

# NU SKIN SUSTAINABILITY 2019 HIGHLIGHTS



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# A MESSAGE FROM THE CEO

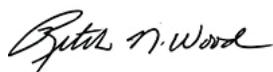
At Nu Skin, we are guided by our mission to be a force for good in the world. We have a long history of giving back and improving both lives and the communities where we live and work. We are proud of our force for good efforts but are always striving to do more.

During 2019, we increased our sustainability efforts by announcing new and ambitious sustainability commitments. We helped launch a Utah focused sustainability coalition and grew our sustainability team and initiatives to a new level. Our efforts around sustainable packaging, ingredient transparency and waste diversion are continuous, and we're working hard to integrate sustainability into the core of our processes. As we focus around our three key areas; People, Planet and Product, we hope to continue to improve our environmental impact and are continuously striving to find innovative ways to progress. We're proud to announce that our efforts this year helped us become a 2019 Green Business Award Winner from Utah Business Magazine and a 2019 Communitas Award winner for Ethical and Environmental Responsibility and Green Initiatives.

From our innovative 6S process to protecting fragile environments, to investing in technologies and buildings that reduce water and our carbon footprint, sustainability has always been close to our heart.

We hope that you will join us as we enter this next phase of our force for good efforts. I challenge you to think about how you can join with us so that together we can do our part to make the world a better place for tomorrow.

Sincerely,



Ritch Wood  
Nu Skin CEO



# INTRODUCTION

Everyone at Nu Skin understands that the choices we make have an impact far beyond our business, and that's a responsibility we take very seriously. The following is an update on our efforts regarding sustainability. Join us as we strive to make a difference.



## NU SKIN AT A GLANCE

Founded in 1984, Nu Skin Enterprises is a direct selling company that distributes more than 200 premium-quality anti-aging products in both the personal care and nutritional supplements categories. Nu Skin operates throughout Asia, the Americas, Europe, Africa, and the Pacific. The company's global operations generated \$2.4 billion in revenue during 2019.

In 2019, the Nu Skin Force for Good Foundation and our charitable partners donated \$10.3 million to improve the lives of children throughout the world. Since 2002, Nu Skin distributors and employees have donated more than 650 million meals to hungry and malnourished children around the world through its Nourish the Children® initiative. The company's headquarters in Provo, Utah, is home to more than 1,500 employees. Nu Skin has more than one million customers worldwide.

# SUSTAINABILITY COMMITMENTS OVERVIEW

## PLANET

Build a global network of zero-waste facilities.

Waste decreased by 30% and recycling increased by 12% at the Main Provo Campus in 2019.

On-plan

## PEOPLE

Invest 50% of our Foundation giving in communities and people that are providing essential resources for our planet.

On-plan

## PRODUCT

**2019**

Create an environmental impact scoring system to assess our products

✓ Achieved

**2020**

Assess, score and improve the environmental impact score of our top 20 products

On-plan

**2023**

Assess, score and improve the environmental impact score of 100% of our products

Achieve 100% Roundtable on Sustainable Palm oil Mass Balance

On-plan

**2030**

Change all our packaging to be recycled, recyclable, reusable, reduced or renewable

On-plan

# PRODUCT

## *Product Quality, Safety and Sustainability*

Ensuring our products are safe, ethical and of the highest quality is core to Nu Skin's corporate responsibility. We do this by looking at the complete lifecycle of the product – from beginning to end. We know that quality products not only ensure the long-term success of our business but that by ensuring that our products are produced ethically and responsibly, we are positively impacting a much wider group of stakeholders.

*So how do we do it?*



## 6S (Success) Process

To ensure the highest safety and quality for our products, we have developed our own standards for our development and manufacturing processes—we maintain quality, efficacy, and safety controls through each stage to ensure unsurpassed results that meet our high standards and comply with relevant government requirements. The key to this consistent quality in our products is what we call our 6S Quality Process. This process involves a set of rigorous, highly integrated activities and includes multiple layers of scientific testing and attention to detail. It requires consistent collaboration and a unified commitment to quality.



