

## **BEAUTY** THAT MAKES A DIFFERENCE

We firmly believe that our skincare can achieve more than beautiful skin. As a family business, we take responsibility, cultivate traditions and do research for the future. That is why BABOR BEAUTY GROUP develops and produces skincare that wants to make a difference - in the lives of consumers, who feel good in wellcared-for skin, and in the lives of future generations.

Since 1956, we have been developing products made in Germany that meet the highest standards in terms of quality and conscience. Because we are committed to future generations and act on economic, ecological and social sustainability. We focus on outstanding quality, highly effective formulations and the highest sustainable standards. This has been our guiding principle for almost 70 years. That is why we build on our heritage as "bio-medical cosmetics". That's why we produce in an "all electric factory". That's why we scrutinize every

single formula again and again. Throughout the entire value chain we strive to be a model company in the skincare industry, fair in dealing with customers and business partners and supporting our employees.

This philosophy also includes the honesty of not yet doing everything perfectly. But we believe in moving forward. Because it is our ambition to make a difference and build a better future - for our customers and the planet on which we live.

## THE BEAUTY OF RESPONSIBILITY

# **CO**NTENTS

#### Dear Readers,

We have been leading our family business for 10 years now. During this time, the company has grown significantly, the challenges we are facing have become more complex, and the world has changed. Over these years, sustainability has evolved from a niche topic into a mega-trend. Today, however, pressing crises and conflicts often push the topic of sustainability into the background. Not for us.

For us, sustainability in all its dimensions is a central pillar of our corporate philosophy and our stance as entrepreneurs. We operate sustainably. As a family business, we do not work for short-term profit but for long-term success, always keeping future generations in mind. For us, sustainability is active futureproofing.

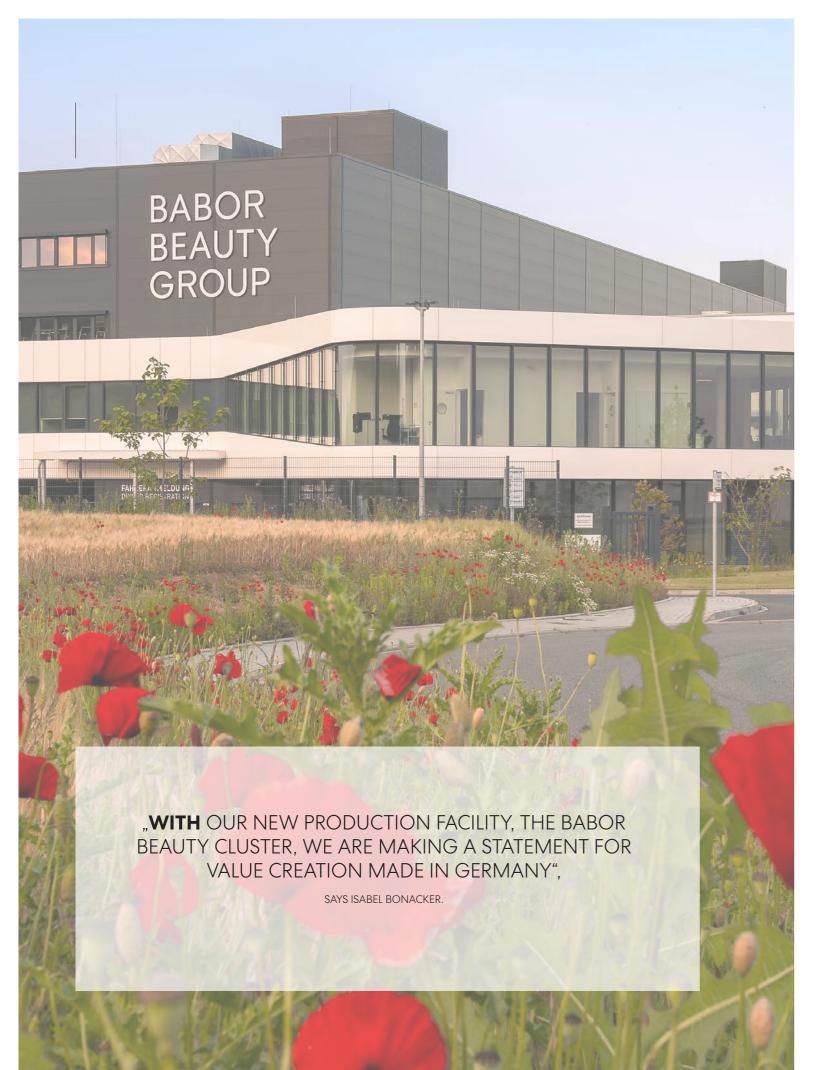
We are committed to producing in Germany with a deep value chain to apply our high standards-both in terms of quality and sustainability. It is important to us that our customers can rely on receiving top quality and top product performance from us, created by a company that embraces its responsibilities with confidence. For us, this commitment to quality also includes transparency. That is why, as the owning family, it is important for us to provide insight into our actions. With this report we want to transparently communicate our ambitions, our actions, and the challenges we face along the way-always striving to improve further.

Yours, **Isabel Bonacker** Dr. Martin Grablowitz



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### **BABOR** BEAUTY GROUP A FAMILY BUSINESS AS A GLOBAL PLAYER

BABOR BEAUTY GROUP is a family-owned German business evolving into a global player in the cosmetics industry. With nearly 70 years of expertise, the BABOR BEAUTY GROUP develops skincare that makes a difference. The products are researched, developed and produced almost exclusively in Germany.

The brand BABOR is the company's flagship brand. It stands for "Expert Skincare. Made in Germany" and, according to a 2024 study by Kline research institute, is the No. 1 professional skincare brand in the European Union. Traditionally, the brand has been distributed via excellent cosmetic institutes, but in recent years BABOR has implemented a balanced multichannel expansion strategy: selected e-commerce and retail partnerships complement distribution in cosmetic institutes, medical spas and hotel spas. In 2023, BABOR also evolved its branding – with a new claim and updated logo, it is clearly positioned in the premium segment.

In addition to its flagship brand, the BABOR BEAUTY GROUP portfolio includes Private Label. Several specialized units develop these brands for renowned clients worldwide, including dermatologists, retailers, and celebrities. The BABOR BEAUTY GROUP employs over 1,000 people worldwide.

The brands are represented in 70 countries through distributors or subsidiaries.

#### NEW PRODUCTION FACILITY AS A LIGHTHOUSE PROJECT

In 2023, the BABOR BEAUTY GROUP opened a new production and logistics cluster 20 kilometers from its headquarters in Aachen. "With our new production facility, the BABOR BEAUTY CLUSTER, we are making a statement for value creation Made in Germany," says co-owner Isabel Bonacker. "At the same time, we want to offer our employees perfect working conditions and live our sustainable philosophy." The BABOR BEAUTY GROUP invested more than 60 million euros in the project and tripled its company space.



**COUNTRIES** 

The BABOR BEAUTY CLUSTER meets the highest sustainability standards: As an "all-electric factory", it operates virtually fossil-free. The only exception is small quantities of natural gas, which are currently still used in the special machines for ampoule production. From 2030, all processes at the plant are to be energy self-sufficient. In 2024, the company also invested in the expansion of the development laboratory at the headquarters. It is one of five laboratories in the Group. The depth of our value chain is a key unique selling point of the BABOR BEAUTY GROUP.

