit consumption and shop more consciously. Especially if they already have many things at home. Pregnant women and parents in particular are very vulnerable and think they need certain things to be a better mother or a better parent. Of course, for babies, for example, you need good clothes, but even there you should choose companies that take up the idea of sustainability, where the whole supply chain is sound, from production to the end consumer. That doesn't mean you should have an entire wardrobe full of clothes. Better ask yourself: Do I really need that? You can also borrow various things if you only need them for a short time. Or test them first before using them.

What do you look for in ingredients and what practical tips do you have for care?

I want natural ingredients, preferably organic natural cosmetics. I make sure that there are as few fragrances as possible. What you shouldn't compromise on in baby care is a high-quality, pure and mild oil. This can be used in many ways: for massaging babies, for intimate care or for taking care of skin wrinkles. It is important to use good products already during pregnancy. Weleda's pregnancy oil is also great for this! It's not just about taking care of your body, but about connecting with the child. When you massage their belly, you are already building an emotional bond. Care is not only daily hygiene, the care of a pregnant woman or her baby should always be celebrated as well. In units you make time for. You can also combine nappy changing with communication with the child, because it fosters a beautiful physical and emotional bond.

"Midwives love their profession. No midwife gives up because of a lack of passion. The pay is a disaster."

When we talk about sustainability, social sustainability is also part of it. The midwifery crisis is a big problem. More and more are giving up their profession because they are so badly paid. What motivates you not to quit?

Midwives love their profession. No midwife gives up because of a lack of passion. The pay is a disaster. I perform a good and skilled job and I want to be paid appropriately for it. Of course, one could say: I'm only accepting private patients or self-pay patients now, because then I get a more appropriate payment. And that's what I am about to do. But then there is the bad conscience, because then only a fraction of people can afford our care, and that doesn't feel good.

What needs to change most urgently in health policy?

Midwives must be paid more fairly and the profession must become more attractive again. It is scientifically proven that births go more smoothly when the mother receives comprehensive care from a midwife. Every woman is entitled to competent care from a midwife. After all, nothing less than our children, indeed our future, is at stake.

ANDREA FREUND

"Four hundred years ago, Galileo Galilei was able to prove against all odds that the earth revolves around the sun – and not the other way around. Perhaps we are on a similar threshold to a new understanding – this time of our own bodies. In addition to holistic medical therapies, psychoneuro-immunology and epigenetics show that ultimately everything is about how we treat our body. We can influence it through our beliefs, about how we think and what we feel, and contribute to how healthy or sick we are. In this context, the placebo effect could also be interpreted in a positive way: what I believe in, in the sense of what is true for me, happens. Perhaps we do have more power and quite a different sort of power over our bodies than what we had assumed. It begins with learning about the wonders of our bodies and believing it possible for us to consciously participate in them."

Andrea Freund is a journalist and co-author of the book *Leber an Milz: Wie wir lernen, auf die geheimen Signale unserer Organe zu hören* (Ecowin, 2018).



DR. FRANK LIPMAN

"I believe that true health is much more than the absence of disease. It is a total state of wellbeing, including physical, mental, emotional, spiritual and social components. Therefore, when considering how to heal the body and create sustainable wellness, it is essential to consider all areas of life that can be influential, along with how those factors may differ from person to person."

Frank Lipman is a doctor and bestselling author. He is considered a leader in functional medicine.



“It’s about a way of life.”

She is driving the conversion to organic farming in Tanzania. But Mwatima Juma is concerned with much more, namely a new, more natural relationship between people and nature.

You are the founder of the Tanzania Organic Agriculture Movement. What is that exactly?

About ten years ago, I was working for a certification agency when the demand for organic agriculture and for organic raw materials was growing rapidly. That’s when I became an activist. Because it was clear to us: if organic farming in Africa and here in Zanzibar is to be successful, we cannot simply copy the European way. That’s why I said: Let’s found an umbrella organisation that bundles many initiatives from all over East Africa. We have received a lot of support from all over the world along the way. On the one hand, of course, it’s about operating in harmony with nature. Equally important to us is to strengthen a new image of organic farming: not primitive, as the agrochemical companies portray it, but intelligent and self-confident. That’s how the movement started. Now we have about 100 members and are also very politically involved.

What goals do you pursue with your work?

I am wholeheartedly committed to our vision: we envision a vibrant, sustainable and mutually beneficial organic sector in Tanzania. So it’s about much more than farming and trading organic raw materials. It’s about a way of life and about truly enabling everyone to participate in it, because it’s better for everyone.

What resistance do you have to overcome?

Of course, the biggest resistance comes from those who make profit from the sale of agrochemicals. The companies and lobby groups finance campaigns, they unsettle and disinform the farmers, the political leadership and the administration. The biggest victims are the many farmers. They often don’t even know what chemicals they are using, and that’s why they can’t protect themselves.

What is your source of inspiration?

My first degree in agriculture was conventional: I learned how to use chemicals. But on my father’s farm, we never used aggressive chemicals and in hindsight maybe they were not available and our soils were fertile. I realised there that it just made more sense. I share that understanding now, because having knowledge means protection. Here in Tanzania, if farmers are to adopt conventional farming practices, it means they are exposed to poison. Only public information can help against this. Since then, I have had a dream: what if we had 100 per cent organic agriculture in Zanzibar and throughout Tanzania? That is a good goal, and it is realistic.

Mwatima Juma holds a PhD in agriculture and crop production and is the founder of Tanzania Organic Agriculture Movement, an organisation committed to organic and smallholder agriculture.

“Equally important to us is to strengthen a new image of organic farming: not primitive, as the agrochemical companies portray it, but intelligent and self-confident.”



**FRIEDERIKE TEWS AND
FRANZISKA BÄCHTLE**
Anthroposophic Pharmacy
Competence Centre (APCC)

We help to preserve, pass on and further develop Weleda's wealth of pharmaceutical knowledge. The APCC was founded in 2018 for this purpose. We not only conduct research in the laboratory but also organise further training for Weleda worldwide. We see our work as an encounter: cooperation with internal and external areas succeeds best through open encounters. In research, we inquisitively explore topics such as metal mirrors and thermal processes. In this way, new questions and perspectives arise vis-à-vis familiar pharmaceutical processes – they are invigorated and can be better understood.

Figures from the Weleda world

108

is the average number
of employees

participating in the APCC's continuing education
modules.

429

Swiss medicinal
product approvals

are subject to new regulatory requirements.
All medicinal products covered by these approvals
will receive new packaging texts.

160

medicinal plants

are cultivated in our biodynamically managed
medicinal herb garden in Schwäbisch Gmünd. It is
the largest of its kind in Europe. We operate a
total of eight medicinal plant gardens worldwide.

100

years

is how old anthroposophical medicine became
in 2020. Today, as then, it is all about the whole
person – body, soul and spirit.



MEDICINES WITH EXEMPLARY CHARACTER

Our medicines give integratively regulating healing impulses for the organism that is out of balance. They act as a "model" of the healthy organ functions and can compensate for deviations in both directions. For Cardiodoron®, our leading preparation for the treatment of functional cardiovascular disorders, this was described in an impressive manner in a scientific publication from December 2020. In a secondary analysis of data from an observational study, Cardiodoron® was shown to regulate blood pressure levels that were too low and too high. The prescription medicine consists of a composition of extracts of spring primrose, henbane and cotton thistle. We grow all three plants biodynamically in our medicinal herb garden.

For further information, visit: <https://doi.org/10.1159/000509632>



NEW WELEDA CITY SPA IN STUTTGART

The Weleda City Spa in the heart of Stuttgart has been open since the beginning of 2021 for a relaxing break from everyday life. After Hamburg Blankenese, it is the second of its kind in Germany. The spa team offers an extensive range of massages and facial treatments in five stylishly furnished treatment rooms. They all follow the holistic approach to the deep relationship between human and nature from which Weleda has been developing medicines and natural cosmetics for 100 years.

For further information, visit: cityspa.weleda.de/stuttgart



MEDICAL CENTRE AND PHARMACY IN NEW ZEALAND

In February 2021, Weleda New Zealand, together with three anthroposophic doctors, opened the Sophia Healing Centre for anthroposophic medicine, which has its own pharmacy. Doctors and pharmacists will work with local Maori to develop and use remedies based on New Zealand medicinal plants. This initiative aims to raise the profile of Anthroposophic Medicine in New Zealand while simultaneously valuing and incorporating local knowledge. The medical centre and pharmacy are housed in Weleda New Zealand's historic premises in Havelock North on the North Island.

For further information, visit: www.weleda.co.nz





BEAUTY

Beauty does not come from the inside or the outside only. We think something is beautiful if it is good for us on the one hand and does not harm nature on the other. Because we believe that the life processes of nature and those of humans are interconnected.



“I find it nice to feel that I am not harming the planet by buying a product.”

As managing director of the green online shop Avocadostore, Mimi Sewalski believes that a sustainable approach makes beautiful things even more beautiful. Why sustainability doesn't have to be perfect – and what that has to do with Goethe.

Ms Sewalski, in the sustainability discourse there is often talk of the “brave new world” in the sense of a future utopia. What will this look like from your point of view?

It's nice to put some thought into it. Because if we direct our energy towards the beautiful, we will also get there. I envision a world where we all live together in fairness. In which there are enough resources for everyone and there is no more social inequality. I would like to see global thinking. What I consume or produce has global consequences and consumes natural resources. Our food, cosmetics, and even our mobile phones cause problems in other countries, such as deforestation and mining. Perhaps globalisation could be scaled back a bit and more local production could take place again. Do I really need a “made in China” product?

The Dobbiaco Colloquia is a traditional meeting of the environmental movement in support of a sustainable life. As early as 1998, they declared beauty to be one of the basic needs of human beings. How do you define beauty yourself?

For me, beauty is something holistic. It's no use to me if something is beautiful from the outside, but not what's behind it. A product can be beautiful in price, design and quality, but if it is not produced in a fair way, it is not beautiful for me. This already starts with the original idea: how can I bring wholeness into my product? It's not just the packaging that's part of it. Where do I get my raw materials? How do I treat everyone involved from the farmer to the transporter? It is not enough to say: “We have 1,000 products, now let's make a green range with five products.” The correct – or more beautiful – approach would be to say: “Where can we take the first steps in the company? What is our objective in terms of work-

ing in a holistically sustainable way?” That would be beauty in the whole manufacturing process.

The destruction of ecosystems, terrible conditions in factory farming, the blighting of landscapes – all this contradicts our understanding of beauty. What role does perception play in getting more people to support sustainability?

When we founded the Avocadostore in 2010, we wanted to open up a niche that didn't exist before: an online shop for sustainable products. We still had to explain to people what vegan is. When I used the word “eco”, many people thought of ugly jute clothes and ran away screaming. So we put a lot of emphasis on appealing aesthetics and high-quality product photos. We pretended to be a normal online shop, only with a sustainable touch. And not the other way round. “There's no social business without business.” This was the only way we could familiarise enough people with the topic of sustainability who might have been overwhelmed at first. That is still our mission today. To tell them: “Hey, it's not hard to shop in a sustainable way anymore, and by the way, it's really fun.” And we also lead by example. The beauty of it is: there are more and more people who are really motivated to tackle the issue.

How do you select the products?

Every one of our products must meet at least one sustainability criterion. We don't just put a green label on it, but always show transparently why we think something is sustainable. To give our customers the opportunity to question things. Sustainability is not so easy to answer with yes or no. There are already many labels where you can be sure that a certain standard is in place. But there are always products that cannot

Mimi Sewalski studied sociology and criminology. She has been running Avocadostore, Germany's largest online marketplace for sustainable lifestyle, since 2011. As a consultant, she specialises in sustainable consumption, fair trade and green entrepreneurship – and gives tips on how to improve. This is also the case in her book *Nachhaltig leben jetzt!* (Knesebeck, 2020).

“These cycles in pristine nature, that has something very beautiful for me as a trained sociologist who thinks in systems.”

afford these labels. They may be smaller producers, but they are more sustainable. Or they are just starting out, but have a great idea. We want to give these products a chance. No one can switch to sustainability overnight, be it privately or in a company. It has to be okay that it's a process. This also generates the most creativity among brands and start-ups. Just start small and think of alternatives. If I were to start pointing fingers right away, it would stifle creativity.

Does the sustainable aspect make beautiful things even more beautiful?

For me personally, yes. When I need something privately, the first thing I always do is see if I can find a sustainable option. Sustainability is more important to me because I find it nice to feel that I am not harming the planet by buying a product. But I can imagine that there are people who are more focused on the brand. But if instead of asking: “Why is organic so expensive?” You ask: “Why is conventional so cheap?”, then you automatically find sustainable things more beautiful. Goethe once said: “Beauty is a welcome guest everywhere.” Beauty as a vehicle through which one can transport a lot of content. So if you manage to produce beautiful, sustainable products, that attracts people all the more.

What inspired your commitment to the environment?

I love nature. There is nothing more beautiful than looking at a flower, leaf shapes or landscapes. Nothing moves me as much as beautiful nature. That's why, for me, sustainability is always about protecting nature. My grandfather was an amateur hunter and I often went with him to the forest. I learned a lot about nature there, but I also saw animals being shot. It does something to you. I knew then that I didn't like that and that it was important to me to protect animals. These cycles in pristine nature, that has something very beautiful for me as a trained sociologist who thinks in systems. The ugly thing is that we humans unfortunately often destroy everything.

In your book you give sustainability tips for everyday life. You write that up to 120 ingredients affect us in skin care. What should we look out for?

True beauty comes from within – what sounds like a cliché, however, is often not self-evident, especially for women. How we look always tells us something about our lives, so we should be kinder to ourselves. But the skin is also our largest organ, and what we put on our skin goes into our body. It's like with food. People say: “You are what you eat.” I also think: “You are what you put on your skin.” Many people do not know that substances are absorbed through the skin. That's why it's even more important to know which ingredients are really good for you. Many brands are rather neutral or inconspicuous in their branding and then unfortunately full of microplastics or silicones. For me, it's a nightmare to rub something like that on my face, plus there's the damage to the oceans and the soil. The paradox is: people buy these products because they want to do something good for themselves – and don't even know what the consequences of some of the listed ingredients are.

Do you see a change in the cosmetics industry?

A lot has happened in recent years in terms of the aesthetics of packaging. It has become more modern, fresher and appeals to more young people. Many companies are concerned about sustainable packaging. But I also know that it is not that easy. It always depends on the product. Some people can't stand certain materials, glass tends to be heavy, plastic lighter. Things that weigh a lot, however, produce more CO₂ emissions during transport. Sustainability is complicated. The second change I see is this: customers are becoming more critical, asking more questions and not just blindly buying something with a green label on it. The demands are increasing. Companies that communicate this well and offer this transparency will be the winners. Because the more customers scrutinise, the more closely they read the packaging and the more the truly sustainable companies benefit.



Mimi Sewalski thinks sustainability is complicated, but as a critical consumer you can make a big difference.



MADELINE STUART

"Seeing the world slowly change to become more inclusive inspires me."

Madeline Stuart is an Australian model. She has been on the catwalk at all the big Fashion Weeks.



PATRICIA SILVEIRA

"Sustainable raw materials and natural ingredients are becoming increasingly important. As a pioneer, Weleda is an inspiration for the entire industry and beyond. I expect the cosmetics industry to become more responsible, clean and conscious in the future. Because consumers have become more critical and demanding – and that is a good thing. By valuing natural ingredients, we promote our health and also that of nature."