### SELECTION

To be considered for use in Nu Skin products, materials must pass criteria for effectiveness, formulation sustainability, and consumer safety. Nu Skin works with experts and raw material suppliers around the world to gather both historical and new scientific insights about the unique ingredients within our products.



### SOURCING

Following raw material selection, Nu Skin scientists investigate potential commercial sources that can guarantee availability, quality, and concentration of key ingredient components. Nu Skin evaluates these raw material sources to ensure quality, suitability and sustainability for product formulation and monitors active ingredient concentration when applicable.



### SPECIFICATION

We select what we believe are the safest compounds and highest quality ingredients to incorporate into our formulations. Nu Skin sets specifications to provide a basis for active compounds, ingredients, and criteria for finished products. These criteria help establish ingredient standards and provide specific characteristics to guide consistent manufacturing. Where appropriate, products are carefully analyzed to not only identify the active components, but to ensure consistent manufacturing and product quality.



### ***STANDARDIZATION***

Raw materials must meet our specifications to certify readiness for product manufacturing. When there are wide variations in active components of a natural or botanical ingredient, we select only those materials that provide the specified amount of these active constituents. Furthermore, our scientists strive to formulate products which contain ingredients at efficacious concentration or strength. Once manufactured, Nu Skin products are tested to meet their finished good specifications before distribution.



### ***SAFETY***

We adhere to high product safety standards by regularly reviewing scientific literature and conducting standard safety studies. Nu Skin conducts standard tests specific to nutrition and personal care products respectively. For example, we test for the presence of microbes, heavy metals, and other contaminants to determine the presence of irritants and/or allergic reactions. Often, we confirm safety and validate our conclusions by using external testing groups.



### ***SUBSTANTIATION***

Nu Skin takes great care to ensure that our products and ingredients are not only safe but effective. Scientific literature, including research studies, support each claim. For key products, we conduct documented clinical trials to determine product and ingredient efficacy, plus support product and ingredient claims.

## ***Chemical Safety***

To meet our internal safety standards and to comply with regulatory requirements, we set product and raw material specification limits regarding hazardous chemicals. We stay updated on industry information, government regulations, and consumer concerns regarding chemicals. We maintain a list of restricted ingredients, which serves as a guide for future and existing formulations. In addition, Nu Skin proactively phases out chemicals of concern from our formulas. In our product life-cycle assessments, we plan to carefully review the environmental impact of the products at different stages and record the outcome.

The Nu Skin quality standards require that all personnel – employees or contractors – train and adhere to strict quality procedures. This ensures product safety and promotes a healthier working environment. Nu Skin is a member of the Personal Care Products Council (PCPC). The Nu Skin Analytical Lab is ISO 17025 certified for testing. We maintain ISO 9001 and ISO 22000 certification for some of our facilities and we comply with Good Manufacturing Practice Standards.



## Ingredient Transparency

Founded on the guiding principle, "All of the Good," Nu Skin has distinguished itself from other companies by focusing on finding the best ingredients possible for its products. Since 1984, Nu Skin has produced the highest quality personal care products using a winning combination of natural ingredients and innovative technology.

A core component of Nu Skin product innovation is identifying natural ingredients that have unique anti-aging, personal care, and nutritional benefits. Backing our philosophy is Nu Skin's expert Anti-Aging Scientific Advisory Board comprised of dermatologists and leading scientists in many areas of expertise and our research partnerships.

Our product experts help keep our consumers informed through our publicly posted, product information pages (PIPs). These provide consumers with clear instructions regarding the correct usage of the product while also providing true and accurate descriptions of the products. We ensure that all marketing claims are relevant, substantiated and based on proven performance results and scientific data.

NU SKIN® PRODUCT INFORMATION PAGE

**NUTRICENTIALS®  
EXFOLIANT SCRUB  
EXTRA GENTLE**



Your skin has a mind of its own. But now you can make it resilient to its mood swings. The Nutricentials system helps your skin adapt to environmental stressors like late nights, pollution, and UV rays—for better, balanced skin every single day. *Nutricentials. Great skin. Great day.*

**MEET EXFOLIANT SCRUB EXTRA GENTLE**  
Need a clean scrub without all the scratching? Then you'll love our incredibly gentle, natural marine diatoms. By removing dead cells and pore-blocking impurities, this formula leaves you with a smooth, bright complexion. And unlike other exfoliants, our marine diatoms break down under pressure, ensuring that you can clear out dead cells without damaging your healthy skin. Plus, a bioadaptive botanical blend and aloe vera nourish and soothe for post-scrub skin comfort. It's deep-cleansing bliss.

