




GOOD
CARE
REPORT



-  Highs and lows from the year 2022
-  Happy with the results
-  Happy to look ahead

Welcome to Naïf's 2022 very first Good Care Report! We are happy to share with you our impact journey over the past year. We have been committed to taking good care ever since we started, and 2022 was no different. As we reflect on the past year, we can hardly believe how far we've come, but we are also reminded of our humble beginnings.

We started Naïf when we both became fathers ourselves and realized how challenging it was to find safe, natural, and gentle baby care products. Products that are kind for the skin of a newborn, and less impactful for our planet. We wanted to create products that we could trust and that would help us take good care of our little ones. And so, Naïf was born with a mission to help all families take good care.

We believe in a world where personal care can be good care. A world where only the best ingredients are used for your baby's skin, and where microplastics are not found in your care products. A world where your UV filter does not bleach the coral reefs and where good care entails more than taking care of your kids. It's taking care of the environment and the world they grow up in. And although some may call us naive, we are proud to be just that. We know that by staying naive and challenging the status quo, we can change the industry.

So what happened in 2022? We are excited to see that our business has grown rapidly over the past 3 years; with an average of 56% each year. Which is a reflection of the growing interest in good care products, the unwavering support of our loyal consumers and customers, and the commitment of our superstar team. We are super proud of our

Naïf family, which has expanded from 20 to 30 passionate and skilled individuals who share our vision and values.

Our commitment to help all families take good care, and thus making our products accessible to more people, has been reflected in the expansion of our reach. Our products are now available in some of the biggest Austrian and German drugstores, including DM, which is a significant achievement for us. We are also listed in Kruidvat and DA, two of the largest drugstore chains in the Netherlands, highlighting the growing demand for clean personal care products.

Speaking of demand, we are proud to say that we are now one of the biggest mineral sun care brands in the Netherlands. Our sunscreen was even named the Green Choice by the Dutch consumers' organization Consumentenbond and was chosen as one of the most sustainable sunscreens by the Belgian consumers organization Testaankoop. We take our responsibility to the environment seriously, and we are thrilled to see our efforts recognized.

Another highlight of the year was starting to work with the largest Dutch daycare organization Partou. We know how important it is to use safe and gentle products during those first 1.000 days of life, and we are honored to partner with an organization that shares these values.

Good personal care products, without microplastics and other harmful ingredients, are still the exception. But we can sense that things are starting to shift in a positive direction. The tide is turning and we are heading towards a tipping point where the exception becomes the norm. And we are proud to be part of that change. The fact that the EU is working on a ban for all intended added microplastics is a good sign. Although we

believe the ban doesn't go swift or fast enough, it is still a positive step forward. We will continue to advocate for stronger protections for our planet and its inhabitants.

Of course, 2022 was not without its challenges. While covid restrictions eased, the war in Ukraine broke out, inflation hit, and prices surged. These global events remind us of the importance of taking good care of each other.

In spite of these challenges, we had plenty of reasons to celebrate. We launched our first refills and a full new kids line. This launch was particularly special because we had our first official kids panel to test our products and choose the packaging. Kids are central to everything we do, so what they think matters.

In this report, we'll explore some of the most notable highs and lows of 2022, as well as the impact we made at Naïf and beyond. We'll take a closer look at the issues that defined the year and the progress we've made, as well as the work that still lies ahead. And we can already tell you: we have some pretty cool stuff planned for 2023.

Ultimately, we hope this report reminds us of the importance of working together to create positive change. We believe that by joining forces and using our collective creativity, we can create a brighter and sustainable future for the next generations.

Thank you for joining us on this journey.

Sjoerd Trompetter & Jochem Hes
Founders Naïf



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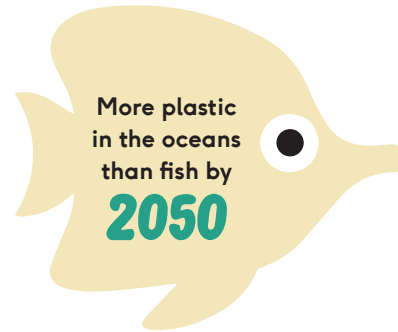
I. OUR INDUSTRY NEEDS TO CHANGE

At Naïf, we believe that you can't take care of your kids while robbing them of their future. That is why we are committed to taking care of the environment as well. And there are 3 major challenges to our environment: climate change, pollution and loss of biodiversity. The United Nations call this the triple planetary crisis. It's important to understand that each issue has its own causes and effects, and they all need to be addressed if we want our kids to live on a healthy planet.

In this part of the report we want to briefly describe what we believe is wrong with our industry, the 3 environmental challenges we face, and why we want to drive change.



1.1 WHAT IS WRONG WITH OUR INDUSTRY



More plastic
in the oceans
than fish by
2050

120 BILLION
units of packaging
produced by the
industry every year

Packaging accounts
FOR 70%
of the beauty
industry's waste



9 OUT OF 10
personal care products
contain microplastics

If we continue;
there will be
**12 BILLION
TONS**
of plastic in landfill,
equivalent to 35,000
Empire State Buildings



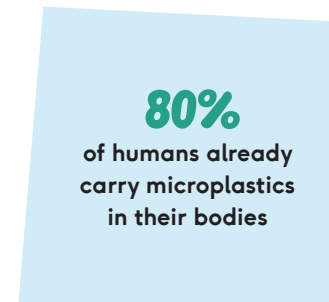
One package
of baby wipes has
as much plastic as
1,7 PET-BOTTLES



Only
1 OUT OF 10
kids shampoos and
conditioners is
free of microplastics



Every year, around
14,000 TONS
of sunscreen end
up in the sea



80%
of humans already
carry microplastics
in their bodies

1.2 THE ISSUES

Sadly, the personal care industry is a significant contributor to the current environmental problems we face, driven by its heavy reliance on single-use products, plastic packaging and high carbon emissions.

But change is possible. We believe that if the whole industry comes together, we can make a positive impact. By making step changes across the value chain (from manufacturing, to packaging and distribution) we can help fight climate change, pollution and biodiversity loss.

CLIMATE CHANGE

The UN Environment Program says that the earth is getting warmer because of human activity. We drive emissions when we do things, such as using energy, making stuff, moving things around, building things, and growing food. We also generate emissions when we cut down trees and throw away waste.

The personal care industry has a large carbon footprint because it uses a lot of materials made from fossil fuels. Even when beauty products are made from natural materials, they still require a lot of energy to be produced, thereby generating emissions. Lastly, the packaging and shipping of care products also generates further emissions.

POLLUTION

It's no surprise that plastic waste is a significant problem for the environment. Plastic doesn't decompose but breaks down into tiny pieces that can take hundreds of years to disappear. In fact, if we keep producing and disposing of plastic at the current rate, there will be more plastic in the oceans than fish by 2050!

One of the main sources of plastic pollution is packaging materials. Personal care products often need to be packaged so they are not damaged before reaching the consumer. That's why the industry produces 120 billion units of packaging every year. Most of this packaging is made of (single-use) plastic: packaging accounts for 70% of the beauty industry's waste. If we continue like this, the UN warns that there will be 12 billion tons of plastic in landfill, equivalent to 35,000 Empire State Buildings¹.

But plastic pollution is not only caused by packaging, it's also found in the products themselves. For example, wet wipes are often made of plastic, and just one package of baby wipes has as much plastic as 1.7 PET-bottles.

And that's not all: about 9 out of 10 personal care products actually contain tiny parts of plastic called microplastics. These are used as cheap fillers, exfoliators, conditioners, and cleansers. Recent research shows that 77% of all baby care products sold in the Netherlands contain microplastics, and only 1 out of 10 shampoos and conditioners is free of microplastics. As a result; more than 10% of the overall environmental releases of intentionally added microplastics come from personal care products.

Microplastics are really small, you can't see them with your bare eyes, but they are there. They end up in the ocean, the air, and everywhere around us. Once these products are washed down the drain, the microplastics enter our sewage system where they can't be filtered out and end up in our oceans and rivers. This is worrying because the damage is irreversible. Once microplastics enter our environment they are almost impossible to clean-up.