#### SUCCESSFUL IN THE THIRD GENERATION

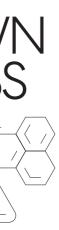
In 1956, chemist Dr. Michael Babor developed the first BABOR product in a kitchen in Cologne, laying the foundation for the company. The Vossen family of entrepreneurs discovered the start-up and joined "Dr. B. bio-medical cosmetics" in 1962. Dr. Leo Vossen turned the scientist's idea into a global brand and brought the company to Aachen. His daughter Jutta went to Vienna, where she trained in business and cosmetics and brought her newly acquired

expertise to the company. In 2000, she became Chairwoman of the Board. Together with her brother Dr. Leo P. Vossen, she led the company into the new millennium and accompanied its launch into the digital age. In 2013, Dr. Martin Grablowitz, son of Jutta Kleine-Tebbe, and Isabel Bonacker, daughter of Leo P. Vossen, were appointed to the Board and became the third generation to take over the chairmanship in 2014. Since then, the company has increasingly opened up to new business areas and is focusing on the internationalization of the business, especially in Asia and the USA. In February 2022, the owner family brought Tim Waller on board as Co-CEO with a clear mandate to internationalize business. Together with Horst Robertz and Stefan Kehr, he forms the Senior Leadership Team.



#### SUSTAINABILITY AS A FAMILY TRADITION

The values of BABOR BEAUTY GROUP are deeply rooted in the family business. "We focus on quality without compromise, pioneer sustainability and nourish the entrepreneurial mindset of our team," says Isabel Bonacker. For example, the conviction that sustainability in all its facets is important for the success of the company is firmly anchored in these values. This is why we are often ahead of the times: back in the 1990s, the BABOR brand launched a refill jar and the company introduced waste management and water microfiltration. Most recently, we were able to reduce our carbon footprint by more than 50% compared to the 2019 balance sheet and consistently optimize the eco-balance of every new BABOR product. We also keep an eye on mobility: There are a total of 89 e-charging stations at our three German sites, employees can charge free of charge and the company is only purchasing new electric vehicles for its fleet.



### FOR RESEARCH & DEVELOPMENT

The proactive mindset reflected in these developments is something that the management also passes on to all employees. They are "entrepreneurs within the company" with creative freedom, true to the motto: Make a difference. Every day. "We are no longer as close to our team as the generation before us," says Isabel Bonacker, "but it is important to us as owners as well as the management that we keep the spirit of a family business alive. This spirit is reflected in the corporate culture and the way we do business. We don't work for short-term profit, but future-proof: for the success of the next generation too." This is how the start-up, founded in a kitchen in Cologne, became a global player and one of the largest family businesses in the cosmetics industry.

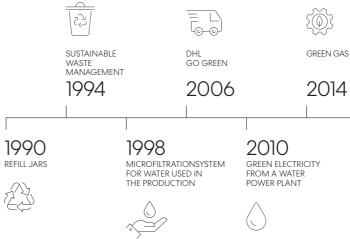


# FUTURE IS MADE **OF DIALOG**

### CREATING SUSTAINABLE SOLUTIONS, TOGETHER

Dialogue and exchange are an important part of our corporate culture and the key to a successful and sustainable future. The aim of the BABOR BEAUTY GROUP is to know the wishes and requirements of our stakeholders and to actively integrate them into our business processes. This creates a sustainability culture within the company that also has an external impact.

The most important stakeholders are our customers, suppliers, our employees, C-level management, the owner family and the media. We closely involve these key stakeholders in our actions. We are in constant communication with representatives of other companies and society. In this way, we ensure the involvement of all relevant stakeholders throughout our value chain and in our direct corporate environment.



Taking the interests and needs of all stakeholders into account increas s trust and reputation, which facilitates the joint development of sustainable solutions.

### MATERIALITY ANALYSIS FOR A **FUTURE-ORIENTED ALIGNMENT**

BABOR BEAUTY GROUP regularly carries out a materiality analysis to determine which topics are particularly important for our sustainability management and reporting. In this process, both the impacts of our company on our external environment and external influences on our business activities are analyzed and evaluated in close collaboration with stakeholders. From this, we derive the most important areas of action for us.

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BABOR FOREST

2020



2023







11



### **AT** A GLANCE: OUR FIELDS OF ACTIVITY



#### PEOPLE

BABOR BEAUTY GROUP strives to create a high-performance work culture with an entrepreneurial mindset and a strong team spirit. That is why the BABOR BEAUTY GROUP invests in the continuous training of its employees and actively promotes and cultivates lifelong learning - through professionally challenging tasks, individual career development and targeted further training. Aspects such as employee satisfaction, diversity, human rights and health are important to us.

#### PLANET



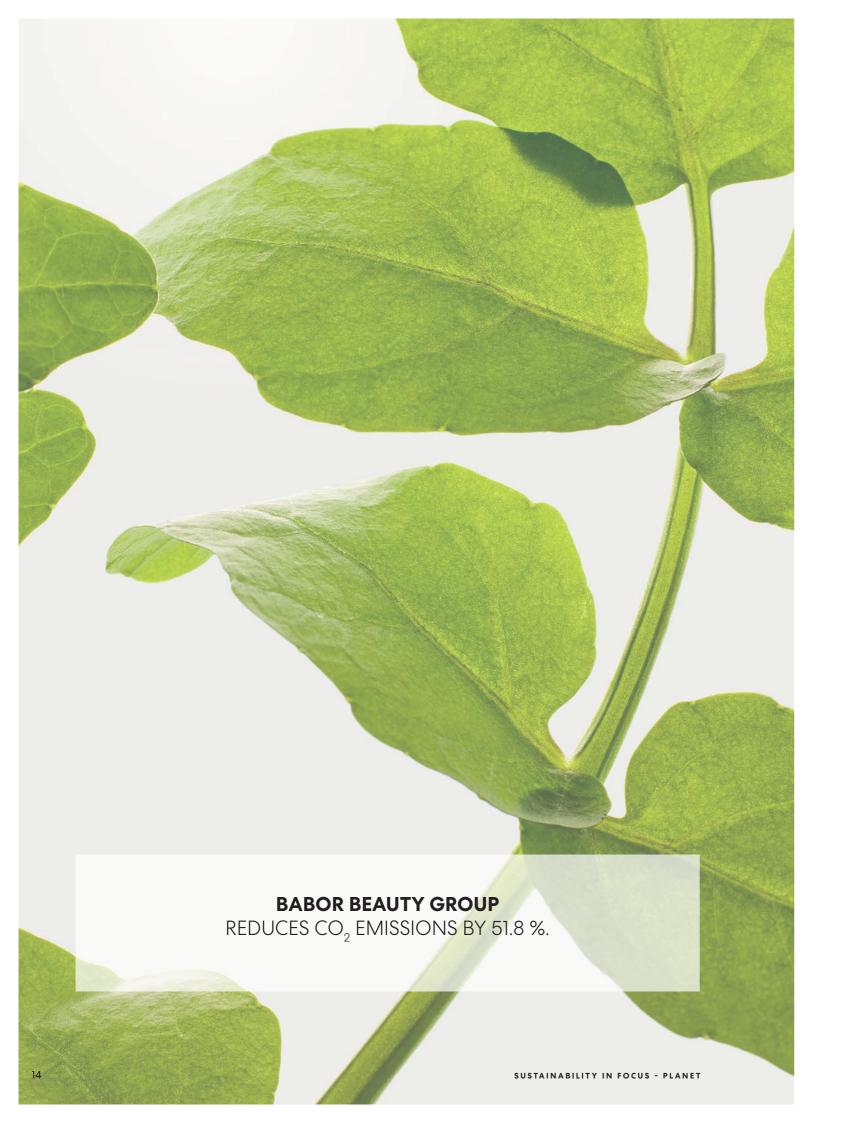
Protecting the environment has long been a guiding value of the BABOR BEAUTY GROUP. In 2018, the BABOR BEAUTY GROUP summarized its sustainability ambitions in a Green Agenda. This sustainability roadmap, which is valid until 2025, includes targets for CO2 emissions, sustainable packaging and ingredient philosophy and continues to shape our sustainability strategy to this day. Now, the Green Agenda is evolving into an overarching Planet Strategy.