**WHY YOU'LL LOVE IT**

- Made with bioadaptive botanicals that help your skin adapt to its environment.
- Gently, thoroughly, and evenly exfoliates skin with the use of natural marine diatoms for a brighter complexion.
- Removes pore-blocking elements without stripping away moisture so skin feels comfortable.
- Helps protect your skin against the effects of pollution and harmful free radicals by sloughing off dead skin cells, reducing the amount of polluting particles on the skin.
- Scrubs away the visible effects of stress and pollution on your skin and leaves it feeling soft, smooth, refreshed, and renewed.
- Paraben-free, mineral oil-free, phthalate-free.

**WHAT POWERS IT**

- Bioadaptive Botanical Blend (Rhodiola, Maral Root, Siberian Ginseng, Chaga Mushroom, and Resurrection Plant)—a blend of botanical extracts from plants that thrive in extreme climates and can help your skin bounce back from stressors.

- Natural Marine Diatoms (fossilized algae)—gently and evenly exfoliate skin.
- Aloe Vera—nourishes and soothes skin as you exfoliate.

**HOW TO USE IT**  
After cleansing, gently massage onto moistened face and neck for 30 seconds. Rinse and follow with toner.

**TRY THESE WITH IT**

- Celltrex® Ultra Recovery Fluid
- Celltrex Ultra Recovery Mask
- Creamy Cleansing Lotion
- Pure Cleansing Gel
- pH Balance Toner

**LEARN MORE ABOUT IT**  
**What are bioadaptive botanicals?**  
Bioadaptive botanicals are plants that thrive in extreme climates thanks to their adaptive properties. These special properties increase the plant's resilience and helps them—and your skin—recover from all kinds of damage and stress.

**Is there anyone who should not use Exfoliant Scrub?**  
People who have moderate to severe acne should not use a physical exfoliation product like Exfoliant Scrub.

**How does Exfoliant Scrub exfoliate the skin?**  
Exfoliant Scrub contains diatoms that are derived from marine phytoplankton. These are extremely fine exfoliators. Unlike other scrubbing agents, diatoms give under pressure and exfoliate without scratching the skin's surface.

1

### ***Animal Testing***

Nu Skin advocates and subscribes to both the ethical and humane treatment of animals and the protection of human health and safety. **Nu Skin does not test its cosmetic products on animals, nor do we request others to test on our behalf, except when mandated by law and regulatory agencies.** We evaluate our products in clinical tests on human volunteer panels to ensure the efficacy and safety of our products. Nu Skin nutritional and herbal products are consumed internally, and as a result some government regulatory agencies may require animal research to support human safety and product efficacy. In cases when it is necessary to conduct animal studies, we make every effort to do so in an ethical and humane manner and adhere to applicable and approved government- treatment protocols.

### ***Product Life Cycle Assessments***

In 2019, we created an **Environmental Impact Scoring System** for our products. This allows us to analyze each product and determine the environmental impact of the product's lifecycle.

We've now used that scorecard to **evaluate and improve the environmental impact of 95% our top 20 products**, putting us ahead of schedule to complete our 2020 assessment commitment.

Watch for the sustainability logo to be on all products that have been evaluated and improved for environmental impact.

### ***Sustainable Packaging***

We are currently conducting life-cycle assessments on our products, which evaluate every stage—from beginning to end—and help us make the most critical sustainable changes to reduce our environmental impact. A crucial part of our life-cycle assessments is our aim to reduce our impact through innovative packaging efforts.

In fact, we've committed to change all of our packaging to be recycled, recyclable, reusable, reduced or renewable by 2030.