Patricia Silveira is a dermatologist living in Brazil.



Lena Klenke is an actress. She is best known for the Netflix series *How to Sell Drugs Online (Fast)*.

“I often find that you need almost nothing to be happy.”

Her industry is fast-moving and designed for short-term success. How does the actress Lena Klenke nevertheless manage to make informed and sustainable decisions in everyday life?

Ms Klenke, what does sustainability have to do with beauty?

I think they belong together. With sustainability comes deceleration, a return to the roots and often the idea that “less is more”. In the industry I work in, things often have to be higher, faster, further – in every respect. So for me, I very deliberately seek balance in the origins, to realise that you often need almost nothing to be happy, and that the most beautiful moments arise spontaneously and by chance, and without excessive luxury. You can apply this to all areas of life. When I harvest food from my own garden, then prepare and enjoy it, it is beautiful and sustainable for me at the same time. Or when I spend the night in the forest and wake up in the morning to birdsong.

Is sustainability only possible by abstention, or is there such a thing as sustainable consumption?

I also enjoy sleeping in a luxury hotel once in a while. For me, however, sustainability definitely entails sacrifice, but above all it simply means conscious consumption. For me, that means asking myself over and over: do I really need that, or am I trying to compensate for other areas with it? Or do I just want to be part of a society that keeps trying to create needs that I don't actually

have? For me, sustainability also has to do with cycles, closed cycles. That means not throwing everything away, but also repairing things or finding someone who can still use them, and then thinking about whether you need to replace the product at all.

Companies that want to do business in a sustainable manner are in a bind these days. They need to grow and sell more to survive in the market. But they also want to leave the world a better place. Does one rule out the other?

Credibility and authenticity are the first things that come to mind. As a customer, I trust brands that stay true to themselves over a long period of time and don't force themselves to keep up with every trend. That's what I appreciate most about Weleda. Since my childhood, I have associated a certain scent with these products, and it triggers a certain feeling of security in me.

What advice do you have for companies like Weleda?

I expect Weleda to remain true to itself, to not forget its values. I expect it to constantly question itself and pay attention to what happens to its products when they are used up. Can I reuse packaging in another way, where can I reduce packaging? The same goes for the ingredients. Cosmetics and sustainability are definitely areas I can still work on further. I love good cosmetics, and at the same time I know less is more and in the end the skin doesn't need much.

“Do I just want to be part of a society that keeps trying to create needs that I don't actually have?”



CHRISTINE GESIEN
Senior
Packaging Manager

We believe that beauty and sustainability go hand in hand. That is why we also attach great importance to sustainable packaging. Our design and the packaging design reflect our ecological standards. The packaging should first and foremost protect our products and not harm the environment. For the popular Skin Food Body Butter, we have switched to sustainable green glass and significantly reduced the plastic in the cap. Where folding cartons are still needed, they will have a recycled content of at least 85 per cent. Overall, we are focusing more strongly on so-called positive packaging in the development of packaging. Product protection, environmental protection and user experience go hand in hand.

Figures from the Weleda world

2,700,000
is how many times

we sold our Skin Food in 2020.

97 %
recycled plastic

is in the new rPET bottles, which are used for our baby products, lotions and the Prickly Pear range. They will gradually be used in other products. The remaining three per cent are colourants.

200
tubes

per minute are filled by the new combination tube line for natural cosmetics at the Schwäbisch Gmünd site. The packaging line, which cost over six million euros, can fill our products in various packaging materials.

20-40
trillion

micro-organisms are found in the human body. They are called the microbiome. Research on the interaction between micro-organisms and our skin is still in its infancy.

FROM PLASTIC TO GREEN GLASS

Our Skin Food Body Butter is a real blockbuster. Launched in 2019 as part of the expansion of the Skin Food range, it is enjoying great popularity worldwide. Now we have also switched the packaging to environmentally friendly, recyclable green glass with a high amount of post-consumer recycled material.



OUR FOUR AROMA SHOWERS

With 100 years of experience in working with essential oils, Weleda has designed four Aroma Showers that promote natural well-being on an individual basis. Depending on your mood, our new Aroma Showers invigorate, relax, pamper and envelop you, because each one is unique in terms of fragrance and provides an experience for body and senses while you are showering. The fragrance consists of 100 per cent natural essential oils and plant extracts and unfolds its full power in the steam of the shower.



Our commitments and goals for sustainability

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PRICKLY PEAR FOR MOISTURE

Prickly pears are bursting with moisture inside. This inspired us to create our new Weleda Prickly Pear range. In a complex, patent-pending process, we extract the water-binding components of the dried cacti to make an effective extract. Initial customer testimonials confirm the desired effect of long-lasting moisture. In 2020, initial sales began in Germany, Austria, Switzerland and France. Other markets will follow in the course of 2021. All four products are Natrue-certified and bear the UEBT label for sourcing raw materials with respect for people and nature.



Product development and products

Contribution to the Sustainable Development Goals of the United Nations



More about Weleda and the Sustainable Development Goals of the United Nations on page 86

Our commitments	Milestones 2020	Trend	Assessment
100% Natrue certification for all cosmetic products	New products: ► Prickly Pear Care range: 24h Moisturising Cream 24h Moisturising Fluid Refreshing Moisturising Eye Gel Refreshing Moisturising Spray ► Pomegranate Firming Face Oil ► Nature Cocoon Shower	↗	●
High vertical integration (fragrance development, quality control and tincture production)	Strengthening of vertical integration, for example in tincture production	→	●

Trend: ↗ rising → unchanged ↘ falling Assessment: ● Promise fulfilled ● Promise not fulfilled

New targets for 2022	Status quo 2020	Trend	Assessment
Attractive and sustainable packaging Natural and organic cosmetics primary packaging (based on the weight of all packaging produced, including closure systems): ► At least 65 % recycled materials or bioplastics ► At least 75 % recyclability or compostability	► Share of recycled materials: approx. 40 % ► Recyclability percentage: approx. 85 % ► Activities in 2020: switched bottles for baby products to 97 % rPET, switched Skin Food Body Butter to green glass jars, introduction of Prickly Pear Facial Spray with bottles made of 97 % rPET, preparation of "unpacked" pilot project	↗ →	● ●
Natural cosmetics packaging (folding boxes, package inserts): ► 100 % sustainable paper or cardboard (e.g. recycled material, FSC label) ► 100 % recyclability or compostability	Share of sustainable paper or cardboard: ► 100 % (FSC-certified and/or recycled material) ► Recyclability percentage: 100 % ► Activities in 2020: introduction of folding cartons with higher recycled content of 85 % in total	→ →	● ●
Natural cosmetics transport packaging: ► 100 % sustainable paper or cardboard (e.g. recycled material, FSC label) ► 100 % recyclability or compostability ► Increasing the share of ecological filling and packaging material	► Percentage of sustainable paper or cardboard: 100 % (FSC-certified and/or recycled material) ► Recyclability percentage: 100 % ► Activities in 2020: use of optimised transport packaging	→ → ↗	● ● ●

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

Management and finance

Contribution to the Sustainable Development Goals of the United Nations



More about Weleda and the Sustainable Development Goals of the United Nations on page 86

Our commitments	Milestones 2020	Trend	Assessment
Value added statement	Ongoing continuation in 2020 (see page 88 and inside cover)	→	●
Financial resilience through corresponding equity ratio and liquidity	► Further increase in the equity ratio, resilience and independence of the company ► As in 2019, no interest-bearing financial liabilities at end of 2020	↗	●
Ensuring future viability through investment in the development of the company	In 2020 Weleda continued to undertake projects for the ongoing development of Weleda. The five most important of these are: ► Opening of the Weleda City Spa in Hamburg and, in spring 2021, in Stuttgart ► Continuation of the planning (planning phase 2) for a new logistics centre in Schwäbisch Gmünd ► New glass filling line in Schwäbisch Gmünd for pharmaceutical and natural and organic cosmetics products ► Planning of production expansion in Arlesheim ► Various projects to increase the proportion of raw materials from biodynamic agriculture	↗	●
Definition of sustainability criteria for investment of the endowment fund of the Swiss pension fund	Adoption of the draft sustainability criteria	→	●

Trend: ↗ rising → unchanged ↘ falling Assessment: ● Promise fulfilled ● Promise not fulfilled

New targets for 2022	Status quo 2020	Trend	Assessment
Global B Corp Weleda and all its branches certified as B Corp	Beginning of the main B impact assessment. Successful validation and awards for the entire Weleda Group are planned for 2021.	↗	●

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

Regenerative farming and biodiversity

Contribution to the Sustainable Development Goals of the United Nations



More about Weleda and the Sustainable Development Goals of the United Nations on page 86

Our commitments	Milestones 2020	Trend	Assessment
Minimum average organic proportion of 80 %, based on certifiable raw materials	Current status: 80 % ► Organic requirement implemented for new raw materials ► UEBT standard: new partnerships comply with organic requirements and fulfil social and ecological demands.	→	●
Commitment to a more sustainable palm industry	Participation in the Forum for Sustainable Palm Oil (FONAP), cooperation with BOS Germany (Borneo Orangutan Survival)	→	●
Eight own medicinal herb gardens worldwide (Germany, largest biodynamic garden in Europe, Switzerland, France, England, Netherlands, Brazil, Argentina, New Zealand)	Medicinal plant garden in Germany: ► New bird species after native fish were introduced to the ponds: kingfisher	→	●

Trend: ↗ rising → unchanged ↘ falling

Assessment: ● Promise fulfilled ● Promise not fulfilled

New targets for 2022	Status quo 2020	Trend	Assessment
Initiative for biodynamic agriculture	Exploratory talks for alliances with external partners Priorities: ► Expansion of biodynamically farmed areas (together with Demeter) ► Enhanced communication on the advantages of regenerative agriculture, new projects and alliances for the conversion to biodynamic raw materials, as in the case of lavender cultivation in Moldova	↗	●
Increase in the proportion of raw materials from biodynamic agriculture to 30 %	Conversion from organic to Demeter quality for the following raw materials: ► Cane and beet sugar, olive oil, sunflower oil, jojoba oil	↗	●
Promotion of biodiversity in projects and with stakeholders	► Participation in the Union for Ethical BioTrade (UEBT) (chair, representation on several committees) ► Since mid-2018, Weleda has been certified according to the UEBT Ethical Sourcing System. The supply chain management system is thus greatly intensified. A total of 41 supply chains in 27 countries have now been audited. The UEBT logo is displayed on our new cosmetics packaging. ► Increased communication about biodiversity/UEBT and Demeter, including in trade	↗	●
Seed strategy and seed initiative	► Seed strategy to preserve seed diversity and promote alternative seed initiatives ► Support for organisations such as Initiative Biosaatgut Sonnenblume (IBS), Hortus officinarum and Zukunftstiftung Landwirtschaft which, like Weleda, are committed to freedom from GMOs, the promotion of hybrid-free seeds and transparency in organic supply chains. Pilot project with scientific support and in cooperation with other companies to link economic wild collection for pharmaceutical companies with nature conservation in the collection areas	→	●

Trend: ↗ rising → unchanged ↘ falling

Assessment: ● Target easy to reach ● Target difficult to reach ● Target very difficult to reach

Respectful supply chain

Contribution to the Sustainable Development Goals of the United Nations



More about Weleda and the Sustainable Development Goals of the United Nations on page 86

Our commitments	Milestones 2020	Trend	Assessment
Cultivation projects (approx. 50 worldwide)	Support of social and ecological initiatives and projects: ► Moldova – lavender: conversion to biodynamic agriculture with support from Deutsche Investitions- und Entwicklungsgesellschaft, assistance through another PPP project with support from GIZ to protect the harvest workers and the village population from the coronavirus pandemic ► Albania – calendula, viola and sunflower: cultivation in a nature reserve, in order also to create jobs for the rural population ► Romania – arnica: preparation of a project together with DBU for the protection of the special landscape in order to be able to obtain arnica in wild collection in the future. For example, mapping of arnica meadows and pastures, observation of the terrain by drones, evaluation of land management ► Germany, Bulgaria and Czech Republic – calendula and lavender: further consultation on biodynamic cultivation ► Mexico – sesame: ongoing medical support (financing of antiserum against scorpion bites) ► Peru – ratanhia: new collection areas for controlled organic wild collection ► Cameroon – bees: initiation of a PPP project to establish a sustainable supply chain for certified organic beeswax	→	●
UEBT management system for the entire supply chains of natural raw materials in the natural and organic cosmetics area	See Ethical Sourcing Commitments on page 138	↗	●

Trend: ↗ rising → unchanged ↘ falling

Assessment: ● Promise fulfilled ● Promise not fulfilled

New targets for 2022	Status quo 2020	Trend	Assessment
Transparency regarding true costs Transparency regarding the true costs for all essential plant-based raw materials (true cost accounting)	Evaluation of the impact of 15 raw materials and planning of next steps	↗	●

Trend: ↗ rising → unchanged ↘ falling

Assessment: ● Target easy to reach ● Target difficult to reach ● Target very difficult to reach

Sustainable sites, production and logistics

Contribution to the Sustainable Development Goals of the United Nations



More about Weleda and the Sustainable Development Goals of the United Nations on page 86

Our commitments	Milestones 2020	Trend	Assessment
Waste reuse rate $\geq 98\%$	Rate is 98 %	→	●
Own production with 100 % electricity from renewable sources in CH, DE, FR	In Switzerland, we have improved the ecological quality of electricity. ► Installation of a second PVA plant at the headquarters	→	●
Environmental management system: ISO 14001 and EMAS in CH and DE	The recertification in CH and monitoring audits in DE were successfully completed.	→	●

Trend: ↗ rising → unchanged ↘ falling Assessment: ● Promise fulfilled ● Promise not fulfilled

New targets for 2022	Status quo 2020	Trend	Assessment
Improvement of the environmental footprint			
100 % electricity from renewable sources in all associated companies as well as contract manufacturers and packaging manufacturers	► Associated companies: 91.5 %, improvement of 2.8 % compared to previous year ► Contract and packaging manufacturers: not fully known, measures for recording have been started.	↗	●
Renewable energy share of at least 80 % for our own buildings and production facilities	► approx. 52.1 % ► 100 % renewable electricity in CH, DE, UK, NL, NZ and ES Installation of a new PVA plant in NL	↗	●
100 % emissions transparency for Scope 1, 2 and 3 and reduction programme	Measurement of CO ₂ emissions: ► Balance of the worldwide carbon footprint in 2020, Scope 1–3 for 2019 (see pages 6–7). A climate strategy based on the insights was implemented.	↗	●
Reduction of energy intensity by 2.5 % per year	Not achieved: -0.4 % in CH, DE, FR, but overall on target	↗	●
Reduction of potable water intensity by 2.5 % per year	Not achieved: -1.8 % in CH, DE, FR, but overall on target	↗	●
Reduction of waste intensity by 2.5 % per year	Achieved: -7.3 % in CH, DE, FR, but overall not yet on target The waste reduction coordination office created for the CH/DE sites is having an effect.	↗	●
Increase in waste recycling rate by 2.5 % annually	Not achieved: +0.8 %	↗	●
Sustainable and future-oriented logistics and mobility concept	The transport plan for the headquarters in Arlesheim has been drawn up, but implementation has been delayed due to the pandemic. A pilot project for a dedicated e-bike fleet for employees will start in May 2021. At the time of publication of this report, the new central logistics building at the German branch in Schwäbisch Gmünd is in the design and approval planning phase. The aim is to achieve a very high standard of sustainability. The ground-breaking ceremony is planned for the second half of 2021.	↗	●

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

Development of environmental indicators

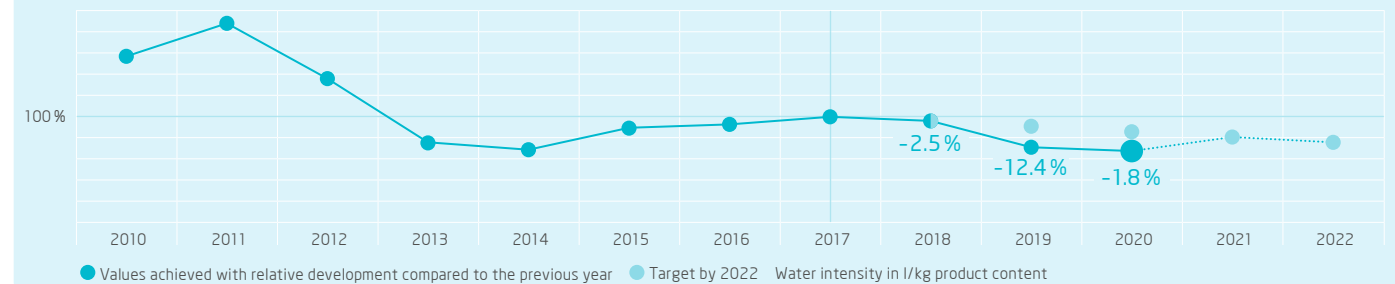
Our goal is to reduce the energy, water and waste intensity with which we manufacture our products by 2.5 per cent annually. We thus aim to continuously reduce the use of resources and the volume of waste generated so as to protect the environment and save on costs.