¹ https://issuu.com/britishbeautycouncil/docs/bbc_20_20the_20courage_20to_20change_screen_final

1 Our industry needs to change

BIODIVERSITY

Microplastics are not only contributing to plastic waste in the oceans, they are also often consumed by sea creatures, causing harm and even death. Scientists have found that microplastics can lead to genetic mutations and changes in fish behavior². It's not just the fish that are affected, though. Recent research indicates that microplastics have an impact on all biodiversity, including the organisms living at the bottom of ditches, puddles, and lakes³. These organisms are essential for our ecosystem. When they are harmed it has a ripple effect on the rest of the food chain.

THERE WILL BE MORE PLASTIC IN THE OCEANS THAN FISH BY 2050

Another way our waters are impacted is through the products we wear when we swim in our lakes or oceans. Every year, around 14,000 tons of sunscreen make their way into the sea. Many sunscreens contain a chemical UV filter that can harm coral reefs and other marine life. These chemicals can induce bleaching, damage, deform, and even kill corals. Coral reefs are incredibly important for biodiversity as they are home to more than 25% of all marine life. They occupy less than 1% of the ocean floor but are essential to our life on this planet. It's time for us to take responsibility for the impact our personal

² https://www.trvst.world/sustainable-living/environmental-impact-of-cosmetics/#cmf_footnote_1

³ <https://www.wur.nl/en/newsarticle/Effects-microplastics-and-nanoplastics-on-biodiversity-only-visible-after-a-year.htm>

care products have on the environment and make changes to protect our oceans and marine life.

POSSIBLE IMPACT ON OUR HEALTH

Personal care products do not only affect the planet, but also possibly our own health. Recent studies show that 80% of people already carry microplastics inside our bodies⁴. Microplastics were even found in the placentas of unborn babies⁵. Further research is currently being conducted to understand the long-term effects on human health.

Moreover, we are also concerned about the potential health implications of the many chemicals that are present in personal care products (including for example foaming agents, conservatives, and fragrances). Though more research is needed, scientists think that exposure to these chemicals in high concentrations may disrupt hormones and therefore have an impact on health. A study conducted by the Erasmus Medical Center has found that such substances can impact the development of boys, causing them to enter puberty earlier.

⁴ <https://vu.nl/en/news/2022/microplastics-found-in-human-bloodstream>

⁵ <https://www.theguardian.com/environment/2020/dec/22/microplastics-revealed-in-placentas-unborn-babies>

1.3 WHY DO WE CARE

When Jochem and Sjoerd became dads, they realized they now had a responsibility that exceeded their own lives. To take care of the next generation. Thus Naïf was created with a mission to help all parents take good care of their families, without worries.

At Naïf, we believe that you can't take care of your kids while robbing them of their future. That is why we are committed to taking care of the environment as well. Our products prove that good care is both possible and good for business. We strive to lead by example and change the industry for the better.

To achieve our mission and drive change within our industry, we follow the "Theory of Change" which includes creating and innovating new products, raising awareness about the importance of using safe and sustainable care products, and inspiring the industry to follow our lead.

CREATE & INNOVATE

We believe that taking care of your baby and taking care of the planet go hand in hand. And it starts with making products that people love. That's why we create and innovate to make products that not only meet the highest standards of baby care, but also minimize their impact on the environment. We are always searching for ways to make a real difference in the industry. So, what products need change? And how can we help parents? Then we do our research: what alternative ingredients can we use? And what can we do better in terms of packaging? We're committed to using sustainable ingredients and packaging, reducing our carbon footprint and continuously improving our products and processes.

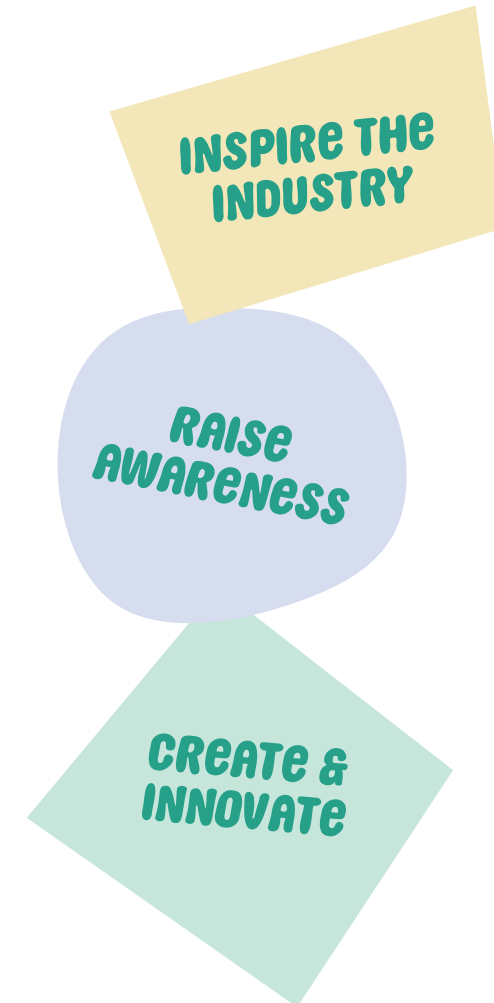
RAISE AWARENESS

Many parents want to take good care of their family and our environment. But where to start? At Naïf we worry about the ingredients and the environment so that you don't have to. We are always looking for improvements across the value chain: from industry to products and from ingredients to packaging. We are the good care expert you can trust.

We also want to make sure that people know what is currently not right and what could be better. That is why we communicate our findings with complete transparency. To raise awareness around the issues in the industry, and what we can do better ourselves. We firmly believe that making informed choices about the products we use is essential for creating a better future for both our little ones and the planet.

INSPIRE THE INDUSTRY

We don't just want to report on the problems within the personal care industry - we want to be part of the solution. We want to show the industry that it's possible to make products that are safe and effective, but also less damaging to the environment and ethically made. By demonstrating the commercial viability of our choices, we lead the change and inspire others to act. We can only change the industry if others join us in our mission.



2. HOW DO WE TAKE GOOD CARE?

We believe that taking good care is not just a concept, but a way of doing business. To ensure that we are making meaningful progress towards our goals, we have developed an impact strategy in 2022. This strategy allows us to set concrete goals, measure our results, and assess how far we've come and where we want to go. In this chapter, we share our goals with you.



2.1 OUR CORE VALUES

Our core values guide everything we do. We believe that by prioritizing the things that matter most, we can make a positive impact on the world. Our four core values are centered around the idea of doing good: making GOOD care products, taking GOOD care of the planet, using our business as a force for GOOD, and believing that it's GOOD to be Naïf.

Making GOOD care products means making the best care products. Products that people love to use. That means all our products are first and foremost mild and kind for (a baby's) sensitive skin. We use only the best ingredients, like macadamia oil and shea butter. Our promise: we won't ever sell you anything we would not use on our own kids.