**2019**

Create an environmental impact scoring system to assess our products



**2020**

Assess, score and improve the environmental impact score of our top 20 products



**2023**

Assess, score and improve the environmental impact score of 100% of our products  
Achieve 100% Roundtable on Sustainable Palm Oil Mass Balance



**2030**

Change all our packaging to be recycled, recyclable, reusable, reduced or renewable

## ***Supplier Relationships***

As part of Nu Skin's commitment to quality, we prioritize working with suppliers who are leaders on sustainability initiatives. Nu Skin opposes and prohibits the use of human trafficking, child labor, slavery and slave labor, and it expects the same from its business partners and suppliers. Nu Skin is committed to compliance with all applicable labor laws, including the U.K.'s Modern Slavery Act.

We have developed a Sustainability Survey, through which we gather data from our raw material and packaging suppliers on waste management, health and safety trainings, certifications, sustainable business practices, and supply chain polices. To date, we've reached and received information on more than 250 suppliers.

A number of Nu Skin's palm oil suppliers are certified according to the Roundtable for Sustainable Palm Oil (RSPO) or are working towards certification. Nu Skin is actively evaluating its palm oil sourcing with a target to replace non-RSPO ingredients and use only RSPO ingredients in all new products.

Suppliers Elevate and Wasatch Labs practice innovative sustainability throughout their operations. From Elevate's recycling initiative and electronic water-usage monitoring to Wasatch's rooftop solar farm and initiative for paperless manufacturing, Nu Skin suppliers are making sustainability a priority. We're also working to ensure that our paperboard is sustainability sourced and FSC certified. When you see the FSC logo, you can be confident that the packaging isn't harming the world's forests. The Forest Stewardship Council (FSC) organization was established to support environmentally appropriate, socially beneficial, and economically viable management of the world's forests.

# PEOPLE



*Nu Skin's Culture of Responsibility*

To be a sustainable company, it is important to value one of our greatest resources – our people.



# OUR CULTURE OF LEARNING AND WELLNESS

Nu Skin has established “The Nu Skin Way” which is a global framework that defines the behavioral expectations of employees around the world. This framework describes the desired behavior that creates the Nu Skin culture and is the foundation of everything we do at Nu Skin.

The Nu You Global Performance and Development program and Best You Wellness program are just two of the ways Nu Skin values its employees. These programs allow employees to learn how to handle safety issues, participate in software tutorials, take recommended wellness courses, participate in leadership trainings, participate in annual health checks, receive personalized health coaching, take fitness classes, participate in regular wellness challenges, stay relevant in a digital world, and even receive instruction on how to improve their environmental impact.

Nu Skin cares deeply about the experience employees have at work and has a systematic process for improving that employee experience. Employees are invited to participate in a survey each quarter to collect input on their Nu Skin experience. They then meet with their managers to discuss the data from the survey and pick one area for improvement. Managers and employees work together to improve in that area and then repeat the process each quarter.



# OUR HEALTHY WORKPLACE

Nu Skin is committed to an environment where open, honest communication is the expectation - not the exception.

We are committed to providing all employees with a safe and respectful work environment that is free from harassment, bullying, discrimination, racism, sexism, and unprofessional behavior. Under the leadership of the Global Human Resources team, new long-term metrics for success were established and a formalized employee feedback system was implemented on a quarterly basis. Additionally, regular manager and employee one-on-one meetings are held to clarify priorities, listen to employee input, identify, and address work barriers, and discuss employee development. These regular discussions and annual performance reviews help ensure a culture of open and continuous feedback.

During 2020, a Global Head of Diversity and Inclusion was appointed, along with a cross-functional D&I team. The established D&I strategy includes initiatives focused on leadership development, healthy workplace and unconscious bias training, talent acquisition, pay & benefits, community outreach, business development, company culture and a safe digital environment.

Nu Skin specifically prohibits discrimination based on an individual's race, color, age, sex, gender, gender identification, religion, ethnic or national origin, ancestry, marital status, veteran status, sexual orientation, physical or mental disability that can be reasonably accommodated, unfavorable discharge from military service or other categories defined by law. If Nu Skin determines that an individual's conduct violates this policy, it will take steps to ensure the conduct is effectively addressed. In 2019, additional measures to collect data from minority groups, increase leadership opportunities, and improved communication and access for all were implemented.