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

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

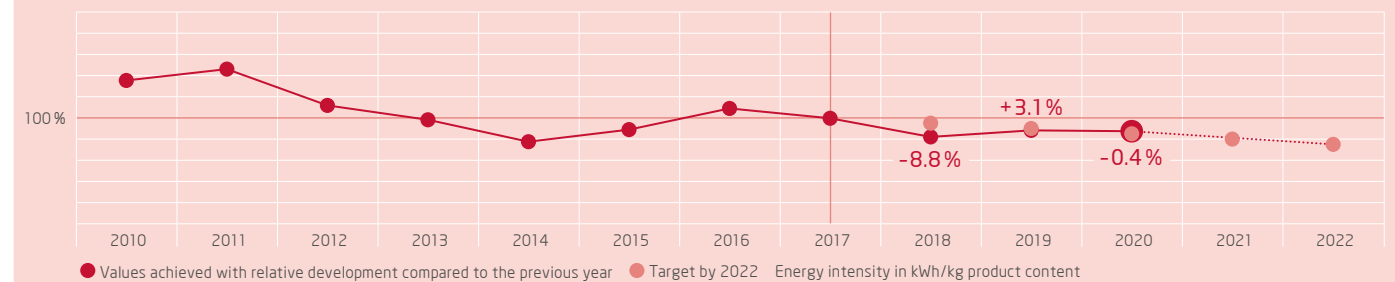
Water intensity

Potable water consumption in relation to production volume (product content). Target: reduction
Development of water intensity from 2010 to 2020. Reference year 2017: 100 %



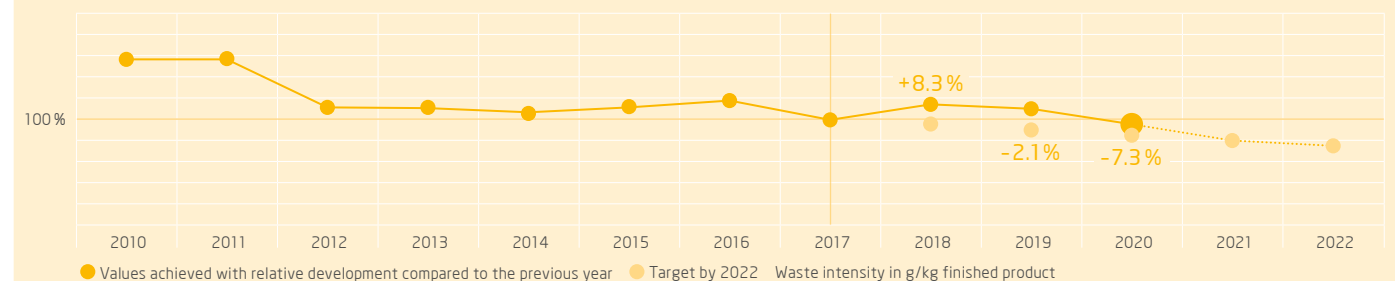
Energy intensity

Energy consumption in relation to production volume (product content). Target: reduction
Development of energy intensity from 2010 to 2020. Reference year 2017: 100 %



Waste intensity

Waste volume in relation to production volume (finished product). Target: reduction
Development of waste intensity from 2010 to 2020. Reference year 2017: 100 %



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

Meaningful and effective work

Contribution to the Sustainable Development Goals of the United Nations



More about Weleda and the Sustainable Development Goals of the United Nations on page 86

Our commitments	Milestones 2020	Trend	Assessment
Promotion of the Weleda culture and personal and professional development	A wide range of seminars, including virtual formats, for example: <ul style="list-style-type: none"> ▶ Weleda Biography Days ▶ "Appreciative communication" ▶ "Resilience – my inner strength" ▶ "Mindful self-management" 	→	●
Promotion of work-life balance, health and diversity at the main sites	<ul style="list-style-type: none"> ▶ Promoting personal resilience on the intranet: "I take time for myself" with regular suggestions on body, soul, spirit, developed by "Startup@Ausbildung" ▶ "Healthy living at a glance" (CH, DE), suggestions for health on the intranet ▶ Company eurythmy ▶ Coronavirus consultation hours by HR – support in difficult times for all employees (CH, DE) 	↗	●
Active involvement by and for employees	Has been curtailed in part due to the pandemic. A wide range of provisions and initiatives, such as: <ul style="list-style-type: none"> ▶ Choir (CH) ▶ Yoga (CH, DE) ▶ Meditation (CH, DE) ▶ Massage (CH, DE) 	→	●

Trend: ↗ rising → unchanged ↘ falling Assessment: ● Promise fulfilled ● Promise not fulfilled

New targets for 2022	Status quo 2020	Trend	Assessment
Place for human development based on shared tasks			
Introduction of a Global Leadership Programme	Development of the Weleda leadership training "Gut führen" for all managers, start (CH, DE) second quarter of 2021, Group-wide roll-out planned afterwards	↗	●
Worldwide development of Weleda culture and identity	Intercultural collegial exchange at the annual HR International Conference Further development of the experiment launched in 2019 "Associative training" at Weleda & GLS Bank with two more Associative Study Business Administration students starting – educated in different cultures, with broadened horizons and unique prospects for personal development	↗	●
Transformation Collegial Leadership and Collaboration	Sustainable cooperation on equal terms and distribution of management responsibility. Participation of employees (CH, DE) in over 130 transformation workshops based on the integral model, innovative experiments in selected departments	↗	●
Promotion of a work-life balance, health and diversity worldwide	International exchange between colleagues in HR Group Conference "People at Weleda": presentation of the workshop provision Weleda Biography Days as a contribution to personal development and resilience	↗	●

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

Cultural and social relationships and development

Contribution to the Sustainable Development Goals of the United Nations



More about Weleda and the Sustainable Development Goals of the United Nations on page 86

Our commitments	Milestones 2020	Trend	Assessment
Commitment to anthroposophic medicine	<ul style="list-style-type: none"> ▶ Attracting scientific staff for the Anthroposophic Pharmacy Competence Centre ▶ Commitment to a pharmaceuticals business that balances shared responsibility for the system of anthroposophic medicine with economic considerations 	→	●
Inspiring people	<ul style="list-style-type: none"> ▶ Preparation of a centre of excellence in education for sustainable development together with the Schwäbisch Gmünd local authority. Collaboration started on January 1st 2021, first courses from spring 2021. ▶ On the occasion of the 100th anniversary, development of the virtual platform Open Garden with playful elements such as Augmented Reality 	↗	●

Trend: ↗ rising → unchanged ↘ falling Assessment: ● Promise fulfilled ● Promise not fulfilled

New targets for 2022	Status quo 2020	Trend	Assessment
Communication of at least 777 Weleda "goodprints", which highlight the good deeds of Weleda and Weleda employees and inspire people to lead sustainable lives	The Goodprints concept has been further developed with a focus on "impact instead of numbers", supported by a strategic focus and cooperation with external partners, as well as strengthening of our communication, for example with the magazine <i>Werde</i> .	↗	●

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

Our contribution to the Sustainable Development Goals

We have aligned the actions we have taken so far with the Sustainable Development Goals published in 2015 by the United Nations. This enhances transparency and traceability as well as safeguarding nature and the needs of our cultivation partners. The Sustainable Development Goals were compiled by the United Nations and aim to transform the world by 2030. They include 17 global goals with 169 subsidiary targets.

	<ul style="list-style-type: none">- Compliance with social criteria along our raw material supply chains (e. g. annual negotiations on cost-based prices, supplements for organic cultivation, guaranteed minimum income pursuant to the UEBT standard)- Planning security for smallholders through long-term contracts- Financial support for individual social projects within the raw material supply chains		<ul style="list-style-type: none">- Products do not contain micro-plastics and other persistent or water-polluting substances- Production: investing greatly in effective and efficient water management and highly efficient equipment in production facilities- Avoidance of contributing pesticides to ground water by making maximum possible use of raw materials from organic cultivation- Social projects such as building wells in Uganda- In regions with water scarcity, seeking options for resource-conserving irrigation in cultivation- Access to clean drinking water for all involved along our raw material supply chains pursuant to the UEBT standard		<ul style="list-style-type: none">- Sustainable products for the well-being of people in harmony with nature- Natrue certification of all natural and organic cosmetics products manufactured in Switzerland and Germany- Increasing the proportion of recyclate in natural cosmetics packaging- Effective and efficient use of resources and reduction of waste in production, deployment of environmental management systems at main sites (ISO 14001, EMAS)- Circular economy in our own biodynamic medicinal plant cultivation
	<ul style="list-style-type: none">- Preserving rural life by supporting small enterprises- Promotion of site and soil quality with raw materials from organic farming, biodynamic agriculture and controlled wild collection- Use of non-GMO seeds only- Social projects with raw material suppliers- Guaranteeing food security in cultivation and collection regions pursuant to the UEBT standard		<ul style="list-style-type: none">- Effective and efficient energy management in production (e. g. switch to LED)- Manufacturing our products using renewable energy and own photovoltaic systems- Construction of new buildings according to sustainable standard (e. g. new office in Arlesheim)- Sustainable planning of the logistics centre in Schwäbisch Gmünd		<ul style="list-style-type: none">- Our biodynamic garden as an example of resistant, sustainable agriculture and closed material cycles- Transparency regarding company emissions and measures for reduction- The prudent use of natural resources along raw material supply chains in cultivation and wild collection pursuant to the UEBT standard- Through our supplier partnerships, biodynamic agriculture and UEBT certification, we support the increase of soil organic matters which binds carbon directly from the atmosphere.
	<ul style="list-style-type: none">- Promoting Anthroposophic Medicine and therapeutic diversity as well as medicine free from antibiotics- Variety of programmes for employees to strengthen resilience- Educating customers on health through publications and events- Ensuring health and safety along our raw material supply chains pursuant to the UEBT standard		<ul style="list-style-type: none">- Ensuring compliance with internationally recognised social and environmental standards in the supply chain pursuant to the UEBT standard- Progressively increasing financial resilience and future viability of the company- Weleda as a "place of human development based on shared tasks" with a wide range of measures and offers for employees- Guided by our vision and mission for the benefit of people and nature		<ul style="list-style-type: none">- Products without microplastics and other persistent or water-polluting substances
	<ul style="list-style-type: none">- Social projects to support education in our raw material supply chains- Various programmes for employees and trainees/students- Cooperations with universities and other institutions of higher education- Voluntary Ecological Year- Ensuring equality between men and women along our raw material supply chains pursuant to the UEBT standard- Award of contracts to Haus Lindenhof for the employment of people with disabilities		<ul style="list-style-type: none">- Supporting growers in establishing local infrastructure- Promoting the independence of our suppliers- Start-up and failure financing for individual suppliers- Investment in own infrastructure		<ul style="list-style-type: none">- Organic or biodynamic farming or certified wild collection account for >80 per cent of raw materials- Active efforts to improve both soil fertility and biodiversity in projects with farmers pursuant to the UEBT standard- Support for seed initiatives; no use of GMO seeds- Active and political engagement on the topic of palm oil
	<ul style="list-style-type: none">- Promotion of equal rights among both our suppliers and our employees- High proportion of women and women in management positions		<ul style="list-style-type: none">- Ensuring compliance with ILO standards through supply chain management system pursuant to the UEBT standard- The "Diversity wins! Prospects for people who have experienced displacement" programme and the active promotion of diversity		<ul style="list-style-type: none">- Respectful dealings through the supply chain management system- Global governance guidelines- As an anthroposophically inspired company, supporting and promoting the guiding principles as a contribution to a fair, diverse and peaceful world
			<ul style="list-style-type: none">- Actively working with the communities in which Weleda is based- Promotion of rural living within the supply chain		<ul style="list-style-type: none">- Active member of numerous health and sustainability initiatives and associations- Global cooperations with manufacturers and farmers

Management Report

VALUE ADDED STATEMENT	88
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WELEDA IN THE MARKETS	90
THIRD-PARTY SALES OF REGIONAL COMPANIES	94
GENERAL ECONOMIC DEVELOPMENT IN 2020 AND OUTLOOK FOR 2021	95

Value added statement

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

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

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

Business performance
in million EUR



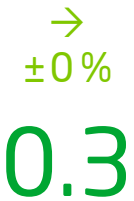
The business performance decreased mainly due to the decrease in sales.

Donations
in million EUR



Of this, EUR 2.2 million went to the School of Spiritual Science in Dornach and various anthroposophic institutions.

Lenders and creditors
in million EUR



Value added
in million EUR



After deduction of inputs

Employees
in million EUR



The added value generated was sufficient to cover the income of our employees. Our employees are co-entrepreneurs who are involved in the performance process.

Supporting and promoting a sense of personal responsibility and the way that each individual conceives of themselves are important to the company.

Value added per employee
in EUR



Value added per Weleda Group employee in a full-time position

Shareholders
in million EUR



For 2020 the Board of Directors proposes making a distribution of 7 per cent to shareholders.