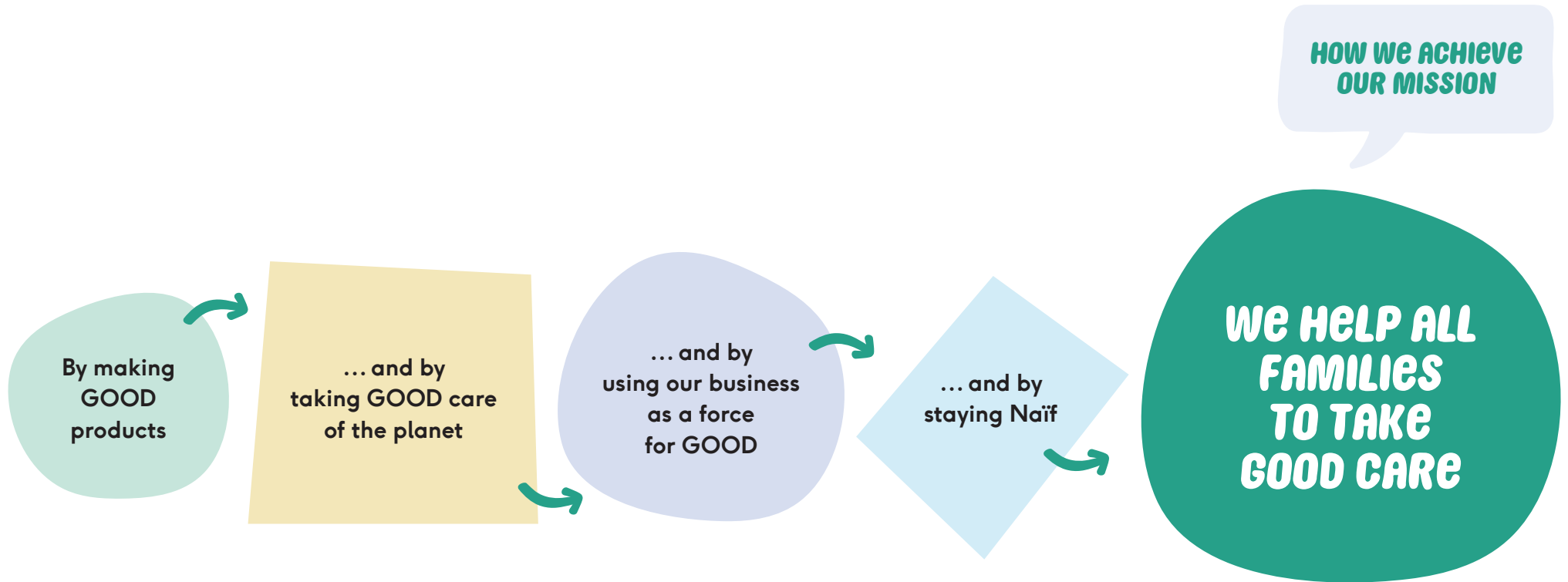
Taking GOOD care of the planet is also a top priority for us. We understand that everything we make has an impact on the environment, and we are constantly working to reduce our impact and share what we've learned with others. Our goal is not only to reduce our impact, but to also do more good for the planet as a whole.

Using our business as a force for GOOD is something we're incredibly proud of. As a B-Corp, we are committed to demonstrating the commercial viability of sustainable choices and inspiring others to follow our lead. We use our resources to raise awareness and invest in the future generation.

Finally, we believe that it's GOOD to be Naïf. We know that it might seem naive to believe that we can make a difference in the world, but we are committed to doing our part. We believe that by striving to do better and always looking for ways to improve, we can create a better world for everyone.

DO GOOD FOR THE PLANET AS A WHOLE

2.2 OUR CORE VALUES ARE HOW WE TAKE GOOD CARE



3. OUR IMPACT

We recognize that everything we do has an impact, and we are committed to limiting that impact and driving positive change in the personal care industry. Taking good care goes beyond just the products we create. It's about being responsible and doing our part. As a B-corp, we believe in using our business as a force for good.



3.1 IMPACT AT A GLANCE

Some of our key results in 2022:

MAKING GOOD PRODUCTS

From 2019 until 2022, we had an average annual **GROWTH RATE OF 56%** in food and drug retail

Hold a **QUARTER** of the market in baby care¹

¹ IRI data 2019-2022 (food, drug, online)

We were the biggest **SUSTAINABLE BABY CARE BRAND** on Bol.com

We've said **GOODBYE TO OUR SHOWER FOAMS**, since we found they were the second-largest contributor to our overall CO2 footprint

97,7% of the ingredients we used in our products were of natural origin

Roughly **4 MILLION** Naif baby care products were sold in 2022

We are now one of the biggest **MINERAL SUNSCREENS** in the Netherlands

TAKING GOOD CARE OF THE WORLD

Our product carbon footprint for 2022 was **1.621 T OF CO2**, which is equivalent to 128,7 trips around the globe by car.

By introducing refills **WE CUT 10%** of our overall waste during that period (Q4)

We use **ONLY HALF** of the product packaging (tube or jar) in comparison to 2019

Since we launched our wipes we saved as much CO2 as **18,9 TIMES AROUND THE GLOBE BY CAR**

Unsurprisingly our most sold product - **BABY WIPES** - also had the highest carbon footprint

Our sunscreen dispenser were used **38.000 TIMES**

With our bioplastic packaging, we've **SAVED 55,7 TONS OF CO2** between 2019-22 and **SAVED 18%** of our total plastic CO2 footprint

Unfortunately, we used **A BIT MORE** secondary packaging in 2022 (3,72%) than in 2021 (2,04%) due to packaging limitations

USING OUR BUSINESS AS A FORCE FOR GOOD

We donated **±7.500 PRODUCTS** to families in need

We **JOINED THE B BEAUTY COALITION** and co chair the B Beauty packaging workgroup

IT'S GOOD TO BE NAIVE

20 PERCENT of the Dutch baby wipes market is now plastic-free²

² IRI data 2019-2022 (food, drug, online)

Only **1 OUT OF 10** kids shampoos and conditioners is **FREE OF MICROPLASTICS** (and it's ours)

3.2 MAKING GOOD PRODUCTS

WHAT GOOD PRODUCTS ARE TO US

Our goal is to help all families take good care by creating products that are gentle on the skin and enjoyable to use. We understand that taking care of your baby is particularly crucial during the first 1,000 days of their life, as this period is vital for growth and development. From the time kids are conceived until the day of their second birthday, your child's brain, immune system, and other organs are developing rapidly. This is why it's important to use high quality baby care products during this time. For us that means not including any unnecessary ingredients that could potentially harm your baby such as microplastics, endocrine disruptors, mineral oils and allergenic compounds. Although the exact effects of these ingredients are not always clear and further research is needed, we believe it's better to err on the side of caution and so we do not use them.

INGREDIENTS WE LOVE TO USE

- Almond, macadamia, avocado, sunflower, rapeseed, sesame, jojoba oils
- Shea butter
- Coconut oil and its derivatives
- Linseed and cottonseed extract
- Plant-based glycerine
- Aloe vera juice
- Tocopherol
- Bisabolol
- Zinc oxide

INGREDIENTS THAT WE DO NOT USE

- Ingredients containing microplastic(s)
- Compounds coming from the petrochemical industry, so mineral oils or derivatives thereof
- Preservatives and antioxidants such as parabens*, phenoxyethanol, BHT or Butylated Hydroxyanisole
- Synthetic emulsifiers, such as all PEGs compounds
- Silicones
- Foaming agents such as SLS and SLES
- Chemical UV filters
- EDTA
- Salicylic acid
- Essential oils and fragrance compounds known to be allergens
- Phthalates-containing perfume
- Ingredients derived from animals

*Please note that the use of parabens is approved by the EU. However, the Dutch department of Health (RIVM) also notes that further research is being done about the long-term health impacts of parabens¹.

MAKING PRODUCTS PEOPLE LOVE

To really help all families take good care, we want to become the biggest baby brand in the Benelux (and beyond). We know that may sound like a big goal, but we truly believe it's necessary to make a real difference in the industry and provide parents with the best possible products for their little ones. By becoming the biggest baby care brand, we can provide parents with alternative products.

We can set new standards for the industry and lead the way in promoting clean and safe baby care products. Plus, we'll have more resources for research and development to keep improving our

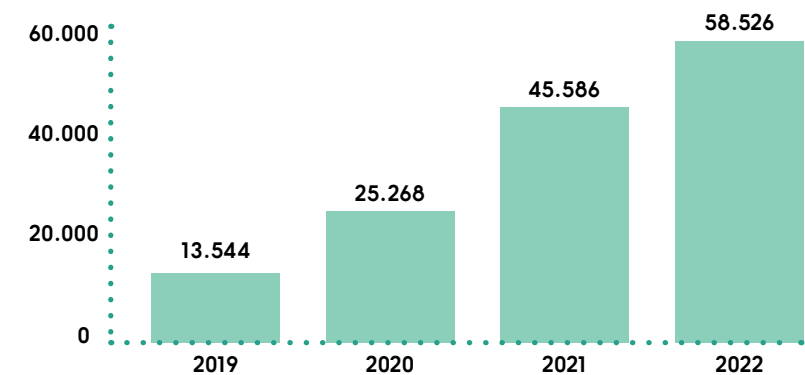
¹ <https://waarzitwatin.nl/stoffen/parabenen>

products and developing new ones that meet the evolving needs of parents and babies.

That is why we're thrilled to announce that we're making progress towards that goal! In the last three years Naïf was the baby care brand that grew the most at Etos, one of the largest drugstores in the Netherlands. From 2019 until 2022, we had an average annual growth rate of 56% in food and drug retail, while the market only grew 3% per year in this period.² Now almost a quarter of the market is ours. Meanwhile, our competitors actually lost some of their share. This tells us that more and more people want safe and clean baby products, which we think is fantastic!