FIELDS OF ACTIVITY



#### GOVERNANCE

As a family-owned company, the BABOR BEAUTY GROUP thinks and acts for the long term - it operates sustainably, also in terms of cooperation: many of the successful business relationships have existed for decades. We build lasting relationships with business-to-business partners based on trust, constructive cooperation and transparent communication. The BABOR BEAUTY GROUP is committed to a code of conduct that goes beyond compliance with the law and also encompasses ethical values such as fairness and sustainability.



### **BECAUSE** PIONEERING IS IN OUR GENES

#### PLANET

"The will to take responsibility for society and the environment comes from deep within the BABOR BEAU-TY GROUP," explains Co-CEO Horst Robertz. "This commitment has often been ahead of its time and has always achieved more than the law required. Today, the problems are global and we alone cannot solve them. But we can make a contribution. There are solutions. And we will find them. That is our DNA". BABOR BEAUTY GROUP's environmental efforts that are described in the section "Plane" have the following fields of focus:

- Regeneration of Nature
  Green & Resilient
  Operations
- Responsible Product
   Design
- Recycling & Waste
   Avoidance
- Participation

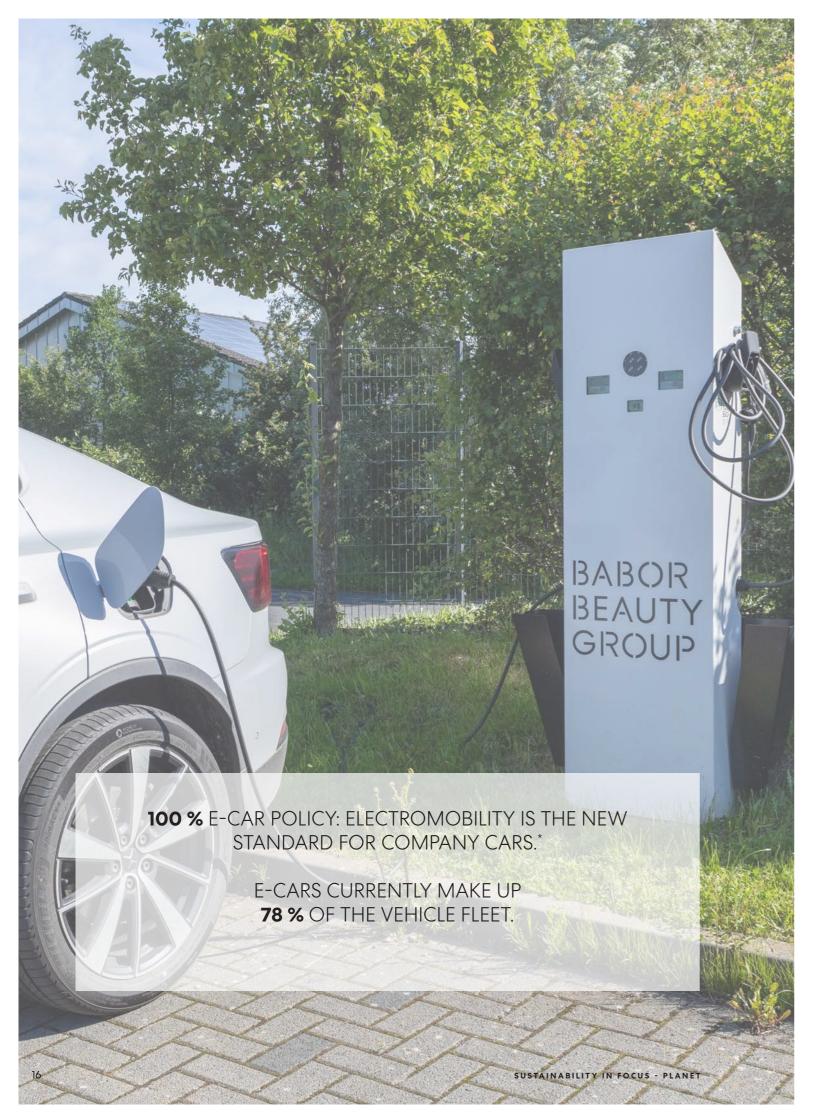
#### TARGETS EXCEEDED - THE CO<sub>2</sub> FOOTPRINT OF THE BABOR BEAUTY GROUP

The company has been measuring its CO<sub>2</sub> footprint (according to GHG Scope 1 - 3) since 2019 in an award-winning, daily updated CO<sub>2</sub> dashboard. In addition to direct emissions such as the vehicle fleet, refrigerants, printed materials, water consumption and business travel, the corporate carbon footprint (CCF) also includes employees' commuting, which is a key driver of corporate emissions.

To determine and reduce product emissions, a balance sheet is carried out annually and opportunities to reduce emissions are sought for every new and relaunched product. This applies both to the selection of suppliers and to ingredients and packaging materials. In recent years, the BABOR BEAUTY GROUP has consistently reduced its CO<sub>2</sub> emissions. We have been reporting in accordance with the latest scientific standards, including the new Scope 3 categories of electronic devices, catering, operational waste, transportation for waste disposal, hotel accommodation, rail, home office and material disposal since 2023.

Our goal: by 2025, the BABOR BEAUTY GROUP wanted to reduce its  $CO_2$  emissions by 50% (compared to 2019). This target was already achieved in 2024 with a reduction of 51.8 %.

The BABOR BEAUTY GROUP prioritizes the reduction of emissions instead of offsetting them. However, the company offsets emissions that cannot yet be avoided with a two-part offsetting concept: on the one hand, it comprises of internal sustainability measures to reduce emissions (insetting) and, on the other, the financing of certified CO<sub>2</sub> offsetting measures in Germany together with the Agritech platform KLIM. With these CO<sub>2</sub> certificates, the BABOR BEAUTY GROUP supports an area of healthy soil covering more than 5,000 soccer pitches, which builds up humus and binds carbon in the long term. This gives farmers the tools and financial resources they need to integrate regenerative agriculture into their fields and turn the soil into an effective carbon storage.