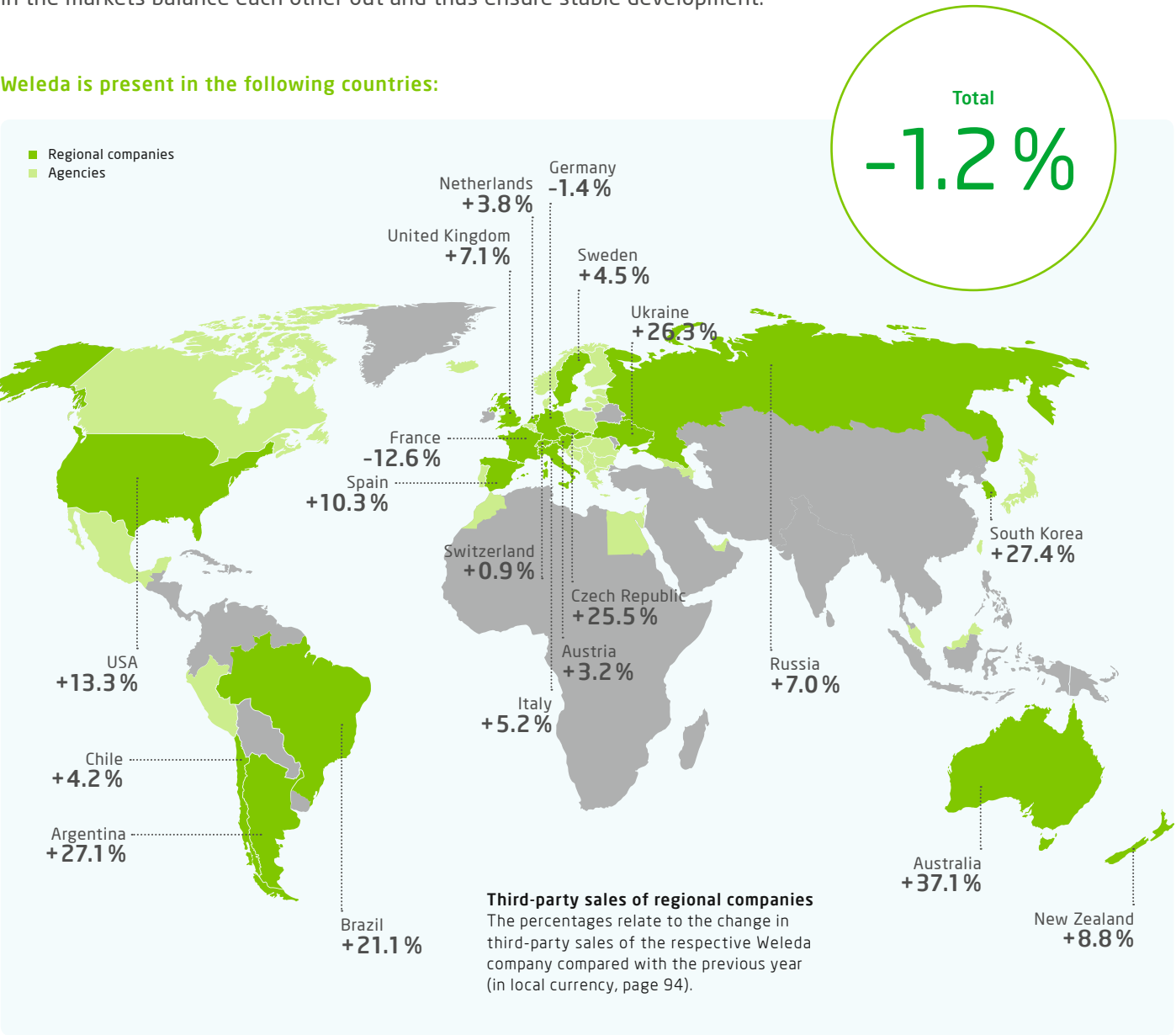
Taxes
in million EUR



Development in the markets

Our total sales exceeded EUR 424 million in 2020. As in previous years, the distribution of growth rates demonstrates how important our internationalisation is. The movements in the markets balance each other out and thus ensure stable development.

Weleda is present in the following countries:



America

Argentina, Brazil, Canada, Chile, Mexico, Peru, USA

Europe

Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, Macedonia, Malta, Netherlands, Norway, Poland, Portugal, Romania, Russia, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Ukraine, United Kingdom

Africa

Egypt, Morocco

Asia

China, Hong Kong, India, Israel, Japan, Malaysia, Singapore, South Korea, Taiwan, United Arab Emirates

Australia

Australia, New Zealand

Weleda in the markets

Our markets performed positively in 2020 despite the coronavirus pandemic. Our products could still be sold in chemists, supermarkets, pharmacies and online. More detailed figures can be found on pages 89 and 94. In their short reports, the countries focused on different priorities.

D-A-CH region

With sales growth of around 2 per cent, 2020 was a very successful year for Weleda natural and organic cosmetics in the D-A-CH region. This means that the growth trend initiated in 2019 was maintained despite the Corona pandemic. All three markets performed very well, with Austria showing particularly dynamic growth of 5.7 per cent.

Switzerland

With a currency-adjusted increase in sales of 2.5 per cent, the sustained successful performance of Weleda natural and organic cosmetics in Switzerland continues. Growth in all channels exceeded the market.

Germany

In Germany, we were able to increase our sales of natural and organic cosmetics by a good 1 per cent to around EUR 135 million. Compared to the unusually strong previous year with growth of 2.5 per cent, the chemist and pharmacy channels showed weaker performance due to the pandemic (declining frequency of shoppers). Nevertheless, Weleda's growth exceeded the market in all channels and we were able to maintain or increase market share.

Austria

In Austria, we were able to reap the rewards of increased media investments and successful distribution expansion with a 5.7 per cent growth in sales. Sales grew significantly stronger than the market (+1.1 per cent) with an increase of 4.2 per cent.



Weleda – the fastest-growing brand in the German food retail sector

Baby care

Boosted by the design relaunch, TV support and the No. 1 midwife recommendation, Weleda Baby 2020 became the fastest-growing baby care brand in the German food retail sector with sales growth of 18 per cent (sell-out). Growth was 2.3 per cent in chemists. We were able to increase our market share in both channels to 21.7 per cent (+0.6 percentage points).

+18%

increase
in baby care sales
in German food
retail.

Pharma D-A-CH

Pharma sales in the D-A-CH region declined by 7 per cent. The coronavirus regulations resulted in a slowdown of the cold season and thus a decrease in cold medicines. Instead, other medicines came into focus. Having products in various fields of competence paid off. For example, Arnica ointment and Calendula wound ointment were more in demand – obviously because of the demand for care due to the use of disinfectants and masks. Ophthalmic preparations did well in Switzerland throughout the year. This resulted in a slight increase in sales there.

Southern Europe region

France

Weleda France was heavily affected by the pandemic in spring 2020. With the discontinuation of reimbursement for homoeopathic medicinal products and the subsequent reorganisation of our pharmaceutical activities, we had to face additional challenges. Thanks to the commitment of

all our employees, we continue to manage this crisis effectively. In April 2020, we supported health workers in our region by donating masks and other products.

Spain

Weleda Birch Cellulite Oil is the No. 1 in the anti-cellulite market, with growth of 28 per cent compared to the previous year. The market is losing credibility and is down 9 per cent. This means that we are the only brand that is growing, that has customers' trust and that is gaining market share. We also attribute this positive development to a 360-degree brand campaign, which enabled us to increase sales and brand awareness.

#1

Weleda Birch
Cellulite Oil is
the market leader
in Spain.

Italy

Despite the particularly big challenges in Italy resulting from the pandemic, we managed to achieve double-digit growth in natural cosmetics. Our market success was essentially supported by online campaigns and parallel activities in our sales channels and by the birch, prickly pear, skin food and Christmas campaigns. Supporting the local medical staff of hospitals and associations with our products (hand creams, body showers, facial care) generated great appreciation and gratitude.

The North America region

North America

Despite the challenges caused by the pandemic, we were able to achieve double-digit growth for the third year in a row. Customer footfall at Whole Foods, our largest brick-and-mortar customer, declined by 30 to 40 per cent from March, leading to sales declines in this channel. However, the restructured e-commerce team managed an online growth of 31 per cent. Additional growth came from expansion in the retail sector.

Northern Europe region

United Kingdom

We usually come into contact with thousands of people during the year by distributing samples at events. In view of the pandemic restrictions and the cancellation of events, we decided to refocus our usual consumer outreach and support critical care workers instead. In the past few months, we donated more than 65,000 products to intensive care units, including

about 45,000 units of Skin Food cream. Our Calendula skin ointment was particularly popular as it soothes the abrasions and bruises caused by FFP3 masks.



Product donations for caregivers in the UK (above) and Italy (below) were received with gratitude.

Benelux

In the Netherlands, Weleda is growing faster than the market year after year and is a pioneer in sustainability. We have consistently relied on solar energy and are now climate-neutral. We underpin our social responsibility through partnerships with several sustainability organisations. In Belgium, we continued to position Weleda as a premium brand, for example by increasing our presence in pharmacies.

Highlight Belgium: cooperation on biodiversity with the Meise Botanical Garden in Brussels.

Scandinavia

We were able to significantly increase sales in pharmacies in 2020. The biggest increase in sales was in Norway, where most new online and pharmacy customers were added, but Denmark also showed stable and remarkable growth. Sales representatives successfully started visiting shops digitally instead of physically, and on-line training for consumers and customers has been very successful.

Central and Eastern Europe region

Russia

In Russia, we were able to increase sales by quickly adapting to the changed and challenging environment caused by the pandemic. We saw a strong performance in the online business. We supported this with successful digital marketing activities including social media marketing and collaboration with influencers. In addition, there were activities such as Green Friday, where we donated 20 per cent of the day's sales to an eco-fund, or the creation of the Weleda Garden in the snowy ski resort of Rosa Khutor.

Ukraine

Weleda Ukraine recorded the highest annual growth in the history of the branch. The strong performance in online trading, supported by various marketing measures, led to an increase in sales in all product categories.

Export Central and Eastern Europe

We also saw renewed sales growth in our export markets, mainly through our entry into the Gulf region. We are pleased with the stable sales performance in the existing markets in Central and Eastern Europe. The Baltic states are particularly noteworthy here.



We have had a partnership with the Meise Botanical Garden in Belgium since 2020. The partnership is a good fit for Weleda. It is an organisation with a high profile that shares the same values with us.

Increased sales in online retail were a success factor in many markets in 2020.



As part of the preparations for the 100th anniversary, we gave a new coat of paint to a tram that travels all over Prague.



Weleda is now available in the flagship store of Olive Young, the largest chemist chain in South Korea.

Czech Republic, Slovakia, Poland

We were able to react quickly to the closure of retail stores by expanding our online trade. The result is growth of over 40 per cent. In the Polish market, we succeeded in setting the course in the right direction, both in sales and marketing, which enabled us to increase sales significantly.

As part of the preparations for the 100th anniversary, we gave a new coat of paint to the cars of our sales representatives and to a tram that travels all over Prague.

Asia/Pacific region

Australia

Weleda products have been in the Price-line pharmacy chain since 2020. Weleda Australia can look back on a brilliant year with around 35 per cent growth in natural and organic cosmetics. During the first wave of the pandemic, Weleda Australia supplied skin food to several hospitals.

Skin food was also supplied to fire brigades during the bushfires.

South America region

Brazil

A highlight was the Sleep flash campaign for Ansiodoron. The aim of the campaign was to provide information about the importance of sleep and to promote our product Ansiodoron.

+35%

Weleda Australia can look back on a brilliant business year.

New Zealand

Sales through our online shop grew very strongly due to the impact of the pandemic. At the peak of the lockdown, we had over 1,000 visitors a day.

South Korea

In May 2020, we succeeded in listing Weleda at Olive Young in the Myeong-dong shopping district in Seoul – this is the flagship store of the largest chemist chain in Korea with 1,240 branches. In April 2020, Weleda Birch Cellulite Oil was selected as the best eco brand product in the Body category in *Marie Claire* magazine and won the annual Prix d'Excellence.

Third-party sales of regional companies

	Currency in 1,000	Third-party sales per company		Structure of third-party sales per company		Employees (Full-time employees) as at December 31 st	
		2020	Change from previous year in local currency	Pharma- ceuticals	Natural and organic cosmetics	2020	2019
Switzerland	CHF	40,268	+0.9 %	36 %	64 %	336	339
Weleda AG, Arlesheim	EUR	37,617					
Germany	EUR	175,267	-1.4 %	18 %	82 %	762	776
Weleda AG, Schwäbisch Gmünd							
France	EUR	78,152	-12.6 %	33 %	67 %	361	379
Weleda S.A., Huningue							
Netherlands	EUR	20,659	+3.8 %	12 %	88 %	84	82
Weleda Benelux SE, Zoetermeer							
United Kingdom	GBP	10,049	+7.1 %	14 %	86 %	69	71
Weleda (UK) Ltd., Ilkeston	EUR	11,301					
Italy	EUR	9,137	+5.2 %	26 %	74 %	34	39
Weleda Italia S.r.l., Milan							
Austria	EUR	10,880	+3.2 %	16 %	84 %	21	20
Weleda Ges.m.b.H. & Co KG, Vienna							
Sweden	SEK	78,389	+4.5 %	1 %	99 %	19	24
Weleda AB, Stockholm	EUR	7,481					
Spain	EUR	10,434	+10.3 %	0 %	100 %	54	49
Weleda S.A.U., Madrid							
Czech Republic	CZK	165,104	+25.5 %	0 %	100 %	21	19
Weleda spol. s r.o., Prague	EUR	6,248					
Russia	RUB	670,743	+7.0 %	1 %	99 %	42	39
Weleda East GmbH, Moscow	EUR	8,176					
Ukraine	UAH	53,201	+26.3 %	0 %	100 %	15	15
Weleda Ukraine LLC, Kiev	EUR	1,779					
Germany	EUR	130	-	0 %	100 %	11	3
Weleda Services GmbH, Schwäbisch Gmünd							
USA (North America)	USD	24,750	+13.3 %	3 %	97 %	35	31
Weleda Inc., Irvington NY	EUR	21,689					
Argentina	ARS	171,260	+27.1 %	51 %	49 %	43	44
Weleda S.A. Argentina, Buenos Aires	EUR	2,158					
Brazil	BRL	59,031	+21.1 %	80 %	20 %	165	150
Weleda do Brasil Ltda., São Paulo	EUR	10,142					
Chile	CLP	2,510,346	+4.2 %	36 %	64 %	39	45
Weleda Chile SpA, Santiago de Chile	EUR	2,812					
New Zealand	NZD	5,142	+8.8 %	48 %	52 %	31	32
Weleda (NZ) Ltd, Havelock North	EUR	2,930					
Australia	AUD	6,958	+37.1 %	5 %	95 %	17	16
Weleda Australia Pty Ltd, Warriewood	EUR	4,209					
Korea	KRW	3,841,164	+27.4 %	0 %	100 %	10	8
Weleda Korea Ltd., Seoul	EUR	2,858					
Total	EUR	424,059	-1.2 %	21 %	79 %	2,169	2,181

General economic development in 2020 and outlook for 2021

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

Business performance

Financial year 2020 was heavily impacted by the uncertainties of the Covid-19 pandemic. The total sales of the Weleda Group decreased last year from EUR 429 million to EUR 424 million. The natural and organic cosmetics and the pharmaceuticals business segments had divergent performances. Total sales of natural and organic cosmetics increased by around two per cent compared to last year. However, the total sales of pharmaceuticals decreased by 11 per cent. The distribution of growth in natural and organic cosmetics shows that the internationalisation strategy continues to work, as all regions contributed to growth. Only France saw a decline in sales. In the pharmaceuticals business segment, all regions except Switzerland, South America and Asia/Pacific recorded declines in sales.