That's not all! We've also partnered with Kruidvat to distribute our baby care products, which means our products are now available in over 1,400 new stores. And we're not just growing in stores, but also online. In fact, we were the biggest sustainable baby care brand on Bol.com in 2022!

Naïf sales NL in volume (L) from 2019-2022



² IRI data 2019-2022 (food, drug, online)

3.3 TAKING GOOD CARE OF THE PLANET

How do we care for the planet? As a business, we recognize that our very existence has an impact on the environment. But we try to limit this impact by constantly seeking out ways to reduce our environmental footprint. We understand that “less bad” will never truly be good. We are committed to continually improving our practices and finding innovative solutions to minimize our negative impact on the world our kids grow up in.

In order to minimize our impact, we focus our efforts on three specific areas. The first is our carbon footprint, which looks at the greenhouse gas emissions generated throughout our entire supply chain, from sourcing ingredients to product distribution. We recognize that we can always do better in every category to reduce our impact on the planet.

Next we turn our attention to packaging. While it may be impossible to eliminate packaging altogether, we believe that we can improve its impact. Packaging is a significant contributor to a product’s carbon footprint, and plastic packaging in particular has a significant impact on global plastic waste. To reduce our environmental impact, we are constantly searching for ways to improve packaging for every product we create.

Lastly we consider our ingredients. Our shampoos and creams eventually end up in the water drain, and ultimately back in nature. It is crucial to us that our ingredients are not only gentle for babies, but also safe for our ecosystem. We strive to use natural, biodegradable ingredients that won’t harm living species while also ensuring that we responsibly and sustainably source our ingredients.

At Naïf we understand that doing good for the planet begins even before we manufacture our products, and we are committed to making a positive impact in all aspects of our business.

CARBON FOOTPRINT

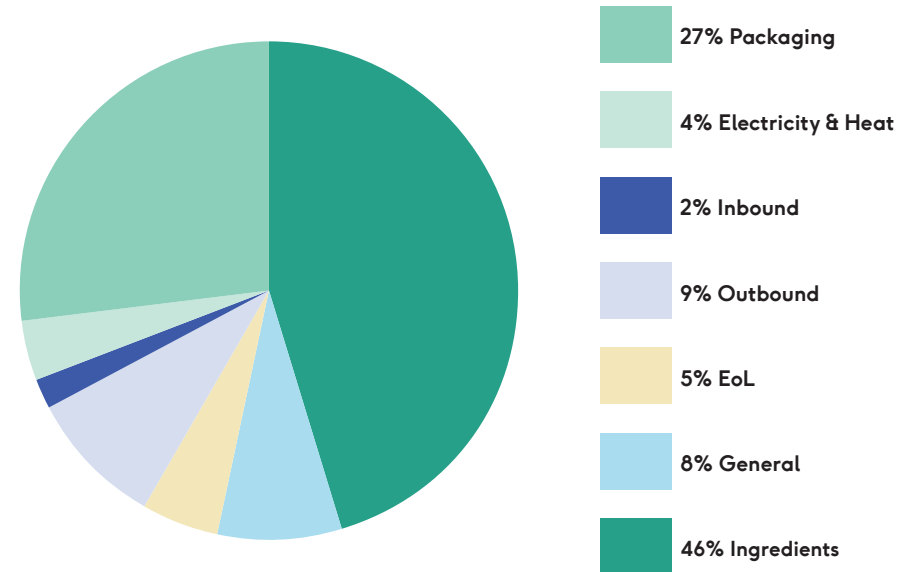
In 2022, we took a big step forward by calculating our carbon footprint across our entire product portfolio using the widely recognized Greenhouse Gas Protocol. Our goal is to continually improve and reduce our carbon footprint in the coming years, and this is just the beginning. We’re excited to see where this journey takes us.

We looked at the full product life cycle, from the extraction of raw materials to the disposal of our products, to get an accurate picture of our carbon footprint. We did not include the use phase in this analysis however, as it is currently too complex to measure.

Our product carbon footprint for 2022 was 1621t of CO₂, which is equivalent to 128,7 trips around the globe by car. Unsurprisingly our most sold product – our baby wipes – also had the highest carbon footprint.

Our analysis revealed that the main contributors to our carbon footprint are the ingredients (46%), packaging (27%), and waste (5%). That’s why we’re focusing on reducing our impact in these areas, as we believe we have the most to gain here. Logistics, including inbound and outbound transportation, accounted for 11% of our carbon footprint.

Average CO₂ distribution across Naïf portfolio 2022



PACKAGING

One of the main reasons that the personal care industry has such a negative impact on the planet is the use of packaging. We are working hard to improve this and are even co-charing the B-Corp Beauty working group on packaging. We do believe, however, that plastic packaging is the best choice for now. Here's why.

WE NEED PACKAGING

All our products are mainly made with ingredients of natural origin (about 97 percent). We use only mild preservatives. This makes our products very sensitive to oxygen exposure and changing temperatures. That means our products require good packaging to protect them.

Most of our products are also for (newborn) babies and kids. This means that they need to be easy to use, so you can get the product out with one hand while also holding your baby. It also means our packaging should be safe. That is why we avoid glass for our baby products because this heavier packaging may hurt your child if it accidentally falls over.

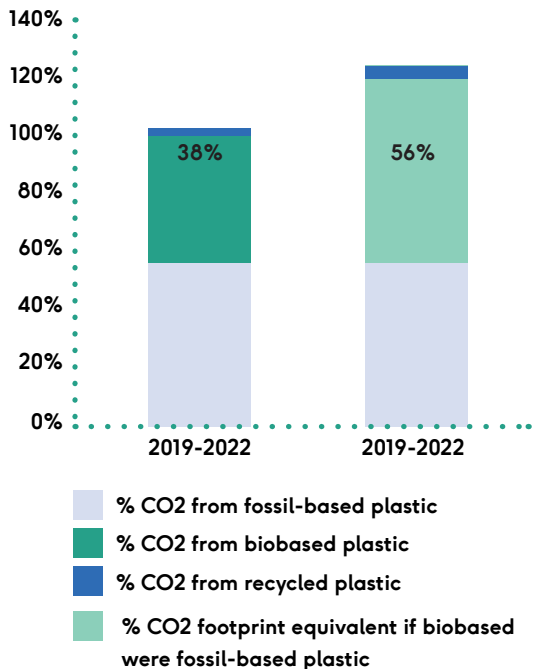
When deciding on what type of packaging to use we look at different factors, including the compatibility with the product and with the intended use, and what will happen once the product is finished. We also look at the environmental footprint of the product. With this in mind we selected plastic packaging for most of our portfolio. We believe that the main issue of plastic packaging is its end of life, and we can all work on this impact by improving recyclability, reducing plastic packaging and reusing them as much as possible.



USING LESS FOSSIL-BASED PLASTICS

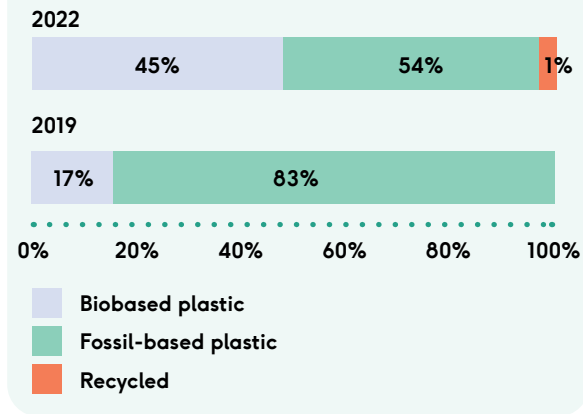
Up until now most of our packaging is made from biobased plastic, a plastic that is made from sugar cane. Because it is made from plants and not fossil fuels, bioplastic uses fewer scarce resources and doesn't emit as much carbon emissions. Plus, it has the same properties as regular plastic, so it can be recycled in the same way as other plastic products. We started making this switch back in 2019, and thanks to our customers' help, we've managed to save 55.7 tons of CO2 compared to using fossil-based plastic. This is the same as 4,4 times around the globe by car. That's a reduction of 18% of our total plastic CO2 footprint between 2019 and 2022. Pretty cool, we think!