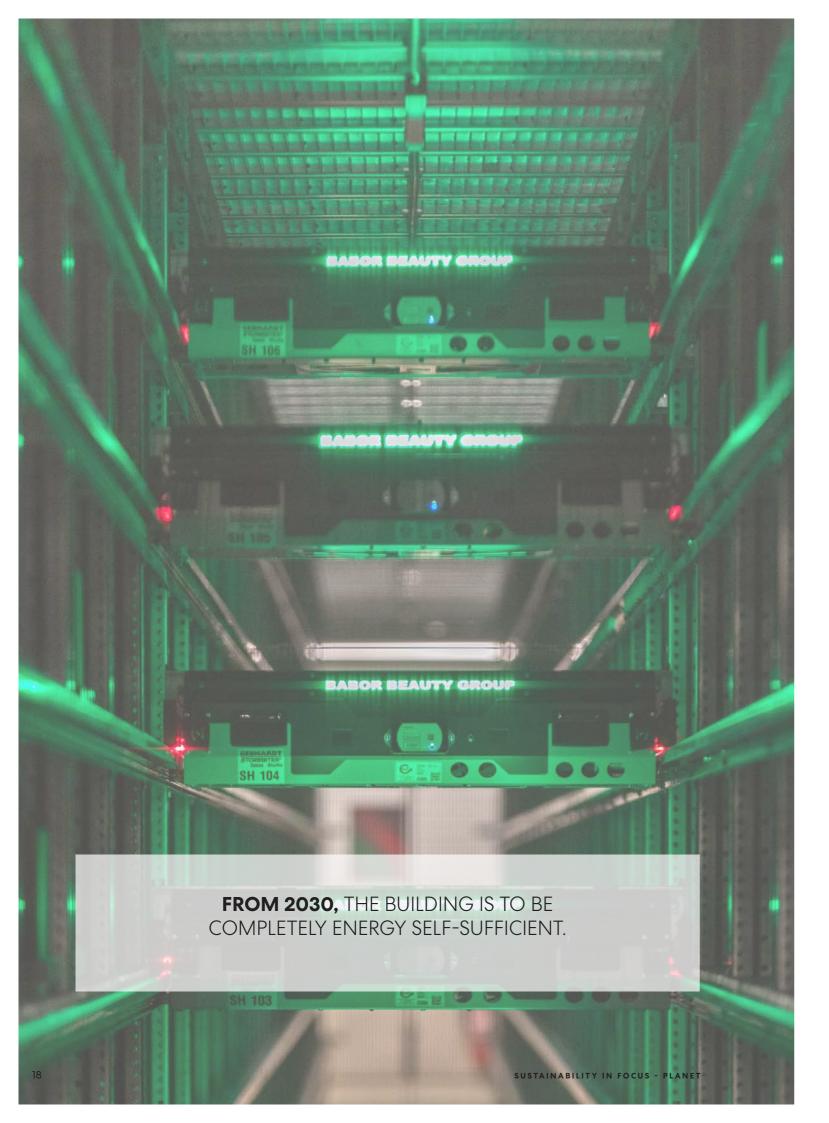


### AN IMPORTANT TOPIC: MOBILITY.

At the headquarters, business trips and commuting to and from work accounted for over 50% of the corporate carbon footprint in 2019. A mobility concept was therefore introduced to reduce CO2 emissions and far-reaching new regulations on business travel and mobility were successfully implemented. The BABOR BEAUTY GROUP encourages employees to lease bicycles, use public transport or carpool. The company provides production employees with 14 e-vehicles from the vehicle pool free of charge if they use them for carpooling on their way to work. The company has been driving the transitioning to electric mobility for years.

The BABOR BEAUTY GROUP was already active in the field of electromobility when there was no carbon footprint to prove the urgency of this action: in 2010, we were the first company in the Aachen region to set up electric charging stations at our headquarters, purchased an electric company car for regional business trips and promoted e-mobility among our employees in cooperation with the local energy supplier. Today, the team has access to almost 90 free charging stations powered by green electricity. Since 2020, the BABOR BEAUTY GROUP has been an Associated Member of EV100, an initiative of the international NGO Climate Group. The aim of EV100 is to make electromobility the norm by 2030.

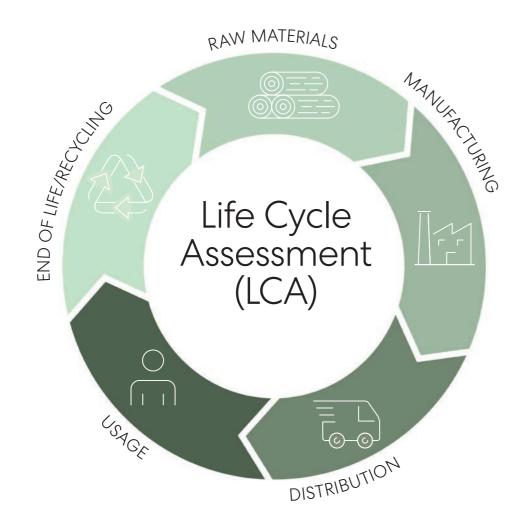
\*In accordance with the policy valid since 2021.



### THE INTELLIGENT FACTORY BABOR BEAUTY CLUSTER

High sustainability standards were applied during the construction of the new production and logistics center in Eschweiler, the BABOR BEAUTY CLUSTER. All building structures exceed the KfW 40 energy efficiency standard, making the BABOR BEAUTY CLUSTER a highly efficient building that consumes 60 percent less energy than a standard building. At the heart of the energy supply is a huge photovoltaic system with an output of 750 kWp, which produces the majority of the electricity required. A storage cube with second-life car batteries stores the electricity from the solar panels when it is not needed so that it can be used later. Its capacity is 1,100kWh, which corresponds to the daily electricity consumption of 120 family homes.

Thanks to the combination of photovoltaic, heat pumps and heat recovery, the BABOR BEAU-TY CLUSTER operates more than 99% without fossil fuels. The only exception is ampoule production, where natural gas is currently still used to melt the glass vials. The switch to hydrogen, the technology of the future, will take place soon. The factory thus follows the "All Electric" principle.



#### LIFE CYCLE ANALYSIS -BEYOND CARBON

 $CO_2$  emissions are not the only environmental impact that companies cause through their business activities. The BABOR BEAUTY GROUP uses a life cycle analysis to determine exactly its effects. For the BABOR brand, the company continuously carries out a comprehensive analysis of all products and processes using a life cycle analysis (based on GHG Scope 1-3). A life cycle analysis (also known as a life cycle assessment) examines the products from the raw material through production and transportation to the use phase and disposal. It enables a comprehensive comparison and uncovers optimization potential. Based on this, product formulations and packaging are adapted to improve the life cycle assessment and reduce ecological

impact. In addition to CO<sub>2</sub> emissions, we focus on soil acidification and water eutrophication when determining our environmental impact as part of the life cycle analysis. Eutrophication, the accumulation of nutrients in an ecosystem, is a direct consequence of over-fertilization of agricultural land because fertilizers are washed into bodies of water by rain and cause algae blooms there.

IN ADDITION TO CO<sub>2</sub> EMISSIONS, 13 OTHER FACTORS RELEVANT TO THE ENVIRONMENTAL COMPATIBILITY OF THE PRODUCTS ARE EXAMINED.

#### **FIRST SUCCESSES**

The impact on the LCA is an important benchmark for the sustainable success of a product relaunch. For example, the relaunch of DOCTOR BABOR Collagen Peptide Booster Cream reduced the impact of the product on climate change (through  $CO_2$  emissions in the supply chain) by 44%, the impact on the acidification of agricultural soils by 39% and on the eutrophication of water bodies by 54%.