The City Spas that opened last year in the Netherlands and Germany were closed most of the time due to the pandemic and the associated lockdown.

The operating result was increased by EUR six million to EUR 22 million in 2020 due to cost savings. However, due to higher exchange rate losses and higher tax expenses, the consolidated annual result decreased by EUR five million compared to 2019. The profit generated, combined with stable net working capital, enabled both the equity ratio and the net financial assets, and thus the company's resilience, to be further increased. Pioneering decisions about the future are only possible on the solid basis which was steadily established in recent years. The most important decisions for the coming years include the renewal of our infrastructure with the core element of a new logistics building in Germany as well as the modernisation and expansion of the production facilities, investments in research and development both for natural and organic cosmetics and increasingly for pharmaceutical products, the expansion of our service offerings, digital transformation, and the further development of our sustainability programme.

Employees

In 2020 the Weleda Group employed 2,177 full-time equivalents on average for the year (previous year: 2,168) Weleda AG had an average for the year of 1,105 full-time equivalents (previous year: 1,103).

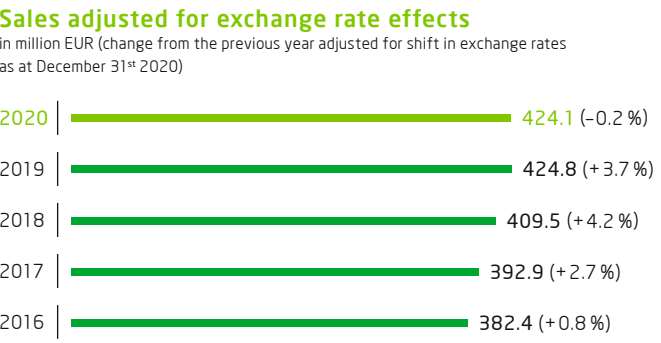
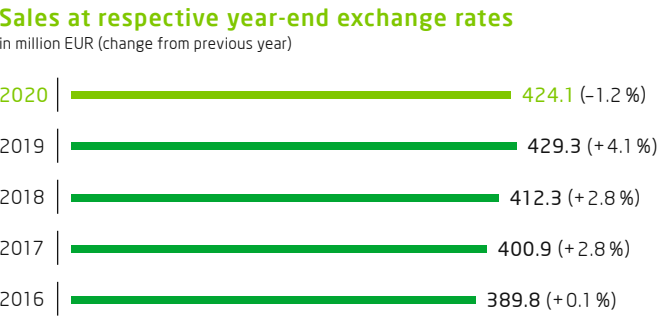
Risk assessment

Risks are an integral part of business operations. A risk management system that enables the identification, analysis, control and monitoring of significant risks in the corporate environment is therefore particularly important for Weleda. In order to identify risks in good time and determine the appropriate action, our

management regularly assesses, at Group level and at the level of Weleda AG, any significant internal and external risks that may impact the entire corporate environment. The Board of Directors discusses and approves the results of the risk assessment and associated measures each year.

Development of sales

The net sales of the Weleda Group for the 2020 financial year amount to EUR 424.1 million (previous year: EUR 429.3 million). This corresponds to a change of -1.2 per cent, or EUR -5.2 million, compared with the previous year (adjusted for exchange rate effects: -0.2 per cent, or EUR -0.7 million). As a result, Weleda was able to hold its own in 2020 in a highly competitive market that was strongly affected by the pandemic and its consequences. The net sales of the individual company Weleda AG decreased by 3.7 per cent (CHF 11.3 million) compared to the previous year, mainly driven by the translation of the German branch into CHF.

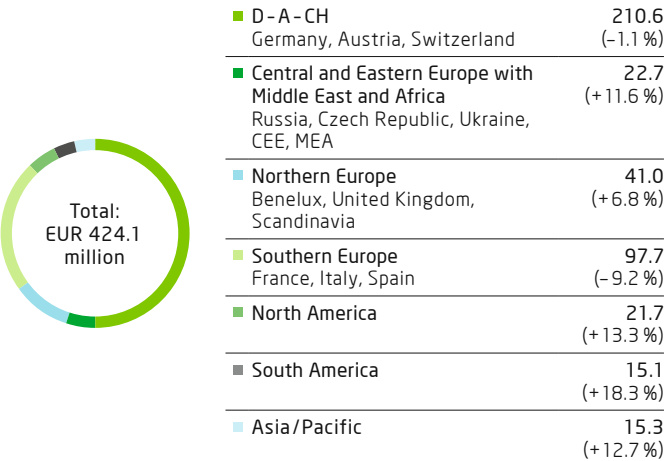


Development of sales by markets and regions

In the D–A–CH region (Germany, Austria, Switzerland), around 50 per cent (previous year: 49 per cent) of sales were generated. Sales in this region dropped slightly by 0.5 per cent to EUR 210.6 million (previous year: EUR 211.8 million). Sales in France decreased by 12.6 per cent and amounted to EUR 78.2 million (previous year: EUR 89.4 million). Sales in the other regions increased by a total of 5.6 per cent to EUR 135.3 million (previous year: EUR 128.1 million). The exchange rate effect on sales was negative and amounted to EUR 5.5 million.

Market performance of the Weleda Group by region

in million EUR (exchange rate-adjusted changes from the previous year)



Development of sales in the business segments

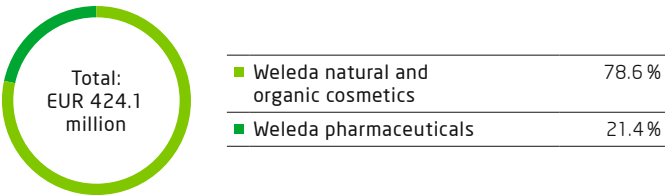
Natural and organic cosmetics accounted for EUR 333.2 million or 78.6 per cent of global sales (previous year: EUR 327.0 million or 76.2 per cent). The sales generated by pharmaceuticals decreased to EUR 90.9 million (previous year: EUR 102.3 million), corresponding to 21.4 per cent of global sales (previous year: 23.8 per cent).

Global sales of the pharmaceuticals business segment decreased by 11.2 per cent in 2020 (previous year: decrease of 2.3 per cent). In the D–A–CH region, which accounted for around 51 per cent of sales, the sales figure fell by around 7.1 per cent compared to the previous year. The lack of a flu outbreak is primarily responsible for the slump in sales. The growth impetus came from the South America region. Here sales rose by 19.6 per cent after adjustment for exchange rates. In France, sales declined by 19.2 per cent compared to the previous year, mainly due to the discontinuation of the reimbursement of homeopathic

remedies in the basic insurance. In the other markets sales fell by 6.2 per cent year on year after adjustment for exchange rates.

Global sales in the natural and organic cosmetics business segment increased by a total of 1.9 per cent despite the challenges posed by the Covid-19 pandemic. However, growth flattened out (previous year: increase of 6.3 per cent). Sales increased by 2.0 per cent in the D–A–CH region. Eastern Europe increased by 5.1 per cent. The USA also performed well, with an 11.3 per cent increase in sales compared to the previous year. France, on the other hand, suffered a decline in sales of 9.0 per cent, mainly due to the general performance of the natural and organic cosmetics market in France. Sales growth in all other countries totalled 7.4 per cent.

Natural and organic cosmetics and pharmaceuticals Weleda Group



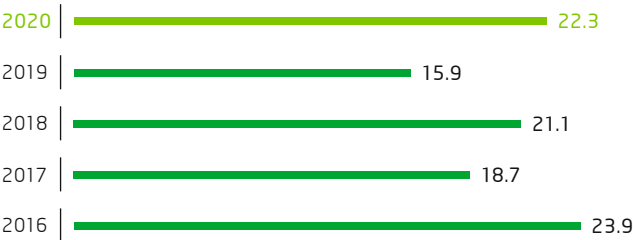
Operating result

The consolidated operating result (EBIT) of the Weleda Group increased by EUR 6.4 million or 40.3 per cent to EUR 22.3 million (previous year: EUR 15.9 million). This is mainly due to the sharp decrease in expenditure due to the uncertainties surrounding the Covid-19 pandemic.

The operating result in the separate financial statements of Weleda AG increased by CHF 19.4 million to CHF 23.0 million compared to the previous year.

Operating result (EBIT)

in million EUR

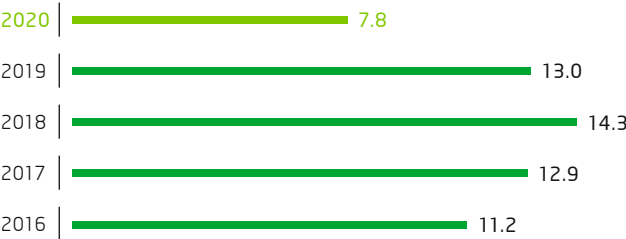


Result for the year

The consolidated result for the year, at EUR 7.7 million, was 40.8 per cent below the previous year's. At EUR –3.4 million, the financial result was below the previous year's level (previous year: EUR –0.5 million). The main reasons are unrealised exchange losses, especially due to the weakening of the US dollar and the Brazilian real against the euro. Income taxes increased to EUR 11.3 million (previous year: EUR 2.5 million), mainly due to the better result in Weleda AG and a one-off tax correction in Germany in connection with the harmonisation of the transfer pricing model. In the separate financial statements of Weleda AG a profit for the year of CHF 10.6 million was recorded (previous year: profit of CHF 0.2 million).

Result attributable to shareholders

in million EUR



Financial and assets situation

As a consequence of the net result, the equity ratio of the Weleda Group increased again, by 0.9 percentage points to 53.8 per cent (previous year: 52.9 per cent).

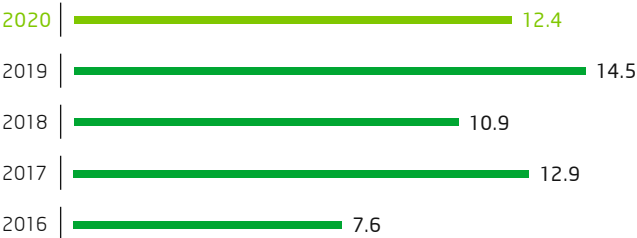
Consolidated cash flow from operating activities amounted to EUR 38.0 million (previous year: EUR 26.6 million). Cash flow from investing activities decreased by EUR 3.0 million year-on-year to EUR 11.3 million (2011: EUR 14.3 million). Of the gross investments of EUR 11.6 million, EUR 1.6 million was invested in intangible assets and EUR 10.0 million in property, plant and equipment. Around two thirds of the investments in property, plant and equipment or intangible assets were made at the two main production sites in Schwäbisch Gmünd and Arlesheim. Cash flow after investing activities amounted to EUR 26.7 million (previous year: EUR 12.3 million).

Cash and cash equivalents increased by EUR 25.6 million to EUR 73.3 million at the end of the year. This resulted in a net financial credit balance of EUR 73.3 million (previous year: EUR 47.7 million).

Cash flow from operating activities for Weleda AG amounted to CHF 18.7 million (previous year: CHF 26.0 million) in the year under review and, after the deduction of net investments of CHF 8.1 million (previous year: CHF 16.5 million), still came to CHF 10.6 million (previous year: CHF 9.5 million). Weleda AG did not repay any interest-bearing liabilities in the year under review (previous year: CHF 2.7 million).

Investments in intangible assets and property, plant and equipment

in million EUR



Extraordinary events

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

Research and development activities

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

Outlook for 2021

For 2021, we are confident that due to the current market situation, the planned innovations, the market presence and the brand strength of Weleda in many countries, good growth opportunities still exist for natural and organic cosmetics, despite the ongoing uncertainties caused by the pandemic. For the pharmaceuticals we expect stable sales at Group level. Overall, we expect that the decisions taken for the future, such as investments in research and development, the implementation of the pharmaceutical strategy, the product range strategy for natural and organic cosmetics and the further expansion of markets in and outside Europe, will lead to higher costs in 2021, but that these investments will be reflected in a better operating result in the medium and long term. In summary, we therefore expect a slightly higher total sales with a slightly lower operating result and a constant net result compared to the past year.

Consolidated Annual Financial Report 2020
Weleda Group

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Statutory auditor

Ernst & Young AG
Basel, Switzerland

Corporate headquarters

Weleda AG
Dychweg 14, 4144 Arlesheim, Switzerland
Tel. +41 61 705 21 21
www.weleda.com, www.weleda.ch

Branch in Germany

Weleda AG
Möhlerstr. 3–5, 73525 Schwäbisch Gmünd
Germany
Tel. +49 7171 91 90
www.weleda.de

Contact person for shareholders

Paul Mackay, Chairman of the Board of Directors

Secretariat and share register

Sabine Lexen
Tel. +41 61 705 22 02

Balance sheet of the Weleda Group

Assets

in 1,000 EUR

	Notes	31.12.2020	31.12.2019
Current assets			
Cash and cash equivalents		73,277	47,689
Trade receivables	1	61,002	66,536
Other current receivables	2	5,850	11,135
Inventories	3	62,512	68,241
Prepaid expenses and accrued income		4,143	5,428
Total current assets		206,784	199,029
Non-current assets			
Financial assets	4	1,506	1,677
Investments in non-controlling interests	4	1,261	1,019
Property, plant and equipment	4	71,274	72,599
Intangible assets	4	3,999	3,631
Total non-current assets		78,040	78,926
Total assets		284,824	277,955

Liabilities and shareholders' equity

in 1,000 EUR

	Notes	31.12.2020	31.12.2019
Liabilities			
Current liabilities			
Trade payables	5	18,181	20,176
Other current liabilities	6	12,374	11,552
Current provisions	7	6,199	3,362
Accrued expenses and deferred income		20,147	21,580
Total current liabilities		56,901	56,670
Non-current liabilities			
Other non-current liabilities		614	2,289
Non-current provisions	7	74,052	72,004
Total non-current liabilities		74,666	74,293
Total liabilities		131,567	130,963
Shareholders' equity			
Share capital		3,800	3,800
Non-voting share capital		7,600	7,600
Capital reserves		8,716	8,716
Retained earnings		133,222	126,715
Treasury voting and non-voting shares	8	- 508	- 520
Shareholders' equity excl. non-controlling interests		152,830	146,311
Non-controlling interests		427	681
Shareholders' equity incl. non-controlling interests		153,257	146,992
Total liabilities and shareholders' equity		284,824	277,955

Income statement of the Weleda Group

in 1,000 EUR

	Notes	2020	2019
Net sales of goods and services	9	424,059	429,268
Other income	10	2,960	2,787
Change in inventories of finished goods and work in progress		465	2,457
Total operating income		427,484	434,512
Cost of materials		- 95,768	- 96,809
Employee income and social expenditure	11	- 158,682	- 164,399
Other operating expenses	12	- 140,566	- 146,108
Depreciation, amortisation and impairment losses on non-current assets	13	- 10,151	- 11,290
Total operating expenses		- 405,167	- 418,606
Operating result (EBIT)		22,317	15,906
Financial expenses	14	- 3,632	- 650
Financial income	15	272	188
Ordinary result for the year		18,957	15,444
Income taxes	16	- 11,267	- 2,464
Consolidated result for the year		7,690	12,980
Attributable to shareholders of Weleda AG		7,769	13,018
Attributable to non-controlling interests		- 79	- 38