*To promote a culture of responsibility and ethics we have the following in place:*

- o Code of Conduct
  - All Nu Skin employees receive training on, and must sign, the Code of Conduct, which sets forth high standards of ethical behavior in financial, interpersonal, and community matters. Periodic global trainings are conducted, and employee participation is continually monitored.
- o Healthy Workplace Policy & Training
- o Best You Wellness Program
  - Designed to improve the quality of each employee's physical, emotional, intellectual, and financial wellness thru health screenings, prevention programs and robust education, health coaching and meaningful incentives.
- o Whistleblower Policy
- o Modern Slavery Act
  - The Nu Skin Corporate Compliance Office provides company guidance and periodic trainings on anti-corruption standards.
- o Diversity & Inclusion Strategy
  - Includes Global Head of Diversity & Inclusion and a cross-functional D&I team





***Communitas Award for Ethical and Environmental Responsibility and Green Initiatives***

This award is internationally recognized and given to exceptional businesses that are unselfishly giving of themselves, changing the way they do business to benefit their communities. The award recognizes Nu Skin's comprehensive sustainability initiatives during the past year, including holding a global sales conference that was energy neutral across multiple facilities, announcing several new commitments and taking additional steps at its global facilities to reduce waste.



***2019 Green Business Award***

This award honors local companies and individuals that are putting forth major efforts towards environmental responsibility in Utah. This year, Nu Skin won the award in the Social Responsibility category.



# *SUSTAINABLE COMMUNITY INITIATIVES*

People are at the heart of our business and the center of our force for good efforts. We are always looking for ways to give back and to assist global communities as they strive to become sustainable.



# SEACOLOGY

The Nu Skin Force for Good Foundation® partnered with Seacology to bring unique solutions to the issues of poverty and environmental conservation. Through partnerships with local islanders, Seacology helps villagers learn practices to preserve marine habitats, and in exchange, Seacology builds schools, community centers, water systems, and health clinics to improve the lives of children in the villages. For over 25 years, Seacology has helped protect 1.34 million acres of marine habitat, and just this year, with funds from the Nu Skin Force for Good Foundation, they ensured the protection of over 10,252 acres of land, provided a clean water supply system, funding for a fish replenishment zone, and helped build a community resource center.



# SEEDS OF HOPE

Fruit trees change the lives of vulnerable children by providing nourishment for them and a source of income for their families. Through the Seeds of Hope program, more than 46,104 fruit trees have been planted, affecting 11,526 households (57,630 individuals) in 4 districts in Malawi.



# WELLS OF HOPE



In 2019, The Nu Skin Force for Good Foundation provided funds to drill 29 water wells in villages throughout Malawi providing clean water to the surrounding communities.

# SAFI

The Nu Skin Force for Good Foundation also provides funds to the School of Agriculture for Family Independence (SAFI), to grant families in Malawi the opportunity to learn best practices of agriculture and nutrition to help them become self-reliant. 337 Malawian families have become self-reliant through SAFI training since 2007 and 34 new families graduated in 2019.



## SAFI EXTENSION



The SAFI Extension partners with the Nu Skin Force for Good Foundation and trains government agriculture workers to provide agricultural education to families and communities. During 2019, the SAFI Extension trained more than 1,813 farmers, giving them the skills, they need to be self-reliant. In total, the SAFI Extension program has trained 7,598 farmers in Malawi.

# PLANET

## *Making a Difference at our Global Facilities*

We believe in the importance of reducing our footprint no matter where we are. With literal tons of waste being dumped in landfills daily and continuously rising carbon emissions, the urgency of this matter can't be ignored. As we continue to provide the products you love, we're also working hard to ensure that our global footprint is a positive one.



## ***Zero-Waste Facilities***

We've committed to building a network of zero-waste facilities across the globe. Through strategic partnerships, careful waste management and innovative techniques, we're working to reduce our waste no matter where we are. Here are some highlights from 2019.