#### **RAW MATERIALS**

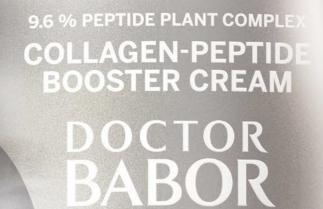
Sustainability criteria play a major role in product development. Our product development philosophy is about safety - for users and the environment -, effectiveness and transparency in terms of ingredients and manufacturing processes. The European Cosmetics Regulation (EU 1223/2009) regulates important cosmetic ingredients such as UV filters, preservatives and colorants, and the list of banned substances (Annex II) currently includes more than 1,300 substances. As a German company, the BABOR BEAUTY GROUP is committed to the EU Cosmetics Regulation and in many cases goes beyond it to develop products that are even more sustainable.

This ranges from production in a factory with glass walls to the philosophy of the BABOR brand. The BABOR brand follows an ambitious formulation philosophy, the BABOR Trinity - performance, luxury, sustainability: Highly effective, almost clinical-grade skincare that is highly compatible and offers luxurious textures. This skincare is produced in a very sustainable and mindful way.

BABOR is committed to using only ingredients that promote healthy skin condition and support the integrity and efficacy of the formulations. The formulation standard states that all new skincare products created must be free of microplastics - not only microplastic particles, but also synthetic polymers. The skincare formulations are free of silicones, parabens, PEGs, mineral oils, sulfates (SLS and SLES), non-certified palm (kernel) oil derivatives and synthetic dyes. The company has been RSPO-certified since 2019 and has been sourcing RSPO-certified palm (kernel) oil derivatives ever since.

#### IN 2024, MORE THAN 72 % OF ALL BABOR PRODUCTS MEET THE SUSTAINABLE FORMULATION STANDARD.

BABOR BEAUTY GROUP has never carried out or commissioned animal testing in its history. We very much welcome the fact that this is now part of EU regulations. Exports to China, where animal testing for cosmetics is part of the registration process required for import, are often viewed critically. In order to promote cruelty-free imports to China, the company has successfully undergone a monitoring process. The Chinese National Medical Products Administration has accepted a GMP (Good Manufacturing Practice) certificate that allows the BABOR BEAUTY GROUP to import its products without animal testing.



**THE ENTIRE** COMPANY AIMS TO ACHIEVE A RECYCLING RATE OF 95% BY 2030 AT THE LATEST.

### PACKAGING MATERIALS

The use of recycled materials is often a compromise in terms of quality. It is therefore a challenge for BABOR product development to design sustainable materials that are compatible with our quality standards. BABOR is therefore increasingly focusing on highly recyclable packaging and recyclable shipping materials. Since 2020, all paper-based packaging has been made exclusively from FSC-certified paper. In addition, cellophane wrapping is no longer used for products and the use of packaging materials that can be detected during recycling is being promoted.

The product leaflets have been removed from the range and replaced by QR codes. This measure alone leads to a material reduction of over 8 tons of wood and around 3.5 tons of CO2 per year. The BABOR BEAUTY GROUP is pursuing the goal of waste-free operations: recyclable materials that are no longer usable (paper, cardboard, plastics, metal) will be fully recycled as soon as possible, at the latest by 2030.

#### AUTARCY

The BABOR BEAUTY GROUP strives for a maximum degree of self-sufficiency in the energy supply of its buildings; in-house energy production takes precedence over purchasing. Since 2014, we have been sourcing local green electricity. At the same time, we have been expanding our self-supply of energy with photovoltaic systems and storage solutions for years to increase our autonomy. The large-scale installation of photovoltaic systems on the roofs of the headquarters and the BABOR BEAUTY CLUSTER has enabled the production of over 1,100,000 kWh of electricity per year since 2023 - equivalent to the annual consumption of more than 300 households.

#### IN 2024, 80 % OF ALL PACKAGING MATERIALS FROM THE BABOR BRAND WERE ALREADY RECYCLABLE.



# **IT** STARTS WITH A TREE

#### **BABOR FOREST**

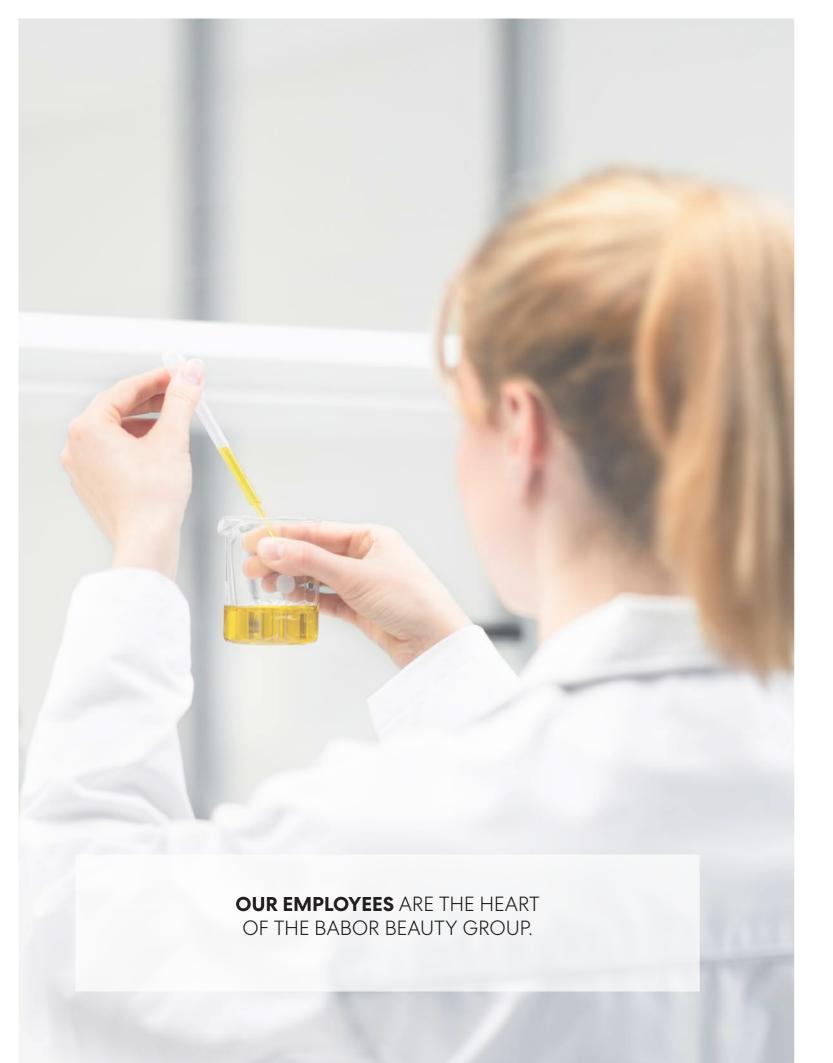
The BABOR BEAUTY GROUP runs its own forestry project, the BABOR Forest. Since 2020, we have planted the BABOR forest in the Eifel, the low mountain range region very close to the Aachen headquarters. Today, 30,000 trees are growing here in an area of 10 hectares.

Every year, a tree planting campaign takes place in the BABOR forest. In 2024, many BABOR BEAUTY GROUP employees and their families once again took part - this time at the BABOR BEAUTY CLUSTER. Here they planted the first trees of the Dr.-Leo-Vossen-Allee.