Ratio of CO2 footprint of our plastic packaging



It is good to clarify a few common misconceptions. The first is that our caps and pumps are currently made from fossil-based plastics, as no viable options yet exist in bioplastic. The second is that people often think bioplastic means biodegradable. However, this is not always the case.

Distribution of types of plastic used in primary and secondary packaging from yearly volume sold, Naïf sell out data



FROM BIOPLASTICS TO RECYCLED PLASTICS

Luckily, the world is changing rapidly; researchers and development teams are continuously seeking ways to reduce environmental impact. We're talking about things like using better materials, improving processes, and finding ways to recover more water.

With this in mind, we did a thorough assessment of our packaging choices last year. Although biobased plastics were the best option for us a few years ago, we've realized recycled plastics are becoming a better solution. By using recycled plastic we're not only supporting the plastic

recycling stream, but we are also helping to drive demand for recycled plastic. And that means more companies will start working on better recycling technologies and improving recycling rates. Plus making recycled plastic costs less CO2 than making new plastic, whether it's biobased or fossil-based.

Starting this year we will transition our entire product range to use as much recycled packaging as possible. We've already started by implementing recycled PET for two of our jars, and we're planning to do even more in 2023. And we're not stopping there - we're also working to make our packaging more recyclable, especially in our home market of the Netherlands. We know there's still a lot of work to be done, but we're proud to be moving in the right direction towards a more sustainable future.

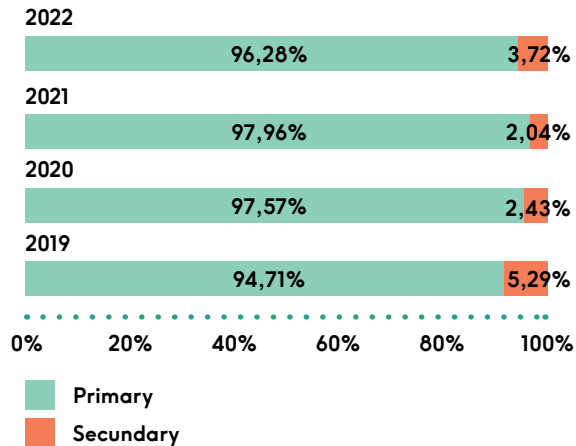
REDUCE PACKAGING

The 'easiest' way to limit our impact is to simply reduce. We know that less packaging is better. And so we have been working hard to minimize the amount of packaging we use for our products. We have removed any unnecessary parts, keeping only the essential packaging. We don't use plastic wrapping around our products and we've minimized the use of boxes wherever possible. Unfortunately we sometimes need to use a box to meet legal requirements, but we have been able to remove boxes from some of our products. This includes our nurturing cream and diaper cream tubes. As a result of our efforts, we were able to reduce our secondary packaging from 5.29% in 2019 to 2.04% in 2021.

Unfortunately we faced some packaging limitations in 2022 and had to introduce some new products with secondary packaging, which

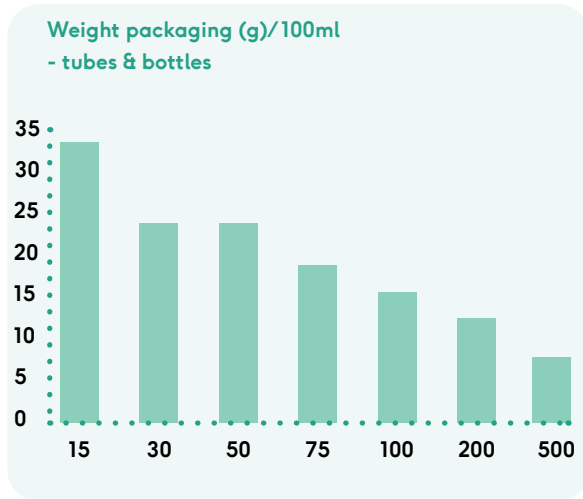
increased our percentage of secondary packaging to 3.72%. This is not what we strive for, so we are currently exploring alternative solutions to eliminate the need for boxes altogether.

Ratio of primary and secondary packaging - Naïf
Sell out data 2019-2022



OPTIMIZING THE WEIGHT OF PACKAGING PER ML

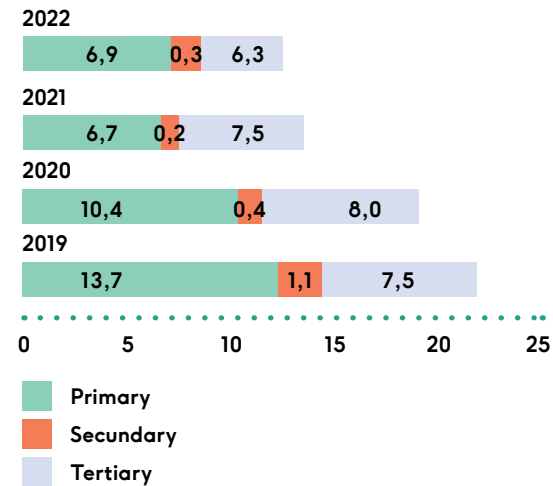
When it comes to reducing packaging waste, it's important to strike a balance between the amount of packaging used and the contents of the product. Sometimes it makes more sense to use larger bottles rather than multiple small tubes. For example, using one 500 ml bottle of product requires less packaging than 10 tubes of 50 ml each.



We've been working hard to reduce the amount of packaging waste we produce by being mindful of how much packaging we use per unit of product. Our efforts have paid off: we've seen a big improvement in our overall packaging usage (that includes primary, secondary and tertiary packaging). Between 2019 to 2022 we were able to decrease our packaging from 22.3 grams per 100 ml to 13.5 grams per 100 ml. When it comes to just the tube or jar the product comes in (primary packaging) we also made progress, going from 13.7 grams per 100 ml to 6.9 grams per 100 ml. Unfortunately we did see a slight increase in primary packaging in 2022 compared to 2021. This was mostly because we sold more 100 ml products

and gave out more 15 ml samples for people to try. We know that these things are important for growing our business, but we are also trying to find better solutions to keep our packaging waste to a minimum.

Weight (g) of total packaging per 100ml/g of product



MINERAL SUNSCREEN FOR ALL

One of the sampling alternatives we've been testing in 2022 were sunscreen dispensers. We put up 6 poles at different smart spots in Belgium and the Netherlands. Our goal was to ensure that everyone has access to mineral sunscreen to protect themselves against the sun, especially if they forgot to bring their own. The dispensers were used 38.000 times (wow!). Through the use of these dispensers we also distributed our sunscreen with less packaging in a practical and effective way. In total we were able to save 47,2 kilos of packaging waste (vs using 15mls sampling tubes), which includes 34 kilos of plastic!

The Hague:

15.762
applications

Belgium:

22.130
applications



HELLO REFILLS!