Cash flow statement of the Weleda Group

in 1,000 EUR	2020	2019
Consolidated result for the year	7,690	12,980
Depreciation, amortisation and impairment losses on non-current assets	10,151	11,290
Changes in provisions	5,142	-2,900
Gain/loss from the disposal of non-current assets	10	181
Changes in trade receivables	3,267	-1,294
Changes in inventories	4,132	-4,175
Changes in other current receivables and prepaid expenses/ accrued income	6,373	5,056
Changes in trade payables	-1,684	1,572
Changes in other current liabilities and accrued expenses/ deferred income	-1,637	2,399
Other non-cash items	1,403	1,396
Currency and valuation influences not affecting liquidity	3,437	311
Share of result of associated companies	-267	-190
Cash flow from operating activities	38,017	26,626
Investments in property, plant and equipment	-9,952	-12,563
Divestments of property, plant and equipment	238	21
Investments in financial assets	-12	-32
Divestments of financial assets	80	115
Investments in intangible assets	-1,625	-1,891
Cash flow from investing activities	-11,271	-14,350
Distribution	0	-884
Sale of treasury voting and non-voting shares	323	538
Purchase of treasury voting and non-voting shares	-114	-98
Cash flow from financing activities	209	-444
Total cash flow	26,955	11,832
Cash and cash equivalents at start of reporting period	47,689	35,794
Total cash flow	26,955	11,832
Currency translation effect on cash and cash equivalents	-1,367	63
Cash and cash equivalents at end of period	73,277	47,689

Statement of shareholders' equity of the Weleda Group

in 1,000 EUR	Company capital ¹	Capital reserves (agio)	Accumulated currency difference	Other retained earnings	Treasury voting and non-voting shares	Total excl. non-controlling interests	Non-controlling interests	Total incl. non-controlling interests
Shareholders' equity as at January 1st 2019	11,400	9,600	-2,578	115,327	-540	133,209	742	133,951
Result for the year				13,018		13,018	-38	12,980
Distribution		-884				-884		-884
Change in treasury voting and non-voting shares including gain/ loss from sale			71	349	20	440		440
Currency translation effect/Other ²			532	-4		528	-23	505
Shareholders' equity as at December 31st 2019	11,400	8,716	-1,975	128,690	-520	146,311	681	146,992
Result for the year				7,769		7,769	-79	7,690
Distribution		0				0		0
Change in treasury voting and non-voting shares including gain/ loss from sale			1	196	12	209		209
Currency translation effect/Other ²			-1,518	59		-1,459	-175	-1,634
Shareholders' equity as at December 31st 2020	11,400	8,716	-3,492	136,714	-508	152,830	427	153,257

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

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

Notes to the consolidated financial statements of the Weleda Group

General

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

Consolidation principles

Accounting principles

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

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

Scope of consolidation

In addition to Weleda AG Arlesheim and its branch Weleda AG Schwäbisch Gmünd, 24 subsidiaries are fully consolidated within the Weleda Group statements. These companies are, without exception, Group companies and controlled by Weleda AG Arlesheim. Weleda AG has direct or indirect investments of more than 50 per cent in these companies. In the year under review Weleda Immobilien GmbH was incorporated and added to the scope of consolidation. The non-controlling interest in Japan is consolidated using the equity method. The consolidated companies are listed in the notes.

Consolidation method

The consolidated financial statements are based on the annual statements of the Group companies as at December 31st 2020, which are prepared in accordance with the provisions of the Weleda Accounting Manual. The consolidation period is the calendar year. Capital consolidation is carried out in accordance with the Anglo-Saxon purchase method. For the fully consolidated companies, assets, liabilities, expenses and income are stated at 100 per cent. Non-controlling interests in consolidated shareholders' equity and profit/loss for the year are disclosed separately.

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

Currency translation

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

YEAR-END RATES

In EUR

	2020 Rates on balance sheet date	2020 Average rates	2019 Rates on balance sheet date	2019 Average rates
1 CHF (Swiss franc)	0.925	0.934	0.920	0.899
1 USD (US dollar)	0.817	0.876	0.891	0.893
1 GBP (pound sterling)	1.117	1.125	1.180	1.140
1 BRL (Brazilian real)	0.157	0.172	0.221	0.227

Intragroup transactions, balances and intercompany profits

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

Balance sheet and valuation principles

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

Sales recognition

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

Current assets

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

Non-current assets

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

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

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

Liabilities

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

Treasury voting and non-voting shares

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

Leasing transactions

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

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

in 1,000 EUR

	31.12.2020	31.12.2019
From third parties	60,307	65,862
From companies in which a non-controlling interest is held	521	511
From shareholders	174	163
Total trade receivables	61,002	66,536

2**Other current receivables**

in 1,000 EUR

	31.12.2020	31.12.2019
From third parties	5,843	11,128
From companies in which a non-controlling interest is held	7	7
Total other current receivables	5,850	11,135

3**Inventories**

in 1,000 EUR

	31.12.2020	31.12.2019
Raw, auxiliary and operating materials	16,655	17,862
Unfinished products	8,790	11,201
Finished products and trade goods	41,021	41,506
Value adjustments on inventories	-3,954	-2,328
Total inventories	62,512	68,241

4 Non-current assets

in 1,000 EUR

	Financial assets	Investments in non-controlling interests	Property, plant and equipment	Intangible assets	Total non-current assets
as at January 1st 2019	1,808	850	69,966	3,600	76,224
Currency translation effect	4	2	1,009	36	1,051
Equity valuation	0	190	0	0	190
Additions	32	0	12,563	1,891	14,486
Disposals	-164	0	-1 454	-117	-1,735
Reclassification within non-current assets	2	0	251	-253	0
Depreciation, amortisation and impairment losses	-5	-23	-9,736	-1,526	-11,290
as at December 31st 2019	1,677	1,019	72,599	3,631	78,926
Currency translation effect	5	-1	-737	-41	-774
Equity valuation	0	267	0	0	267
Additions	12	0	10,760	1,625	12,397
Disposals	-181	0	-2,412	-32	-2,625
Reclassification within non-current assets	0	0	0	0	0
Depreciation, amortisation and impairment losses	-7	-24	-8,936	-1,184	-10,151
as at December 31st 2020	1,506	1,261	71,274	3,999	78,040

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

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

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

The largest share of the amount under Property, plant and equipment, totalling EUR 26 million (2019: EUR 26 million), relates to Switzerland. The branch in Germany accounts for EUR 18 million (2019: EUR 18 million) and Weleda France has property, plant and equipment totalling EUR 10 million (2019: EUR 12 million).

5 Trade payables

in 1,000 EUR

	31.12.2020	31.12.2019
To third parties	18,103	20,076
To the Group auditor Ernst & Young	78	100
Total trade payables	18,181	20,176

6 Other current liabilities

in 1,000 EUR

	31.12.2020	31.12.2019
To third parties	12,340	11,520
To shareholders	34	32
Total other current liabilities	12,374	11,552

7 Provisions

in 1,000 EUR

	Pension provisions	Tax provisions ¹	Restructuring provisions	Other provisions ²	Total provisions
as at January 1st 2019	31,812	203	0	44,816	76,832
Increase	3,729	69	0	792	4,590
Utilisation	-1,743	-4	0	-1,806	-3,553
Decrease	-400	0	0	-3,538	-3,938
Currency translation effect	241	-5	0	1,199	1,435
as at December 31st 2019	33,639	263	0	41,463	75,366
Increase	4,083	0	4,482	519	9,084
Utilisation	-2,070	-12	0	-1,248	-3,330
Decrease	-485	-47	0	-80	-612
Currency translation effect	-199	-69	0	11	-257
as at December 31st 2020	34,968	135	4,482	40,665	80,251
Of which current provisions	1,186	0	2,748	2,265	6,199
Of which non-current provisions	33,782	135	1,733	38,402	74,052

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

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

8 Treasury voting and non-voting shares

in 1,000 EUR

	2020	2019
Stock of treasury voting shares as at January 1 st (in number: 219/prior year: 198)	478	383
Addition of treasury voting shares (in number: 20/prior year: 23)	59	98
Disposal of treasury voting shares (in number: 20/prior year: 2)	-36	-5
Cumulated currency differences	3	2
Stock of treasury voting shares as at December 31 st (in number: 219/prior year: 219)	504	478
Stock of treasury non-voting shares as at January 1 st (in number: 35/prior year: 195)	42	157
Addition of treasury non-voting shares (in number: 14/prior year: 0)	55	0
Disposal of treasury non-voting shares (in number: 48/prior year: 160)	-91	-184
Cumulated currency differences	-2	69
Stock of treasury non-voting shares as at December 31 st (in number: 1/prior year: 35)	4	42
Total treasury voting and non-voting shares as at December 31 st	508	520

2020, 14 non-voting shares were acquired at an average transaction price of EUR 3,953 and 48 non-voting shares were sold at an average transaction price of EUR 4,100. Furthermore, six treasury voting shares (nominal value CHF 1,000) were acquired at a transaction price of EUR 7,792, eight treasury voting shares (nominal value CHF 125) were acquired at a transaction price of EUR 985 and six treasury voting shares (nominal value CHF 112.50 each) were acquired at an average transaction price of EUR 921. Moreover, 15 treasury voting shares (nominal value CHF 1,000 each) were sold at an average transaction price of EUR 8,217 and five treasury voting shares (nominal value CHF 112.50) were sold at a transaction price of EUR 887.

9 Net sales of goods and services

PRODUCT GROUPS

	2020 in 1,000 EUR	2020 in %	2019 in 1,000 EUR	2019 in %
Natural and organic cosmetics	333,182	78.6	326,981	76.2
Pharmaceuticals	90,877	21.4	102,287	23.8
Net sales	424,059	100.0	429,268	100.0

REGIONS

	2020 in 1,000 EUR	2020 in %	2019 in 1,000 EUR	2019 in %
D - A - CH (Germany, Austria, Switzerland)	210,634	49.7	211,781	49.3
Central and Eastern Europe, Middle East and Africa (Russia, Czech Republic, Ukraine, CEE, MEA)	22,673	5.3	21,554	5.0
Northern Europe (Benelux, UK, Scandinavia)	40,968	9.7	38,446	9.0
Southern Europe (France, Italy, Spain)	97,723	23.0	107,583	25.1
North America	21,689	5.1	19,511	4.5
South America	15,111	3.6	16,739	3.9
Asia/Pacific	15,261	3.6	13,654	3.2
Net sales	424,059	100.0	429,268	100.0

10 Other income

in 1,000 EUR

	2020	2019
Total other income	2,960	2,787

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

11 Employee income and social expenditure

in 1,000 EUR

	2020	2019
Employee income	120,104	127,557
Social expenditure	38,578	36,842
Total employee income and social expenditure	158,682	164,399

12 Other operating expenses

in 1,000 EUR

	2020	2019
Sales and distribution costs	90,766	93,809
Operating costs	21,297	23,315
Administrative costs	22,285	21,542
Contributions, levies, property and capital taxes	2,804	3,161
Other expenses	3,414	4,281
Total other operating expenses	140,566	146,108

Other operating expenses includes, but is not limited to, sales and distribution costs such as advertising and market communication, sales documents, material costs of sales representatives and all postal costs.

Operating and administrative costs include costs for building and machine maintenance, legal and consulting costs, IT expenses and costs for third-party research as well as non-operating expenses. The item Other expenses includes donations to the School of Spiritual Science in Dornach as well as to other different anthroposophic institutions with a total amount of EUR 2.2 million (2019: EUR 2.2 million).

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

in 1,000 EUR		
	2020	2019
Financial assets	31	28
Property, plant and equipment	8,936	9,736
Intangible assets	1,184	1,526
Total depreciation, amortisation and impairment losses on non-current assets	10,151	11,290

14 Financial expenses

in 1,000 EUR		
	2020	2019
Interest and similar expenses	- 308	- 223
Realised and unrealised foreign currency result, net	- 3,324	- 427
Total financial expenses	- 3,632	- 650

15 Financial income

in 1,000 EUR		
	2020	2019
Interest and similar income	272	188
Total financial income	272	188

16 Income taxes

Income taxes occurred mainly in Germany.

Other information

Full-time equivalents

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

Contingent liabilities and other financial obligations

in 1,000 EUR		
	31.12.2020	31.12.2019
Collaterals for third party liabilities	493	493
Contingent liabilities	53	266
Fair value of derivative financial instruments	37	78

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

Non-current rental and leasing obligations

in 1,000 EUR		
	31.12.2020	31.12.2019
Residual maturity up to 5 years	13,702	15,575
Residual maturity over 5 years	1,885	2,468
Total non-current rental and leasing obligations	15,587	18,043

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

Fee for the Group auditor Ernst & Young

in 1,000 EUR		
	2020	2019
Auditing services	255	259
Other services	388	214
Total fee	643	473

Restricted cash

in 1,000 EUR		
	31.12.2020	31.12.2019
Within current assets	346	277
Total restricted cash	346	277

Significant events after the balance sheet date

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

Overview of Group and holding companies

Consolidated companies	Registered office	Function	Currency	Company capital in 1,000	Capital share 2020 in %	Capital share 2019 in %
Weleda AG	CH – Arlesheim/ D – Schwäbisch Gmünd	Headquarters: incl. production, trade and services	CHF	4,750	100.0	100.0
Weleda Benelux SE	NL – Zoetermeer	Production and trade	EUR	2,269	100.0	100.0
Weleda Ges.m.b.H.	A – Vienna	No operative function	EUR	36	100.0	100.0
Weleda Ges.m.b.H. & Co KG	A – Vienna	Trade	EUR	1,100	100.0	100.0
Weleda Trademark AG	CH – Arlesheim	Services	EUR	920	100.0	100.0
Weleda Inc.	USA – Irvington, N.Y.	Trade	USD	8,525	100.0	100.0
Weleda Italia S.r.l.	I – Milan	Trade	EUR	500	100.0	100.0
Weleda do Brasil Ltda.	BRA – São Paulo	Production and trade	BRL	27,140	100.0	100.0
Weleda Naturals GmbH	D – Schwäbisch Gmünd	Services	EUR	25	100.0	100.0
Weleda East GmbH	RUS – Moscow	Trade	RUB	10	100.0	100.0
Weleda S.A.U.	E – Madrid	Trade	EUR	685	100.0	100.0
Weleda (NZ) Ltd	NZL – Havelock North	Production and trade	NZD	169	100.0	100.0
Weleda Australia Pty Ltd	AUS – Warriewood	Trade	AUD	800	100.0	100.0
Weleda AB	S – Stockholm	Trade	SEK	2,000	100.0	100.0
Weleda (Australasia) Ltd	NZL – Havelock North	Services	NZD	1,139	100.0	100.0
Weleda Chile SpA	CHL – Santiago de Chile	Production and trade	CLP	491,321	100.0	100.0
Weleda F+E AG	CH – Arlesheim	Services	CHF	3,000	100.0	100.0
Weleda Ukraine LLC	UA – Kiev	Trade	UAH	500	100.0	100.0
Weleda Korea Ltd.	KR – Seoul	Trade	KRW	130,000	100.0	100.0
Weleda Services GmbH	D – Schwäbisch Gmünd	Services	EUR	200	100.0	100.0
Weleda Immobilien GmbH	D – Schwäbisch Gmünd	Services	EUR	25	100.0	–
Weleda spol. s r.o.	CZ – Prague	Trade	CZK	19,684	99.6	99.6
Weleda UK Ltd	GB – Ilkeston	Production and trade	GBP	1,495	99.1	98.4
Weleda S.A.	F – Huningue	Production and trade	EUR	3,400	98.6	98.2
Weleda S.A.	ARG – Buenos Aires	Production and trade	ARS	7,622	95.0	95.0
Weleda Japan Co., Ltd.	JP – Nagoya	Production and trade	JPY	10,000	35.0	35.0

The share of voting rights corresponds to the capital share.