### ***Recycling***

During the 2019 year, at our global headquarters, we decreased trash by 30% and increased our recycling by 12%, helping us reach our ultimate commitment to build a global network of zero-waste\* facilities. We've partnered with one of the only companies in Utah who accepts all types of plastic, allowing us to increase our recycled material to an even higher level. Nu Skin offers a glass recycling program for sales leaders. Sales leaders are encouraged to bring their glass product bottles to our Provo campus to recycle and receive additional product points. Many of our global experience centers have replaced all single-use paper bags with reusable shopping bags.

### ***Paper Usage***

During 2019, we reduced our corporate paper usage by 15%. This was done by reducing the amount of paper printed for meetings, secured printing options, reduced printers, etc. We've also partnered with Les Olsen Company to recycle all toner waste and cartridges.

### ***The Spoon***

Currently, more than 90% of the materials used in The Spoon, the restaurant located in Nu Skin's headquarters, is reusable or recyclable. The Spoon staff washes out and recycles all available paper to-go boxes and a recycling station has been set up for employees to do the same.

\*Zero-Waste as defined by the Zero Waste International Alliance

### Sustainable Events

During our global, biennial event, Nu Skin LIVE, we set two aggressive sustainability goals and are excited to announce we achieved them! We promised the event would be 100% Energy Neutral. We were the first company in Utah to use SRECs to offset a venue outside of the main venue, offsetting 153 metrics tons of carbon emissions. We also promised to divert 75% of our event waste from the landfills and we did it. Check out some of the results below!

We also invited event attendees to participate in the creation of our Sustainability Stained Glass Tree, symbolizing our global commitment to be responsible stewards of the earth.

### Protect Our Planet

About **14 billion pounds** of waste ends up in our oceans every year.<sup>1</sup>

As part of Nu Skin's initiative to create recyclable, reusable, and renewable packaging to help protect the environment, we wanted to exemplify those values at our LIVE event as well.

During the event, we recycled:

 <b>4,504</b> lbs. of cardboard	 <b>4,995</b> lbs. of mixed recyclables	 <b>1,400</b> lbs. to the anaerobic digester
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We reduced **341,212 lbs. of carbon**

 **CO<sub>2</sub>** 

 **CO<sub>2</sub>** — equivalent to **411,737** car miles avoided

or **2,941** trees planted each year for 10 years.



# REDUCING OUR CARBON FOOTPRINT

## **LEED Certifications**

Nu Skin's two main facilities—global headquarters and the Greater China Innovation Park—are LEED Gold Certified, along with six other global locations.

## **LED Lighting**

We've installed additional LED lighting with automated sensors in our Provo Distribution Center and are continuously working to improve the efficiencies within our mechanical systems to reduce energy usage. During the 2019 year, we decreased electricity usage in our Innovation Center by 3.15% and in the high-rise by 5.65%.



## **Logistics**

Nu Skin's logistics partners also care about sustainability and take steps to be socially responsible. Ocean freight is the cleanest mode of transport—based on CO<sub>2</sub> emissions—and the majority (at least 90% ) of Nu Skin's U.S export volume moves via ocean.

When we're not shipping by ocean freighter, we choose clean trucking options. Ninety-nine percent of Nu Skin's U.S. truck freight moves on equipment that meets stringent California Air Resources Board (CARB) Diesel Engine Requirements, which mandates that heavy trucks and buses use 2010 or newer engines by 2023.

Nu Skin tracks which logistics partners are ISO 14001 certified or are working towards certification. We also track the participation of transportation partners in the EPA's SmartWay program, which helps companies improve freight transportation efficiency, as well as all US trucking companies that are California Carb emissions compliant.



Here at Nu Skin, we've always cared deeply about being good global citizens and we know our enduring success depends on conscious, daily decisions to include sustainable practices at every level of our business. But to keep our future bright, it's time for increased commitment and action to preserve our planet. It's time to embrace even more sustainable practices that ensure a better tomorrow—for all of us. By strengthening our policies and following through on our commitments and targets, we are continuing to build on our culture of responsibility while deepening our commitment to our people and our planet.

*Will you join us?*