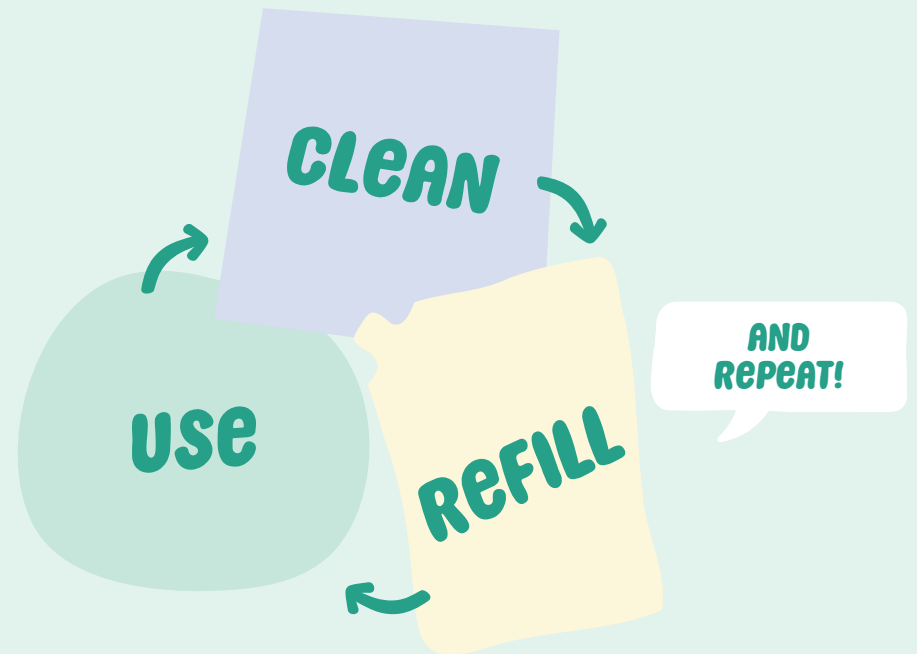
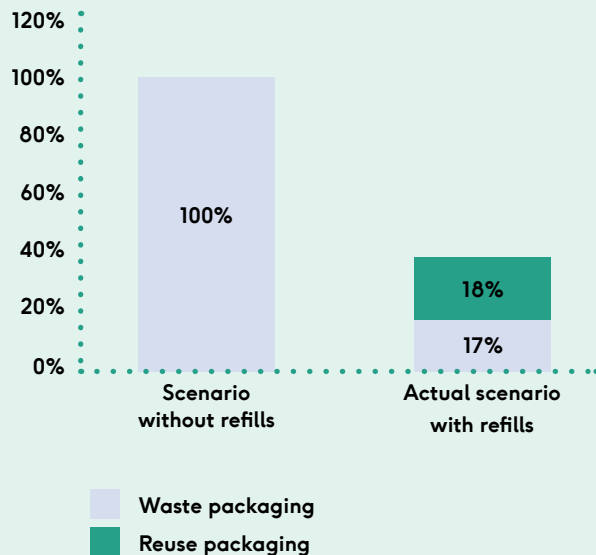
The best way to reduce waste is to not create it in the first place! That's why we were excited to introduce our new refillable packaging options. In the latter half of 2022 we introduced our two best-selling shampoo and wash gel products in 500ml bottles (and 500ml refill pouches). By doing this we're able to offer the same amount of product with less packaging, which helps to reduce waste and promote a more eco-friendly approach to personal care.

And the bottle is not just a one-time use item! It can actually be cleaned and refilled, making it reusable. By doing this, we're able to reduce our packaging waste even more. In 2023, we're committed to doing even more to increase the amount of waste that we save with our refills and improving our reusable rate.

The refills can save up to 83% of waste when compared to our 200ml tubes for these two products (calculated on the same volume of product). This includes the plastic tubes, plastic caps, and the tertiary packaging that's used for palletization and transport. In fact, during this period this switch represented a 10% reduction in our packaging waste overall! And there is more; together the pump and refill pouch save 11% of CO2, compared to the same amount of product in tubes (5 tubes of 200ml). This is mainly due to lower amount of packaging and waste.



Comparison of amount of waste generated from new introduction of 500ml bottle + refill vs 200ml tube for Shampoo and Wash Gel



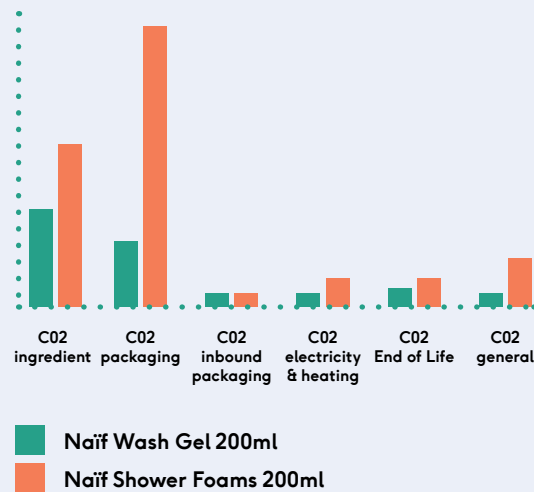
BYE BYE SHOWER FOAMS!

During the past year we also discovered that some of our products did not align with our impact goals and beliefs. When we conducted the CO2 footprint analysis of all our products, we found that our shower foams were the second-largest contributor to our overall CO2 footprint (making up 3.9% of it). Wipes were the biggest contributor, which was not surprising since they are our most sold product in terms of volume, are heavy to ship, and create 100% waste. We were surprised to find out that our shower foams, despite being only the 15th most sold SKU's, had such a significant impact on our CO2 footprint.

We therefore looked into the main reason this product had such a high carbon footprint and we found that the aluminum packaging was causing a very significant environmental impact. This is because aluminum cans cannot be easily recycled, due to its multiple components such as the valve, insert, and plastic ring. Lastly, the propellant gasses used in this type of packaging also have a significant carbon footprint.

We loved the unique and gentle qualities of our shower foams, and believed we could actually provide a better alternative to what is already available in the market (showerfoams often contain microplastics or aggressive foaming agents). But we also recognized the difference they made in our carbon footprint when compared to wash gels or bath foams. Considering they also run out faster than other products and so, you use more of them, we decided to discontinue their production since mid-2022. We will finish our existing stocks before exploring more sustainable alternatives to bring back to our consumers. In the meantime our bath foam is still available for a bubbly and enjoyable experience in the tub.

Comparison CO2 footprint Naïf Wash Gel 200ml vs Naïf Shower Foams 200ml



INGREDIENTS

It's not just about the packaging! The ingredients we use in our personal care products have a significant impact on our planet too. Many of the personal care products we use contain ingredients that can be harmful to our environment.

We strive to use only the safest and most environmentally responsible ingredients in our personal care product. That is why none of our products contain any microplastics. Even more so, we are super proud to say that in 2022, 97,7% of the ingredients we used in our products were actually of natural origin. You may wonder why this isn't 100%, but that is actually a very deliberate choice. Making GOOD care products starts with prioritizing safety. While many people believe that natural equals safe, we recognize that this is not always the case. Essential oils, for example, can be irritating for sensitive (baby) skin. That's why we use a synthetic perfume that does not contain any

of the 26 allergens listed by the EU. We carefully select our ingredients and only include the best from nature and science. That being said, we strive to use as many naturally derived ingredients as possible.

We also understand the importance of using renewable ingredients to protect our resources for future generations. It can be challenging however to trace the origins of ingredients to ensure they are sustainably sourced. While some ingredients, such as palm oil and its derivatives, have certification to ensure that they are extracted without damaging the ecosystem, we feel it is our responsibility to dive deeper into the sourcing of our ingredients. In 2023 we plan to investigate key ingredients to ensure transparency and sustainability.

We believe that ingredients from the petrochemical industry have no place in our products. And that natural alternatives can provide the same benefits without the negative impact on the environment. Furthermore, petroleum is a finite resource, and we must reduce our consumption of it from all sources. That's why we are proud to say that our products contain 0% mineral oil and 0% mineral oil derivatives.

BYE! ❤️

MINERAL FILTER

Taking good care of the world means taking good care of the ocean. The ocean is actually some sort of unprecedented superpower. It covers almost three-quarters of our earth's surface and produces half of all our oxygen. And like a true superpower, it absorbs 99 percent of global warming. In short, the ocean plays a key role in fighting the climate crisis. And so, a healthy ocean is essential. Coral reefs play a big role in keeping that ocean healthy. These reefs are among the most biologically diverse ecosystems in the world. They cover less than 1% of the ocean's floor, but are home to more than 25% of all marine life. We need coral reefs as part of our ecosystem.

Every year 14.000 tons of sunscreen, the weight of about 70 blue whales, end up in the ocean. More than three-quarters of the sunscreens sold in the Netherlands contain a chemical filter. Some of these chemical UV-filters, such as oxybenzone and octinoxate, are proven to damage the coral.¹ They have an influence on the DNA of the corals, alter the reproductive system and worsen the effect of coral bleaching. Others - like octocrylene, homosalate and ethylhexyl salicylate - are being investigated as preliminary lab experiments suggest they may interfere with hormones^{2,3}. Some studies show that these filters can decrease fertility and reproduction in fish. They may also cause female characteristics to develop in male fish, but additional research is needed.