#### **BE(E) BABOR**

A pleasant twist to a story that began more than 15 years ago when the BABOR BEAUTY GROUP wanted to harvest a valuable raw material in the Eifel region: wild serviceberries. Of all the local fruits, these have the highest vitamin C content. A perfect supplier of active ingredients for the expert skin care of the BABOR brand. As wild serviceberries are rare, the stocks were to be protected, and the extracts harvested on a plantation. Over the years, thanks to a collaboration with the Fraunhofer Institute, it has been possible to extract these valuable ingredients in the laboratory using plant stem cell technology. The trees in the Eifel region and their fruit were no longer needed as a source of raw materials. In 2020, the BABOR BEAUTY GROUP turned the wild service tree plantation into a bioreserve. Shortly afterwards, the reserve became home to eight bee colonies, which are now a visible symbol of sustainable cosmetics production that protects the biodiversity of our planet.

The BABOR BEAUTY CLUSTER is also home to three bee colonies. These are looked after by a project group consisting of employees.



# **WITH** THE POWER OF FULL POTENTIAL

"Our employees are the heart of the BABOR BEAUTY GROUP. They shape the success of the company. Training is therefore an integral component of the employee empowerment strategy," says Co-CEO Stefan Kehr.

The BABOR BEAUTY GROUP also fulfills its social responsibility as a company in the region. In order to secure local jobs and remain an attractive employer in the long term, we offer many training and education opportunities, modern workplace facilities and professional occupational health and safety management. The aim is to measurably increase employee commitment and ensure that everyone has the opportunity to develop their potential.

#### EMPLOYER OF CHOICE

We motivate our employees to contribute as "entrepreneurs within the company" with a great deal of creative freedom. That is why the BABOR BEAUTY GROUP offers its employees various work-related benefits: Qualification offers, internal programs, workshops and training courses. A benchmark-based employee survey was conducted in 2023. This is to be measured regularly as a basis for increasing the attractiveness of the company.

#### EMPLOYEE QUALIFICATION

Opportunities for internal and external training are a matter of course for us. We actively encourage and demand continuous learning through professionally challenging tasks, individual career development and training. Qualification offers and annual feedback meetings are key elements of our HR policy.

Managers encourage participation in training programs and also support job changes within the company as part of this development. In this way, we create good conditions to ensure that key positions are preferably filled internally.

#### LEADERSHIP

The managers of the BABOR BEAUTY GROUP empower their employees to take ownership of their projects and to use their potential to achieve the company's goals. They act as role models and act in accordance with the company's values. They support employees in their development, encourage and demand performance, team spirit and innovation and provide scope for internal collaboration. The BABOR BEAUTY GROUP prepares managers specifically for their demanding tasks with a development program based on the management mission statement.



#### **HEALTH MANAGEMENT**

We take a variety of measures to promote the mental and physical health of our employees. Counseling services, team sports, joint celebrations, collectively agreed pay, profit-sharing for the workforce, intensive team and management coaching strengthen employee satisfaction and cooperation. We are also making working hours more flexible and enabling mobile working on a large scale. We are thus increasing the compatibility of family and career and creating the conditions for a good work-life balance. Our company daycare center in a green oasis in the middle of Aachen-Eilendorf also contributes to this.

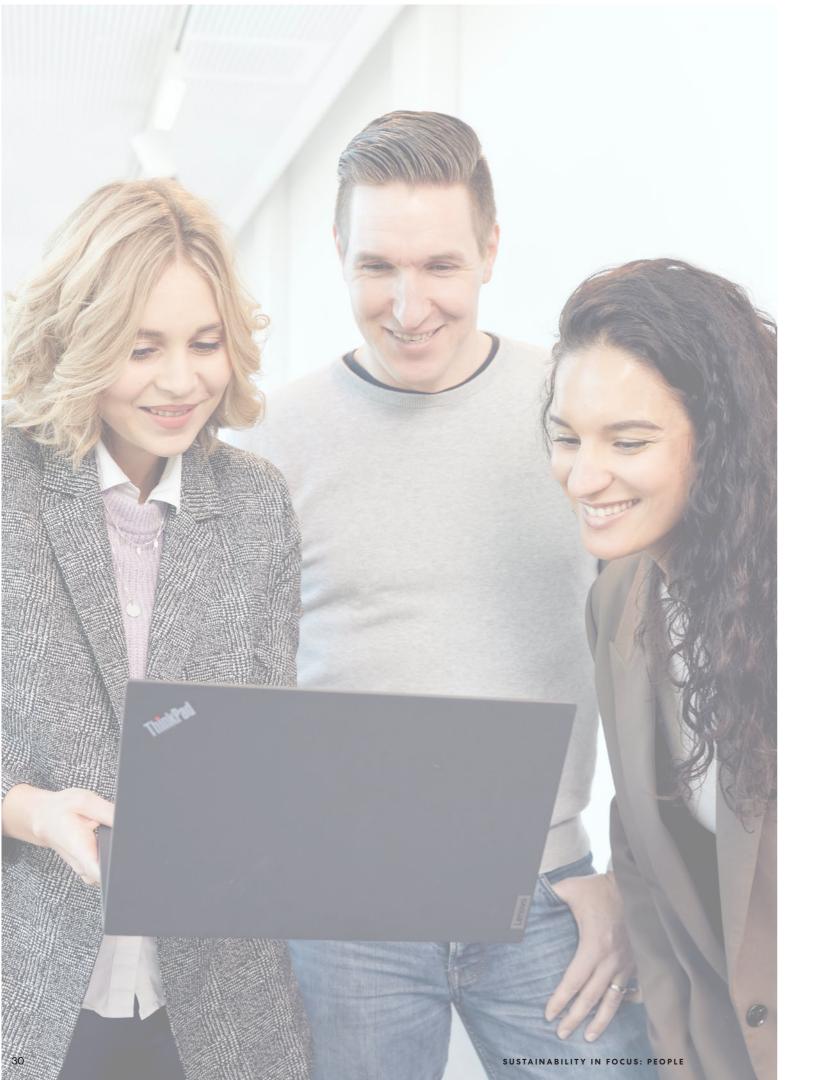
#### CORPORATE VOLUNTEERING

BABOR BEAUTY GROUP wants to have a positive influence on society and be future-ready. "Think global, act local. As an international company, our roots are extremely important to us. We are aware of our social responsibility in the region - as an employer and beyond," explains Co-CEO Tim Waller.

The BABOR BEAUTY GROUP works with selected partners and supports their projects. In addition, employees contribute their skills and time. The BABOR BEAUTY GROUP has close ties with its home city of Aachen. Not only because the company has valuable partnerships here, such as with RWTH Aachen University, but also because the Group is aware of its responsibility - as an important employer and as part of society. Here is a brief insight into current projects and campaigns that took place again in 2024:

On Volunteer Day, employees actively support various charitable projects. In 2024, three projects were supported:

- Summer get-together at the Iterbach hospice
- Batik workshop together with the Kinderschutzbund
- Intercultural afternoon with joint cooking and self-care workshop with refugees together with Caritas



#### CULTURAL COMMITMENT

Since 2003, the BABOR BEAUTY GROUP has been supporting the Aachen Coronation Banquet making a generous contribution to the preservation of the historic town hall of the city of Aachen.

#### **NRW TALENTS**

Since 2024, the BABOR BEAUTY GROUP has been supporting NRWTalente, a scholarship program in the Aachen region that accompanies talented students from the 8th grade onwards with practical offers, regular advice and individual talent development. The program supports young people from less privileged backgrounds and families without an academic background who are motivated and want to develop further. Commitment, talent and a willingness to perform should develop and enrich our society regardless of gender, nationality, ethnic origin, religion, educational background and parents' income. NRWTalente supports scholarship holders in discovering their potential and talent, developing it to the best of their ability and successfully shaping their own path.