Report of the statutory auditor

To the General Meeting of Weleda AG, Arlesheim

Report of the statutory auditor on the consolidated financial statements

As statutory auditor, we have audited the accompanying consolidated financial statements of Weleda AG, which comprise the balance sheet, income statement, cash flow statement, statement of shareholders' equity and notes (pages 104 to 115), for the year ended December 31st 2020.



Board of Directors' responsibility

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



Auditor's responsibility

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

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

Opinion

In our opinion, the consolidated financial statements for the year ended December 31st 2020 comply with Swiss law and the consolidation and valuation principles as set out in the notes.



Report on other legal requirements

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

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

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

Basle, April 23rd 2021
Ernst & Young Ltd

Daniel Zaugg
Licensed audit expert
(Auditor in charge)

Karina Gawron
Licensed audit expert

Annual Financial Report 2020 Weleda AG

Consisting of Arlesheim headquarters and
branch office Schwäbisch Gmünd

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Balance sheet of Weleda AG

Assets

in 1,000 CHF

	Notes	31.12.2020	31.12.2019
Current assets			
Cash and cash equivalents		27,603	16,795
Trade receivables	1	46,588	51,567
Other current receivables	2	16,372	11,272
Inventories		56,252	57,404
Prepaid expenses and accrued income		1,084	1,526
Total current assets		147,899	138,564
Non-current assets			
Financial assets	3	16,826	16,736
Equity investments	4	5,118	10,004
Property, plant and equipment		47,797	48,201
Intangible assets		2,155	2,371
Total non-current assets		71,896	77,312
Total assets		219,795	215,876

Liabilities and shareholders' equity

in 1,000 CHF

	Notes	31.12.2020	31.12.2019
Liabilities			
Current liabilities			
Trade payables	5	11,063	13,585
Other current liabilities	6	18,362	25,445
Current provisions	8	4,043	4,176
Accrued expenses and deferred income		8,890	8,436
Total current liabilities		42,358	51,642
Non-current liabilities			
Non-current interest-bearing liabilities	7	28,370	28,513
Non-current provisions	8	53,635	51,137
Total non-current liabilities		82,005	79,650
Total liabilities		124,363	131,292
Shareholders' equity			
Share capital		4,750	4,750
Non-voting share capital		9,500	9,500
Statutory capital reserves		11,016	11,016
Statutory retained earnings		3,400	3,400
Voluntary retained earnings		67,317	56,483
Treasury voting and non-voting shares	9	- 551	- 565
Total shareholders' equity		95,432	84,584
Total liabilities and shareholders' equity		219,795	215,876

Income statement of Weleda AG

in 1,000 CHF

	Notes	2020	2019
Net sales of goods and services		293,949	305,269
Other income		10,082	11,217
Change in inventories of finished goods and work in progress		524	3,232
Total operating income		304,555	319,718
Cost of materials		- 92,287	- 103,117
Employee income and social expenditure		- 105,823	- 116,279
Other operating expenses		- 71,916	- 83,334
Depreciation, amortisation and impairment losses on non-current assets		- 11,543	- 13,420
Total operating expenses		- 281,569	- 316,150
Operating result (EBIT)		22,986	3,568
Financial expenses	10	- 951	- 1,487
Financial income	11	272	187
Result for the year before tax		22,307	2,268
Income taxes		- 11,682	- 2,045
Result for the year		10,625	223

Cash flow statement of Weleda AG

in 1,000 CHF

	2020	2019
Result for the year	10,625	223
Depreciation, amortisation and impairment losses on non-current assets	11,543	13,420
Changes in provisions	2,845	2,512
Gain/loss from the disposal of non-current assets	9	187
Changes in trade receivables	4,729	508
Changes in inventories	865	-2,096
Changes in other current receivables and prepaid expenses/ accrued income	-4,643	4,498
Changes in trade payables	-2,440	1,411
Changes in other current liabilities and accrued expenses/ deferred income	-6,642	1,127
Other non-cash items	1,551	1,511
Currency and valuation influences not affecting liquidity	270	2,661
Cash flow from operating activities	18,712	25,962
Investments in property, plant and equipment	-7,742	-10,499
Divestments of property, plant and equipment	855	0
Investments in financial assets	-660	-4,661
Divestments of financial assets	50	100
Investments in intangible assets	-589	-1,409
Cash flow from investing activities	-8,086	-16,469
Distribution to shareholders	0	-984
Repayments of non-current interest-bearing liabilities	0	-2,700
Sale of treasury voting and non-voting shares	347	594
Purchase of treasury voting and non-voting shares	-124	-106
Cash flow from financing activities	223	-3,196
Total cash flow	10,849	6,297
Cash and cash equivalents at start of reporting period	16,795	10,785
Total cash flow	10,849	6,297
Currency translation effect on cash and cash equivalents	-41	-287
Cash and cash equivalents at end of period	27,603	16,795

Statement of shareholders' equity of Weleda AG

in 1,000 CHF

	Company capital ¹	Statutory capital reserves (agio)	Statutory retained earnings	Voluntary retained earnings	Treasury voting and non-voting shares	Total shareholders' equity
Shareholders' equity as at January 1st 2019	14,250	12,000	3,400	55,871	-664	84,857
Distribution to shareholders		-984				-984
Result for the year				223		223
Change in treasury voting and non-voting shares including gain/loss from sale				389	99	488
Shareholders' equity as at December 31st 2019	14,250	11,016	3,400	56,483	-565	84,584
Distribution to shareholders		0				0
Result for the year				10,625		10,625
Change in treasury voting and non-voting shares including gain/loss from sale				209	14	223
Shareholders' equity as at December 31st 2020	14,250	11,016	3,400	67,317	-551	95,432

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

Notes to the financial statements
of Weleda AG

General

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

Accounting principles

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

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

Currency translation

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

YEAR-END RATE
in CHF

	2020 Rate on balance sheet date	2020 Average rate	2019 Rate on balance sheet date	2019 Average rate
1 EUR (euro)	1.082	1.070	1.087	1.112

Balance sheet and valuation principles

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

Sales recognition

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

Current assets

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

Non-current assets

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

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

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

Liabilities

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

Treasury voting and non-voting shares

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

Leasing transactions

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

Notes to the balance sheet and the income statement

1 Trade receivables

in 1,000 CHF		
	31.12.2020	31.12.2019
From third parties	27,060	33,234
From associated companies	19,340	18,156
From shareholders	188	177
Total trade receivables	46,588	51,567

2 Other current receivables

in 1,000 CHF		
	31.12.2020	31.12.2019
From third parties	1,764	7,688
From Group companies	14,608	3,584
Total other current receivables	16,372	11,272

3 Financial assets

in 1,000 CHF		
	31.12.2020	31.12.2019
Loans to Group companies	16,416	16,225
Other financial assets	410	511
Total financial assets	16,826	16,736

4 Equity investments

in 1,000 CHF		
	31.12.2020	31.12.2019
Investments in Group companies with an interest of more than 50 per cent	5,066	9,926
Other equity investments	52	78
Total equity investments	5,118	10,004

5 Trade payables

in 1,000 CHF		
	31.12.2020	31.12.2019
To third parties	11,011	13,277
To associated companies	7	229
To the statutory auditor Ernst & Young	45	79
Total trade payables	11,063	13,585

6 Other current liabilities

in 1,000 CHF		
	31.12.2020	31.12.2019
To third parties	3,625	3,309
To Group companies	14,701	22,101
To shareholders	36	35
Total other current liabilities	18,362	25,445

7 Non-current interest-bearing liabilities

in 1,000 CHF		
	31.12.2020	31.12.2019
To equity investments	28,370	28,513
Total non-current interest-bearing liabilities	28,370	28,513

MATURITY

in 1,000 CHF		
	31.12.2020	31.12.2019
Residual maturity 1 to 5 years	17,550	17,643
Residual maturity over 5 years	10,820	10,870
Total non-current interest-bearing liabilities	28,370	28,513

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

8 Provisions

in 1,000 CHF		
	31.12.2020	31.12.2019
Pension Fund	29,722	27,071
Other provisions	27,956	28,242
Total provisions	57,678	55,313
Of which current	4,043	4,176
Of which non-current	53,635	51,137

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

9 Treasury voting and non-voting shares

in 1,000 CHF		
	2020	2019
Stock of treasury voting shares as at January 1st (in number: 219/prior year: 198)	521	420
Addition of treasury voting shares (in number: 20/prior year: 23)	65	106
Disposal of treasury voting shares (in number: 20/prior year: 2)	-39	-5
Stock of treasury voting shares as at December 31st (in number: 219/prior year: 219)	547	521
Stock of treasury non-voting shares as at January 1st (in number: 35/prior year: 195)	44	244
Addition of treasury non-voting shares (in number: 14/prior year: 0)	59	0
Disposal of treasury non-voting shares (in number: 48/prior year: 160)	-99	-200
Stock of treasury non-voting shares as at December 31st (in number: 1/prior year: 35)	4	44
Total treasury voting and non-voting shares as at December 31st	551	565

In 2020, 14 non-voting shares were acquired at an average transaction price of CHF 4,231 and 48 non-voting shares were sold at an average transaction price of CHF 4,389. Furthermore, six treasury voting shares (nominal value CHF 1,000) were acquired at a transaction price of CHF 8,341, eight treasury voting shares (nominal value CHF 125) were acquired at a transaction price of CHF 1,054 and six treasury voting shares (nominal value CHF 112.50 each) were acquired at an average transaction price of CHF 986. Moreover, 15 treasury voting shares (nominal value CHF 1,000 each) were sold at an average transaction price of CHF 8,795 and five treasury voting shares (nominal value CHF 112.50) were sold at a transaction price of CHF 949.

10 Financial expenses

in 1,000 CHF		
	2020	2019
Interest and similar expenses relating to Group companies	-754	-800
Interest and similar expenses relating to third parties	-151	-13
Realised and unrealised foreign currency losses, net	-46	-674
Total financial expenses	-951	-1,487

11 Financial income

in 1,000 CHF		
	2020	2019
Interest from loans to Group companies	244	186
Interest and similar income from third parties	28	1
Total financial income	272	187

Other information

Full-time equivalents

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

Contingent liabilities and other financial obligations

in 1,000 CHF

	31.12.2020	31.12.2019
Non-current rental and leasing obligations	3,123	3,153

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

Restricted cash

in 1,000 CHF

	31.12.2020	31.12.2019
Restricted cash	185	185

Fee for the statutory auditor Ernst & Young

in 1,000 CHF

	2020	2019
Auditing services	198	213
Other services	385	209
Total fee	583	422

Significant events after the balance sheet date

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

Investments

	Registered office	Function	Currency	Company capital in 1,000	Capital share 2020 in %	Capital share 2019 in %
Weleda Benelux SE	NL – Zoetermeer	Production and trade	EUR	2,269	100.0	100.0
Weleda Ges.m.b.H.	A – Vienna	No operative function	EUR	36	100.0	100.0
Weleda Ges.m.b.H. & Co KG	A – Vienna	Trade	EUR	1,100	100.0	100.0
Weleda Trademark AG	CH – Arlesheim	Services	EUR	920	100.0	100.0
Weleda Inc.	USA – Irvington, N.Y.	Trade	USD	8,525	100.0	100.0
Weleda Italia S.r.l.	I – Milan	Trade	EUR	500	100.0	100.0
Weleda do Brasil Ltda.	BRA – São Paulo	Production and trade	BRL	27,140	100.0	100.0
Weleda Naturals GmbH	D – Schwäbisch Gmünd	Services	EUR	25	100.0	100.0
Weleda East GmbH	RUS – Moscow	Trade	RUB	10	100.0	100.0
Weleda S.A.U.	E – Madrid	Trade	EUR	685	100.0	100.0
Weleda (NZ) Ltd	NZL – Havelock North	Production and trade	NZD	169	100.0	100.0
Weleda Australia Pty Ltd	AUS – Warriewood	Trade	AUD	800	100.0	100.0
Weleda AB	S – Stockholm	Trade	SEK	2,000	100.0	100.0
Weleda (Australasia) Ltd	NZL – Havelock North	Services	NZD	1,139	100.0	100.0
Weleda Chile SpA	CHL – Santiago de Chile	Production and trade	CLP	491,321	100.0	100.0
Weleda F + E AG	CH – Arlesheim	Services	CHF	3,000	100.0	100.0
Weleda Ukraine LLC	UA – Kiev	Trade	UAH	500	100.0	100.0
Weleda Korea Ltd.	KR – Seoul	Trade	KRW	130,000	100.0	100.0
Weleda Services GmbH	D – Schwäbisch Gmünd	Services	EUR	200	100.0	100.0
Weleda Immobilien GmbH	D – Schwäbisch Gmünd	Services	EUR	25	100.0	–
Weleda spol. s r.o.	CZ – Prague	Trade	CZK	19,684	99.6	99.6
Weleda UK Ltd	GB – Ilkeston	Production and trade	GBP	1,495	99.1	98.4
Weleda S.A.	F – Huningue	Production and trade	EUR	3,400	98.6	98.2
Weleda S.A.	ARG – Buenos Aires	Production and trade	ARS	7,622	95.0	95.0
Weleda Japan Co., Ltd.	JP – Nagoya	Production and trade	JPY	10,000	35.0	35.0

The share of voting rights corresponds to the capital share.

Proposed appropriation of the result for the year

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

	31.12.2020
Voluntary retained earnings (without result for the year)	56,692,020.03
Annual result for 2020	10,624,868.70
Total voluntary retained earnings	67,316,888.73

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

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

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

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

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

in CHF	
Statutory capital reserves before distribution	11,016,274.00
Distribution on voting share capital of CHF 4,750,000.00	332,500.00
Distribution on non-voting share capital of CHF 9,500,000.00	665,000.00
Statutory capital reserves after distribution	10,018,774.00

Distribution payment out of statutory capital reserves

Provided the General Shareholders' Meeting approves the proposed distribution, we will pay the distribution in calendar week 24. No distribution will be paid for voting shares and non-voting shares held directly by the company at the time of distribution payment.

Weleda AG, Arlesheim, April 23rd 2021
On behalf of the Board of Directors



Paul Mackay
Chairman



Dr. Andreas Jäschke
Deputy Chairman

Report of the statutory auditor

To the General Meeting of Weleda AG, Arlesheim

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the accompanying financial statements of Weleda AG, which comprise the balance sheet, income statement, cash flow statement, statement of shareholders' equity and notes (pages 122 to 130), for the year ended December 31st 2020.



Board of Directors' responsibility

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



Auditor's responsibility

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

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

Opinion

In our opinion, the financial statements for the year ended December 31st 2020 comply with Swiss law and the company's articles of incorporation.