We launched our first mineral sunscreen in 2016, with a mineral filter based on zinc oxide (non-nano). Since then we have been working hard on improving the formula to create a sunscreen that is not only good for the skin, but also less harmful for the environment and easy to use. In 2022 we launched our first sun lotion (besides our creams) and added a perfume-free option to our range. Sunscreens with mineral filters are already quite common in some countries: 55% of the sunscreen innovation in the US in 2021 contained zinc oxide. There are even countries - like Hawaii - that have banned sunscreens with chemical filters using oxybenzone and octinoxate, and they are looking into avobenzene and octocrylene⁴. But in the Netherland only 2 percent of the sold sunscreens had a mineral filter in 2022⁵. Most of this was actually ours; we are now one of the biggest mineral sunscreens in the Netherlands. And so we know that there is still a lot of work to do to protect the coral reef and your skin at the same time.

1 <https://www.science.org/doi/10.1126/science.abn2600>

2 https://www.researchgate.net/profile/Polyxeni-Nicolopoulou-Stamati/publication/275049227_Sun_lotion_chemicals_as_endocrine_disruptors/links/5784a1bb08ae37d3af6d7fa8/Sun-lotion-chemicals-as-endocrine-disruptors.pdf

3 <https://onlinelibrary.wiley.com/doi/pdfdirect/10.1111/j.1365-2605.2012.01280.x>

4 https://www.capitol.hawaii.gov/sessions/session2021/bills/HB102_HTM

5 IRI 2022, drugstore excl. online

CHEMICALS IN SUNSCREEN THAT CAN HARM MARINE LIFE

- 3-Benzylidene camphor
- 4-Methylbenzylidene camphor
- Octocrylene
- Benzophenone-1
- Benzophenone-8
- OD-PABA
- nano-Titanium dioxide
- nano-Zinc oxide
- Octinoxate
- Oxybenzone

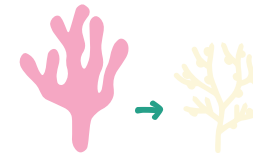
SUNSCREEN CHEMICALS AND MARINE LIFE

HOW SUNSCREEN CHEMICALS ENTER OUR ENVIRONMENT

The sunscreen you apply on your skin may not stay on your skin

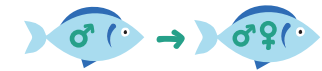
When we swim or shower, sunscreen may wash off and enter our waterways

HOW SUNSCREEN CHEMICALS CAN EFFECT MARINE LIFE



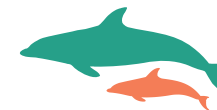
CORAL

Accumulates in tissues.
Can induce bleaching, damage DNA, deform young and even kill



FISH

Can decrease fertility and reproduction, and cause female characteristics in male fish



DOLPHINS

Can accumulate in tissues and transferred to young



GREEN ALGAE

Can impair growth and photosynthesis

WIPES

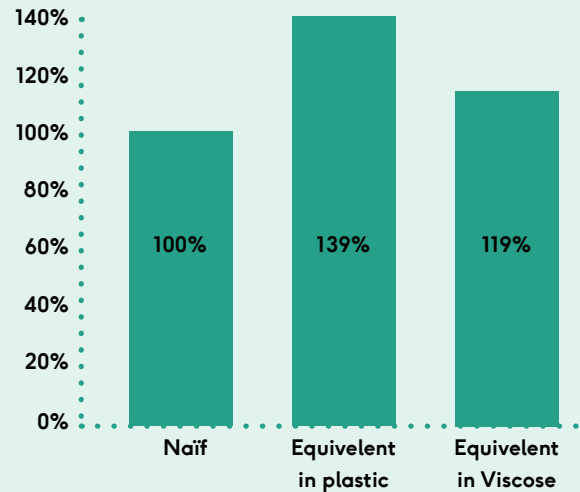
A parent uses about 14.000 wipes per child, on average. All those wipes are used just once, before being discarded. An almost 'perfect' example of single use plastics as most of these wipes are made of just that: plastic. A standard wipe is generally composed of a mix of polyester and viscose.

Just imagine the amount of plastic waste that ends up in our landfills or even in our rivers and oceans. Dutch NGO Schone Rivieren found that 21% of all waste found in Dutch rivers and riverbanks were wet wipes: on average 12 wipes per 100m². Causing harm to the environment and water life.¹

We estimated how much plastic would be in a pack of wipes similar to ours (same size, same pack content). Back in 2020 this added up to the equivalent of two 1L PET-bottles. But the beverages industry has also improved their packaging throughout the years, so today it would be roughly 1,7 PET bottles. This is still significant: since we launched our baby wipes we have saved the equivalent of 3.9 millions PET bottles together! That is 3.9M less plastic bottles to be burnt or thrown away in nature. That's wild!

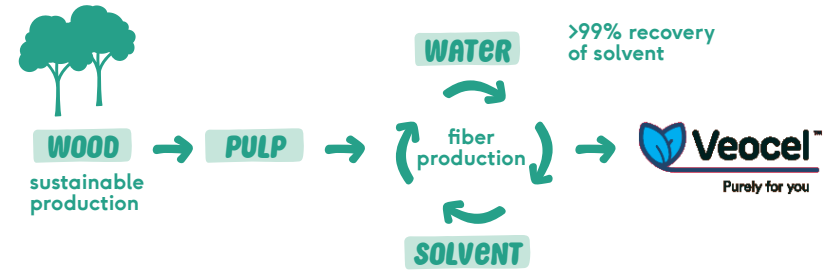
Plastic is not all we save with our wipes! Our non-woven wipes are also less intense in carbon emission, compared to a plastic wipe. The amount of CO₂ saved since we launched our wipes is about 238 tons of CO₂, this is the same amount of CO₂ as 18,9 times around the globe by car.

CO₂ saving with our plastic free wipes



And there is even more. By now other brands also implemented plastic-free wipes - which we are absolutely thrilled about! But we will always strive to be one step ahead. Where most brands use viscose fibers, we use the more expensive raw material lyocell. Both are made from wood pulp and are biodegradable. But they differ in their process: lyocell fibers don't require the chemical process that viscose fibers do. Which means choosing lyocell results in less (unfriendly) solvents and water being used and wasted. Altogether that means less impact on the environment.

Veocel™ Lyocell production process



Veocel™ fibers are sustainably produced: they are using wood from sustainable forests to produce the pulp which will be used in our wipes, the production process is done in a close loop, so solvents and water are used to the minimum, green energy is used to reduce the carbon footprint of the material. And they even already compensated the remaining CO₂ emissions that they could not remove, which represent 36% of the CO₂ footprint of our wipes!

¹ Schone Rivieren. Wat spoelt er aan op rivieroevers? Resultaten van twee jaar afvalmonitoring aan de oevers van de Maas en de Waal. (2019).

3.4 USING OUR BUSINESS AS A FORCE FOR GOOD

We are proud to be a B-corp. B-Corps are businesses that are certified to meet rigorous social and environmental standards. B-corps use their business as a force for good, prioritizing not just profit but also the well-being of people and the planet.

COMMERCIAL VIABILITY

Being a B-Corp business is the best of both worlds. We're able to run a successful and profitable business, while also making a positive impact in the world. We believe that the two are not mutually exclusive - in fact, we think they go hand in hand.

That is why we are super happy to share that in 2022 we sold over 4 million products. This is a testament to our commercial viability and the fact that we're able to make a positive impact in the world while also running a successful business. Without financial stability and growth we wouldn't be able to continue creating safe and good (baby) care products, supporting important social causes, or making a positive impact in the world.

POSITIVE IMPACT ON OUR PARTNERS

Our commitment to sustainability and ethical practices extends beyond our own company. By being successful we can also challenge others, such as retailers, suppliers and distributors, to make our products widely available and accessible to parents. Together we can create a more sustainable and ethical industry. We're proud to say that our two main suppliers are also committed to work on a sustainable and ethical business.

In addition, we're thrilled to share that two of our main e-commerce platforms, Bol and Wehkamp, implemented a special filter for mineral sun care in 2022. This initiative creates awareness and helps consumers make more sustainable choices when it comes to sun protection. We believe that small steps like this can make a big impact.

SOCIAL IMPACT

We also believe that all families deserve access to safe and natural baby care products. That's why we've donated products to several initiatives that help families in need. We've worked with organizations like Fris Amsterdam, Schappelijk Scheveningen, Tkramrepus and Schenk doch mal ein lächeln to provide about 2.500 baby care products to families who may not otherwise have access to them. And when the war in Ukraine started, we donated a total of about 5.000 hygiene products to Stichting Mara.