The program is coordinated by FH Aachen and RWTH Aachen University and co-financed by the Ministry of Schools and Education of the state of North Rhine-Westphalia. Unique in this form in Germany, it has been running successfully in the Ruhr region since 2016 and is permanently funded by the state of North Rhine-Westphalia. BABOR BEAUTY GROUP supports two scholarship holders with a total of €3,000 per year and shows them the career prospects offered by the company. The donation goes 100% to the scholarship holders and is used exclusively for the educational program and education-related material support.

"The scholarship gave me new experiences and opened up new opportunities. Together with others in workshops or on excursions, for example to Paris, I was able to broaden my horizons and also meet great people. I would never have experienced this without the scholarship."

(Hannah,8th grade) www.nrwtalente-regionaachen.de

#### MORE ACTIVITIES BABOR ROSE

In 2024, the "BABOR Rose for Social Commitment" has been awarded to student initiative "ROCK YOUR LIFE", which is committed to mentoring for equal opportunities regardless of social background. The prize, which is endowed with 5,000 euros, is becoming a tradition that supports outstanding commitment. The BABOR BEAUTY GROUP has been honoring individuals with this award since 2015. www.aachen.rockyourlife.de

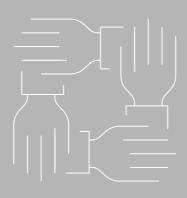
#### CENTER FOR SOCIAL WORK

For more than 30 years, BABOR BEAUTY GROUP has supported the Center for Social Work in Aachen and is associated with it as a partner. The center is a network of institutions that help children, young people and families. The center aims to help young people in difficult situations find their way to a positive, self-determined future. The BABOR BEAUTY GROUP supports the center with an annual pre-Christmas donation of 10,000 euros and also provides pragmatic assistance.



**67%** FEMALE EMPLOYEES

### D, E & I IN NUMBERS



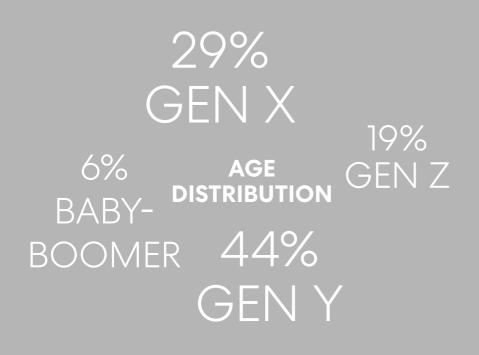
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NATIONALITIES

WOMEN IN EADING POSTITIONS

54%

)NS



### **BECAUSE DIVERSITY** OF OPINION IS CRUCIAL TO OUR SUCCESS.

### **EMPOWERING** PEOPLE THREEFOLD

Diversity, Equity & Inclusion (DE&I) are only effective in combination - as three mutually reinforcing principles.

**DIVERSITY** refers to accepting visible and invisible differences with the aim to reflect diverse ways of thinking and getting new perspectives.

**EQUITY** stands for access to equal opportunities and the removal of barriers that prevent this access. The aim is to design the company in such a way that personal identity has no influence on opportunities or results.

**INCLUSION** means to all measures that create a sense of belonging and psychological security and aims to create a corporate culture that enables employees to develop their full potential.

#### DE&I AT THE BABOR BEAUTY GROUP

In 2024, the BABOR BEAUTY GROUP launched a change-maker format. This interdisciplinary team of employees brings together different perspectives within the BABOR BEAUTY GROUP and drives forward the topics of diversity, equity and inclusion.

"With their entrepreneurial spirit and passion for the topic, this team makes an important contribution to making the company fit for the future," says Isabel Bonacker: "Because diversity of opinion is crucial to our success. That's why I'm a proud ambassador of our change-maker program." In the initial phase, the activities focus on gender, nationality and age.

#### WHAT'S NEXT?

- Establishing gender-neutral language in the company
- Global reporting for all diversity KPIs (gender, nationality & age)
- Integrate DE&I into the leadership concept to sensitize managers to the topic
- Organizationally established contact options for parents during parental leave to facilitate their return to the company



### **GOVERNANCE**

"Trust is our top priority. As a family business, we build good, reliable relationships with those around us," says Isabel Bonacker, co-owner of the BABOR BEAUTY GROUP. The company maintains clear, respectful and trusting relationships with its partners, suppliers and customers. Everything is aimed at growing together in a spirit of partnership and sustainability.

#### COMPLIANCE AND HUMAN RIGHTS

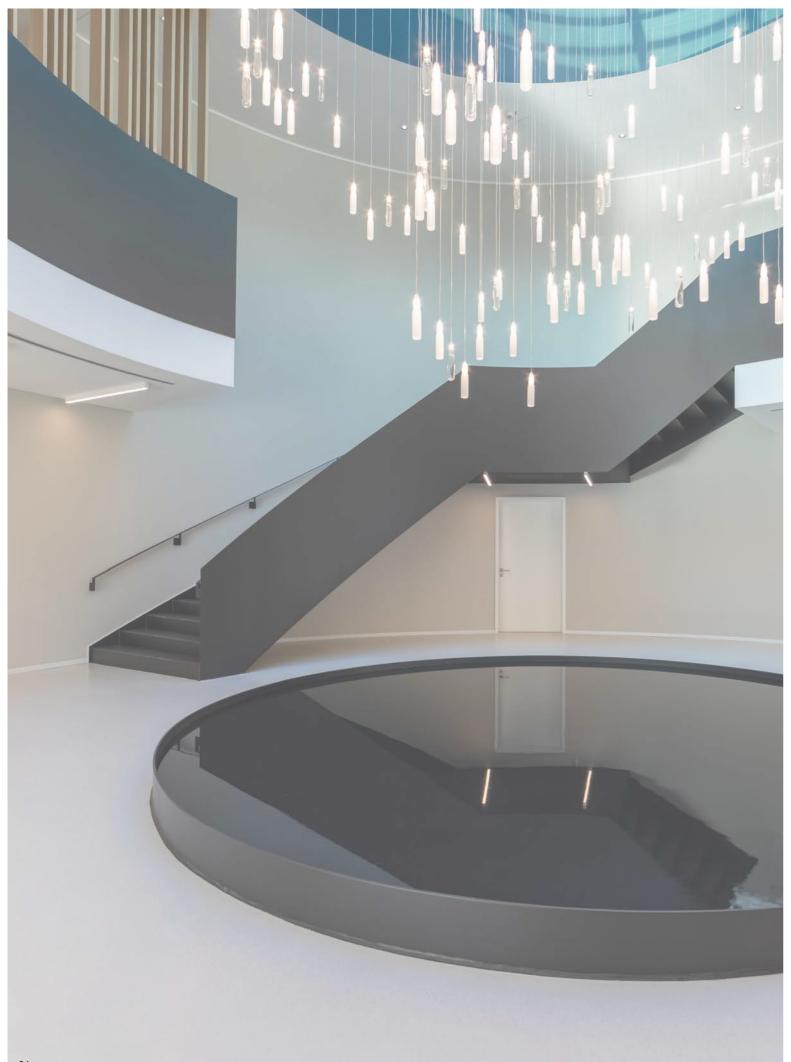
The BABOR BEAUTY GROUP values the trust and well-being of all its stakeholders and respects compliance with existing laws and regulations.