Report on other legal requirements



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

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

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

Basle, April 23rd 2021
Ernst & Young Ltd



Daniel Zaugg
Licensed audit expert
(Auditor in charge)



Karina Gawron
Licensed audit expert

Resources used to produce Weleda natural and organic cosmetics and pharmaceuticals

Energy consumption

in megawatt-hours

	2020	2019	Change in %
Consumption within the organisation¹			
Total renewable energy	16,336	16,878	- 3.2
Total non-renewable energy	19,442	22,837	- 14.9
Total energy consumption	35,779	39,715	- 9.9
Consumption of fuels			
Non-renewable			
Natural gas	14,711	16,088	- 8.6
Heating oil	510	495	+ 2.8
Other non-renewable fuels	3,000	4,860	- 38.3
Total non-renewable	18,221	21,443	- 15.0
Renewable			
Biogas	912	964	- 5.3
Other renewable fuels	223	221	+ 0.8
Total renewable	1,135	1,185	- 4.2
Total consumption of fuels	19,356	22,628	- 14.5
Energy consumption of electricity, heating and cooling			
Non-renewable			
Electricity	1,099	1,226	- 10.3
Heating and cooling	123	168	- 27.1
Total non-renewable	1,222	1,394	- 12.3
Renewable			
Renewable energy mix	13,424	7,223	+ 85.8
Solar energy	0	119	- 100.0
Wind energy	162	319	- 49.2
Hydropower	815	7,259	- 88.8
Biomass-based intermediate energy	609	653	- 6.8
Total renewable	15,010	15,573	- 3.6
Total energy consumption of electricity, heating and cooling	16,232	16,967	- 3.9
Energy sources produced renewable			
Electricity	250	143	+ 75.5
Thermal heat	15	11	+ 33.7
Total renewable	265	154	+ 72.6
Energy sources sold renewable			
Electricity	73.3	34	+ 116.6

¹ Values updated compared to previous year (extended database)

Emissions

in tonnes of CO₂ equivalents

	2020	2019	Change in %
Direct emissions			
Emissions from production of hot water, heat and steam ¹	3,350	3,647	- 8.1
Fugitive emissions	43	89	- 52.2
Emissions transport ²	144	246	- 41.2
Emissions field work	902	1,509	- 40.2
Emissions of agricultural equipment	25	33	- 23.4
Indirect emissions			
Electricity ¹	504	753	- 33.2
Total	4,968	6,277	- 20.9

¹ Emissions after deduction of CO₂ savings from renewable energies with updated values compared to the previous year (expanded data basis and current emission factors)

² New, with effects on the total sum

Water consumption

in cubic metres

	2020	2019	Change in %
Water withdrawal			
Water from public water supply	84,188	89,374	- 5.8
Ground water	153,713	83,872	+ 83.3
Rainwater, collected directly and stored	3,286	4,214	- 22.0
Total	241,187	177,460	+ 35.9

Purchased materials

in tonnes

	2020	2019	Change in %
Raw materials¹			
Renewable	4,624	4,726	- 2.2
Non-renewable	315	305	+ 3.4
Total	4,939	5,031	- 1.8
Packaging¹			
Renewable	2,419	2,287	+ 5.8
Non-renewable	4,763	3,287	+ 44.9
Total	7,182	5,574	+ 28.9
Advertising material¹			
Renewable	1,015	821	+ 23.6
Non-renewable	39	84	- 53.8
Total	1,054	905	+ 16.4
Operating material²			
Renewable	116	61	+ 90.2
Non-renewable	70	74	- 4.8
Total	186	135	+ 38.1

Purchased materials

in tonnes

	2020	2019	Change in %
Semi-finished products and bulk goods ²			
Renewable	38	50	-24.2
Non-renewable	2	3	-34.7
Total	40	53	-24.8
Trade goods ^{2,3}			
Renewable	783	526	+48.9
Non-renewable	801	549	+46.0
Total	1,584	1,075	+47.4
Proportion of renewable materials ⁴	8,994	8,471	+6.2
Proportion of non-renewable materials	5,991	4,302	+39.3
Total	14,985	12,773	+17.3

¹ Predominantly determined by direct measurement (invoices and ERP system). In case of doubt, classification as non-renewable

² Estimates based on purchases and their material composition. In case of doubt, classification as non-renewable

³ Values updated compared to previous year (extended database)

⁴ The drinking water used as raw material is not taken into account here as the water input is already included in the water consumption. Otherwise, the share of renewable materials would be significantly higher.

Waste quantities

in tonnes

	2020	2019	Change in %
Normal waste			
Composting	25	20	+23.9
Reuse	27	37	-27.9
Recycling	663	740	-10.4
Recovery	0	18	-100.0
Incineration or use as fuel	310	350	-11.5
Landfill	23	29	-20.8
Other disposal	18	25	-28.4
Total	1,066	1,221	-12.6
Hazardous waste			
Recycling	42	17	+146.6
Recovery	4	16	-78.5
Incineration or use as fuel	61	55	+11.2
Landfill	0	1	-91.5
On-site storage	6	2	+156.7
Other disposal	7	29	-77.2
Total	119	120	-1.0
Total	1,186	1,341	-11.6

Employees of the Weleda Group

Employees of the Weleda Group at a glance

as at December 31st 2020

	Region D - A - CH ¹	Southern Europe ¹	Northern Europe ¹	Central and Eastern Europe ¹	North America ¹	South America ¹	Asia/ Pacific ¹	Total
Number of female employees	904	312	150	69	24	177	61	1,697
Number of male employees	506	125	50	14	11	90	19	815
Total number of employees	1,410	437	200	83	35	267	80	2,512
Total number of managers	202	73	38	19	16	41	11	400
Nature of employment								
Full-time employees	855	334	112	75	34	244	16	1,670
Part-time employees	555	103	88	8	1	23	64	842
of whom female part-time employees	485	100	79	8	1	17	50	740
of whom male part-time employees	70	5	9	0	0	5	14	103
Employment by age group								
up to 30 years of age	186	58	25	20	²	63	²	361
31 to 50 years of age	767	274	103	60	²	166	²	1,432
51 to 60 years of age	381	110	51	1	²	29	²	608
over 60 years of age	76	15	21	2	²	9	²	131
Total number of newborns	43	10	3	5	0	4	0	65

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

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

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

GRI indicators index

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

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

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

Certifications of Weleda countries

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

Switzerland

Weleda AG
Dychweg 14
4144 Arlesheim
Switzerland
Tel. +41 61 705 21 21
www.weleda.ch

Certified in accordance with ISO 14001 and EMAS/Verified Environmental Management, D-135-00032



Germany

Weleda AG
Möhlerstr. 3–5
73525 Schwäbisch Gmünd
Germany
Tel. +49 7171 91 90
www.weleda.de

Certified in accordance with ISO 14001 and EMAS/Verified Environmental Management, D-135-00032, certified in accordance with audit berufundfamilie



Italy

Weleda Italia S.r.l.
Via Albani 65
20148 Milan
Italy
Tel. +39 02 487 70 51
www.weleda.it

Certified in accordance with SA8000 (Social Accountability Standard)



France

Weleda S.A.
9, rue Eugène Jung
68331 Huningue Cedex
France
Tel. +33 38 969 68 00
www.weleda.fr

Certified in accordance with ISO 14001

Since 2018

UEBT certification for our management system for raw material sourcing of natural raw materials

Weleda was among the first two brands worldwide to receive the new UEBT certification "Sourcing with respect" in 2018. This label guarantees that biodiversity is preserved and used sustainably in the cultivation, harvesting and further processing of the plants. Weleda is also committed to treating all supply chain participants fairly and paying fair prices.



Ethical sourcing commitments

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

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

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

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

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

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

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

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

Certification scope in figures

2020

- We had 657 approved supply chains, which means that 100 per cent of the raw materials used were evaluated.
- In 2020 we purchased 245 natural raw materials from 150 suppliers for natural and organic cosmetics.
- 133 of our supply chains are defined as prioritised for verification. Verification means that we confirm the information we have received from our suppliers for evaluation through on-site audits.
- Due to pandemic restrictions, only six audits were conducted in 2020. With the audits already carried out in previous years, the current status is as follows:
 - 47 audits conducted
 - 3 desktop assessments (in 2021)
 - 14 audits planned (in 2021)
 - 22 at planning stage
 - 47 under review to determine whether audit is required

- Of the 47 audits carried out
- 12 suppliers have already implemented their measures
 - 29 suppliers have planned the implementation of the necessary measures
 - 6 suppliers still have to prepare action plans.

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

2021 target

- Verification of all remaining prioritised supply chains
- Follow-up of supplier measures and completion of verification audits
- The corrective measures from last year’s audit are mainly adjustments in our process descriptions and internal training. These measures were implemented in 2020, but will need to be further adjusted in 2021. This is primarily due to process improvements, such as the introduction of an online tool at UEBT, which will be used to evaluate all data from 2021 onwards.
- Further internal training, revision of communication guidelines

Observation

In 2020, not all audits were carried out as planned, mainly due to travel restrictions. New supply chains are also added every year, so that the number of supply chains to be verified is constantly increasing.

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

The current certification is valid until June 2021.

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

What are the guiding principles of the UEBT standard?

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

What is the UEBT?

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

Transparent and solid business management

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

Control and risk management

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

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

Audit Committee

Members

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

Tasks

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

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

Weleda worldwide

Switzerland

Weleda AG
Dychweg 14
4144 Arlesheim
Switzerland
Tel. +41 61 705 21 21
www.weleda.ch
www.weleda.com

Weleda Trademark AG
Dychweg 14
4144 Arlesheim
Switzerland
Tel. +41 61 701 16 92

Germany

Weleda AG
Möhlerstr. 3–5
73525 Schwäbisch Gmünd
Germany
Tel. +49 7171 91 90
www.weleda.de

Weleda Services GmbH
Möhlerstr. 3–5
73525 Schwäbisch Gmünd
Germany
Tel. +49 7171 91 90
cityspa.weleda.de

Argentina

Weleda S.A.
Ramallo 2566
C1429DUR Buenos Aires
Argentina
Tel. +54 11 4704 4700
www.weleda.com.ar

Australia

Weleda Australia Pty Ltd
Unit 16, 2 Daydream Street
Warriewood NSW 2102
Australia
Tel. +61 2 9997 5171
www.weleda.com.au

Austria

Weleda Ges.m.b.H & Co. KG
Hosnedlgasse 27
1220 Wien
Austria
Tel. +43 1256 60 60
www.weleda.at

Benelux

Weleda Benelux SE
Platinastraat 161
2718 SR Zoetermeer
Netherlands
Tel. +31 79 363 13 13
www.weleda.nl
www.weleda.be

Brazil

Weleda do Brasil Laboratório e Farmácia Ltda.
Rua Brigadeiro Henrique Fontenelle 33
Parque São Domingos
CEP 05125000
São Paulo
Brazil
Tel. +55 11 3648 8388
www.weleda.com.br

Chile

Weleda Chile SpA
Evaristo Lillo 78, Of. 41
Las Condes
Santiago de Chile
Chile
Tel. +56 02 240 2700
www.weleda.cl

Czech Republic

Weleda spol. s r.o.
Lidická 336/28
150 00 Praha 5
Czech Republic
Tel. +420 257 315 888
www.weleda.cz

France

Weleda France S.A.
9, rue Eugène Jung
CS 20152
68331 Huningue Cedex
France
Tel. +33 (0)3 89 69 68 00
www.weleda.fr

Italy

Weleda Italia S.r.l.
Via Albani 65
20148 Milano
Italy
Tel. +39 02 487 70 51
www.weleda.it

Japan

Weleda Japan Co., Ltd
Ebisu IS building 4F 1–13–6
Ebisu, Shibuya-ku
Tokyo 150-0013
Japan
Tel. +81 (0)50 3655 0890
www.weleda.jp

New Zealand

Weleda (NZ) Ltd
302 Te Mata Road
P.O. Box 8132
Havelock North 4157
New Zealand
Tel. +64 6 872 87 00
www.weleda.co.nz

Russia

Weleda East LLC
Bolshaya Polyanka 7/10 str.3
119180 Moscow
Office 400
Russia
Tel. +7 495 545 4285
www.weleda.ru

Slovakia

Weleda spol. s r.o.
organizačná zložka
(branch of Weleda Czech Republic)
Dúbravčická 1/3600
84102 Bratislava – Dúbravka
Slovak Republic
Tel. +421 905 815 829
www.weleda.sk

South Korea

Weleda Korea Ltd.
KJ Tower (14th floor)
Bongeunsa-Ro 207, Gangnam-gu
Seoul 06109
Republic of Korea
Tel. +82 70 7700 7472
www.weleda.kr

Spain

Weleda S.A.U.
Calle Manuel Tovar 1, piso 6 izq
28034 Madrid
Spain
Tel. +34 91 358 03 58
www.weleda.es

Sweden

Weleda AB
Ludvigsbergsgatan 20
11823 Stockholm
Sweden
Tel. +46 85 515 18 00
www.weleda.se

Ukraine

Weleda Ukraine LLC
Kyrylivska str. 6
04080 Kiev
Ukraine
Tel. +380 44 333 7108
www.weleda.ua

United Kingdom

Weleda UK Ltd
Heanor Road
Ilkeston
Derbyshire DE7 8DR
United Kingdom
Tel. +44 115 944 8200
www.weleda.co.uk

USA

Weleda North America (Weleda Inc.)
1 Bridge St Suite 42
Irvington, NY 10533
USA
Tel. +1 800 241 1030
www.weleda.com

The Annual and Sustainability Report 2020 of the Weleda Group and Weleda AG is available in English and German. The German version is binding.

Weleda AG produces its Annual and Sustainability Report on a yearly basis. The last report produced was the Annual and Sustainability Report 2019 of the Weleda Group and Weleda AG.

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Issued by
Weleda AG
Dychweg 14
4144 Arlesheim
Switzerland
www.weleda.com

Editors
Florian Amrhein
Michael Brenner
Martin Cadosch
Anette Engel
Birgit Frank
Bernward Geier
Kathrin Hollmer
Tobias Jakob
Jessica Jungbauer
Karlis Kalns
Marcel Locher
Christoph Möldner (editorial responsibility)
David Oechsle (project management)
Annette Piperidis
Ute Scheub
Bas Schneiders
Stefan Siemer
Theo Stepp

Proofreading
Claudia Marolf, Bachenbülach

Photos
Cover:
Barbara von Woellwarth
Inner section:
BOS – Borneo Orangutan Survival
BPI Borneo Productions
International
Kelly Brown
Markus Burke
Sara Constantino
Jacob Fliedner
Marcia Friese
Getty Images/John Fedele
Ramon Haindl
iStock
Jessica Jungbauer
Sophia Kianni
Miriam Klingl
laif/Achim Multhaupt
laif/The New York Times/Redux
laif/Vitor Marigo/Cavan Images
Claudia Link
Hunayza Mohamed
Anne Morgenstern (Executive Board/Board of Directors)
Srdjan Pavlovic
Michael Peuckert
Regina Recht
Jewgeni Roppel
Jan Ryser
Barbara von Woellwarth

Illustrations
Mutter Design

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Anzinger und Rasp,
Munich

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Druckerei Lokay e.K.
Königsberger Str. 3
64354 Reinheim
Germany

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EU Ecolabel

**Contact for questions
regarding the report**
David Oechsle
Global Communications
Tel. +49 7171 919-8147
doechsle@weleda.de

Art. no. 00085521 (CH)
Art. no. 50331800 (D)