It's not just about donating products. We also believe in supporting causes that are important to our community and the world at large. For example, we've donated money to the UN to support refugees from Ukraine, we are a Plastic Soup Foundation contributor and we have worked on creating a strategy to make these impact initiatives an integrated part of the way we do business. This includes our long-term partnerships.



In 2022, we donated 7,500 products to organizations that assist families. One of these initiatives was the reverse supermarket Tkramrepus in Amsterdam.

EVERY
LITTLE BIT
HELPS

3.5 IT'S GOOD TO BE NAIVE

We believe that being naive is a good thing. It allows us to see the world with fresh eyes, to question the status quo, and to challenge ourselves to do better. We may not have all the answers, but we believe that by staying true to our values and constantly looking for opportunities to make a change, we can make a real impact.

Being naive allows us to dream big and believe that anything is possible. We know that every little change can have a big impact. That's why we were the first baby brand in the Dutch market to introduce refills for our hero products. And we're thrilled to see that several other brands have followed! By using less packaging we're reducing carbon emissions and overall waste.

When we learned that all the baby wipes on the Dutch market were made of plastic, we saw an opportunity to make a difference. We set out to create a plastic-free baby wipe, and three years

later, we're thrilled to see that our efforts have paid off: 20 percent of the Dutch baby wipes market is now plastic-free¹.

When we discovered that many chemical filters commonly found in sunscreens were causing harm to coral reefs, we set out to create a safer alternative. Developing a sunscreen with a mineral filter that was both gentle for the skin and the environment. Over the years, we've continued to refine and perfect this formula, and we're thrilled to say that we've even been able to develop a spray-on version - something that we once believed to be nearly impossible!

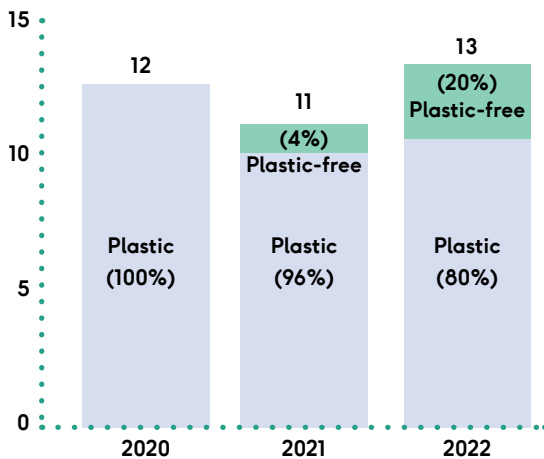
Part of the cosmetics industry believes care products need microplastics. We refuse to accept this and are proud to say that all of our products are free from microplastics. Even our 2-in-1 shampoo and conditioner stands out from the rest as we are the only baby hair conditioner in the Dutch market that is entirely microplastic-free.

So if you want to call us naive, we can only say: you are absolutely right. We'll continue to dream big and to push the boundaries of what's possible in the baby care industry. Because being naive is the first step towards making a real difference.

NAÏF, YES WE ARE!

EVERY LITTLE CHANGE CAN HAVE A BIG IMPACT

Plastic-free options are growing, but plastic still dominates the market with 80%



¹ IRI data 2019-2022 (food, drug, online)

4. THE FUTURE OF PERSONAL CARE

We believe in a world where all personal care is good care. To us, that is the future. As we look to that future, we envision a world where people can enjoy high-quality personal care products without having to worry about their impact on the environment. This means using ingredients that are ethically sourced, reducing packaging waste, and ensuring that the products are safe for both people and the planet.

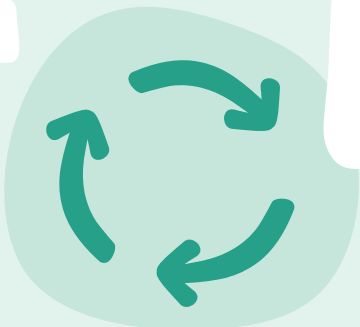


OUR PLAN FOR 2023

We believe that consumers will become more conscious of the impact that their personal care choices have on the environment. People have already begun to demand products that are more sustainable and eco-friendly, and companies that don't prioritize sustainability will be left behind. We're excited to be a part of this movement towards good care.



YAY!



CHANGE MORE THAN HALF OUR PORTFOLIO TO RECYCLED PACKAGING

ONBOARD IN THE NET ZERO JOURNEY



SUSTAINABLE SOURCING OF OUR 5 MOST USED INGREDIENTS

INTRODUCE MORE REFILLS



Increasing the % of biodegradable ingredients in our products



Reduce the amount of sampling tubes distributed



ARE YOU READY?

A FEW IMPORTANT DEFINITIONS:

- **Fossil-based plastic:** plastic made using raw materials extracted from fossil fuel oils. It comes from non-renewable resources. This is what we also call conventional plastic. They represent the majority of our plastic today.
- **Biobased plastic:** the material used to produce the plastic is (partly) derived from biomass (plants). It can be derived from various sources, such as corn starch, sugarcane, and a wide variety of other sources like potatoes, algae, mycelium (mushroom “roots”), and food waste. At Naif, we selected a biobased plastic made of sugar cane from the side streams production, which means that it used sugar cane which would not be used in the food loop in any case. (<https://www.braskem.com.br/imgreen/home-en>).
- Biobased plastic as we are using is only different from fossil-based plastic from its beginning of life cycle (extraction of raw materials). They have the same final structure and cannot be differentiated. It is important to mention that a biobased plastic is different of a biodegradable plastic. Both can be called bioplastic, which can lead to lots of confusions.
- **Biodegradable plastic:** it is decomposed rapidly by micro-organisms under natural conditions. Plastic are not biodegradable as such, and only a few types of plastic are biodegradables. However, they are very different from the more conventional plastics: the consequence is that they should not be put together in the waste stream as they will each other disrupt their end of life (biodegradable plastics cannot be recycled with conventional plastics). Biodegradable plastics are still rare today, and mainly used for the food industry where the packaging and the food waste can be combined together. For us in personal care, we choose to not investigate biodegradable plastics for the moment, due to the lack of availability and proper waste streams in place.
- **Recycled content:** a part (or the full) amount of raw materials used is mainly coming from the waste stream of households and companies (PCR, Post Consumer Recycled). Plastic, aluminium, glass and cardboard can contains recycled content. The materials used to create new packaging have already been produced and used before, they are sorted in sorting facilities, and processed together into new raw materials which can be used again to produce new packaging. This prevents packaging to end up in landfill or incinerated. A packaging which does not contain any recycled content is a virgin packaging.
- **Recyclable plastic:** packaging is recyclable if it can be collected, sorted, reprocessed, and ultimately reused or recycled. Recyclability is affected by several factors such as the availability of recycling programs (bins or drop off points) and the technical capabilities in the sorting facility to detect, sort and process the packaging. Therefore recyclability is not a universal term. A packaging is recyclable only if there is a substantial likelihood that it can do all those things in most communities where an item is sold. A few key characteristics however are important across the globe to ensure a good recyclability of the packaging: the pack should be big enough to be detected in the sorting line, and the pack should be mono-material. As more than 80% of our sales are in the Netherlands, we follow the guidelines from the Afvalfonds Verpakken and the National institute of Sustainable Packaging. <https://www.afvalfondsverpakkingen.nl/> <https://kidv.nl/home/en/>
- **Mono-material:** only one type of material per packaging. For plastic packaging, it is important as quite often, the plastic packaging is made of layers of different plastics (PE polyethylene, PP polypropylene, PET polyethylene terephthalate...), or it is composed of various pieces of different

plastics... And all these plastics cannot be recycled together, and cannot be always easily differentiated. So important to thrive for a tube or bottle made of only one and unique plastic.

- **Primary, Secondary and tertiary packaging:** primary packaging is the one that hold your product directly (the tube, bottle...). The secondary is an extra packaging, for example the box around a bottle. It can also be the plastic foil around the box. The tertiary packaging are the ones we do not see as consumers. They are mainly here for transporting the products from the production site to the shelf. It can be the outerbox of six tubes for example, but also the foil around the pallet. All that is not visible on the shelf, but this is packaging that is used and wasted along the supply chain.