A BINDING CODE OF CONDUCT HAS THEREFORE BEEN DEVELOPED THAT SERVES AS A GUIDELINE FOR EMPLOYEES AND OTHER BUSINESS PARTNERS.

In collaboration with its external compliance officer, the company developed and implemented a compliance management system that focuses on the relevant topics. In addition, a complaints procedure is linked internally and on the website, through which information regarding human rights violations, corruption or other compliance violations can be reported. The complaints procedure (exclusively for compliance violations) can be found here: https://babor-beauty-group.com/ compliance-regelungen/

#### **EMPLOYEES ALONG THE** VALUE CHAIN

BABOR BEAUTY GROUP's suppliers are also subject to a code of conduct that sets out all the expectations that the company has of them. These include respect for human rights, compliance with occupational health and safety regulations, economic and sustainable practices, environmental protection and the prevention of corruption. Compliance with the Code is ensured by means of a supplier's self-assessment. Furthermore, the BABOR BEAUTY GROUP regularly conducts a comprehensive risk analysis of its supply chain.



## **ABOUT** THIS REPORT

With this sustainability report, which supplements the upcoming Corporate Sustainability Reporting Directive (CSRD), BABOR BEAUTY GROUP provides insights into its commitment, its actions and its vision for the future. We want to inform customers, partners, suppliers, employees and the public about how BABOR BEAUTY GROUP is managed, which principles guide us and how we promote sustainability. Transparency and honesty are our top priorities. We endeavor to closely involve internal and external interest groups in all matters.

# THANK YOU!

Thank you for taking the time to read this sustainability report. We want to be transparent about our path, question and challenge the status quo. We want to contribute to making our industry, society and environment better and more sustainable.

PUBLISHER: Dr. Babor GmbH & Co. KG · Neuenhofstraße 180 · 52078 Aachen · babor-beauty-group.com COORDINATION AND CONCEPTION: Christoph Vormstein (Corporate Responsibility), Eva Spiertz (Corporate Communication) COPY: Dr. Christian Kortmann DESIGN AND ARTDIRECTION: Burcu Altay (Design & Content Creation) PHOTOS: BABOR, Unsplash, Freepik

We have been publishing our sustainability report since 2018, providing information about our commitment to the three pillars of sustainability as well as our goals and future measures. As a global cosmetics company, BABOR BEAUTY GROUP continues to develop sustainability at all levels. A structured and uniform approach is essential to achieve the ambitious goals in terms of a future worth living for all people.

This report relates to the period from January 1, 2024 to December 31, 2024 and the information contained herein and internally calculated key figures relate to Dr. Babor GmbH & Co. KG (BABOR brand and private label). The BABOR BEAUTY GROUP is currently not subject to reporting requirements and publishes voluntarily.

This is what drives us. Day after day. Do you have any requests, suggestions or criticism? Write to us, we look forward to hearing from you!

E-Mail: sustainability@babor.de

# **APPENDIX** PERFORMANCE INDICATORS GRI

Please note: Due to the upcoming sustainability reporting obligation in accordance with the Corporate Sustainability Reporting Directive, the calculation logic for some statistics changed since last year. We strive to ensure the best possible comparability with previous years.

#### PERFORMANCE INDICATOR GRI 303-3: WATER WITHDRAWAL

Water in m<sup>3</sup>

PERFORMANCE INDICATOR GRI 306-3:: WASTE GENERATED The structure of waste data has followed the classification of CSRD data since 2023. This enables us to establish a consistent structure for waste data collection.

Recyclable materials	2
hazardous waste avoided through recycling	2.
hazardous waste avoided by other recycling processes	0
non-hazardous waste avoided through recycling	5
non-hazardous waste that was burned	3
Total amount of waste generated	9

#### A significant refinement was achieved in 2023 through improved allocation of usage quantities.

PLANET

Raw materials in kg	2022	2023	2024
Total raw materials	1.265.497	608.291	436.249
Packaging in kg	2022	2023	2024
Glas	1.358.342	270.294	256.479
Paper/Cardboard/Carton	2.224.456	457.606	347.504
Aluminium	14.400	41.052	484
Plastics	1.351.616	154.327	105.349
Other Composites	230.121	31.192	18.056
Tinplate	1.687	79	0
Packaging Materials Based	115.901	0	0
on Biological Sourcess			
Total	5.204.963	1.563.046	1.164.121

#### PERFORMANCE INDICATOR GRI 302-1: ENERGY CONSUMPTION

PERFORMANCE INDICATOR GRI 301-1: MATERIALS USED

Energy in MWh	2021	2022	2023	2024
Electricity	3.107	3.142	2.854	5.023
of which renewable electricity from external sources	2.834	2.878	2.572	4.096
of which self-generated renewable energy	32	34	34	558
of which self-generated energy from combined heat and	241	230	282	220
power plant				
Gas	2.739	2.597	2.761	3.019
of which pre-compensated gas	2.739	2.597	0*	3.019
Fuel	1.230	1.511	785	275
Total	7.076	7.250	6.447	8.317

\*Due to the gas crisis in 2022, we were unable to procure compensated eco-gas for 2023.

#### PERFORMANCE INDICATOR GRI 305: THG-EMISSIONS (SCOPE 1,2 AND 3 IN TONS

Year	2022	2023 (incl. new categorie	2024 s`)	
Total quantity	6069,5	5426,8	3.881,1	
already precompensated	1077,3	1542,9	3,0	
"Net" balance incl. safety surcharge	5521,1	4272,3	3.878,1	
Percentage target achievement (-4.000t)	62%	93%	103%	

\*New Scope 3 emission categories have also been reported since 2023 in accordance with the Reporting Standard: electronic devices, gastronomy, Company waste, transportation for waste disposal, hotel accommodation, rail, home office and material disposal

2021	2022	2023	2024
18.489	21.015	24.785	30.723

#### 2024

2.100

517.500

383.700

903.300

#### PEOPLE

Occupational accidents	2023	2024	
Employees	31	34	
not reportable reportable	9	9	

### PERFORMANCE INDICATOR GRI 404-1: HOURS OF TRAINING AND EDUCATION

A total of 281 internal and 314 external training courses took place in 2024.

	2022	2023	2024
Internal Training	259	362	281
External Further Education	345	367	314

#### Of the External Further Education

Professional Development

Personal Development

Organizational Development

Mandatory Training

217	240	219
90	106	46
28	10	36
10	11	13

#### Performance Indicator GRI 405-1: **DIVERSITY**

Diversity and Employment 2024	Total	BABOR KG Deutschland	BABOR Austria	BABOR Netherlands	BABOR Belgium	BABOR Switzerland	Duesberg Medical GmbH	Femia Cosmetic Vertriebs GmbH		BABOR America	BABOR Canada	BABOR Iberia	BABOR Sverige	BABOR Asia (Singapore)	B & E Holdings
Number of Employees															
Number of female employees	781	480	15	20	7	8	104	31	65	34	4	0	8	3	2
Number of male employees	388	338	0	0	2	1	37	4	0	5	0	0	0	0	1
Total number of employees	1169	818	15	20	9	9	141	35	65	39	4	0	8	3	3
Age Distribution															
Employees age under 30	259	174	3	8	1	0	26	6	30	6	1	0	1	1	2
Employees age between 30 and 50	634	448	10	11	6	7	63	28	25	24	3	0	7	1	1
Employees age over 50	276	196	2	1	2	2	52	1	10	9	0	0	0	1	0
Management Diversity															
Number of members in management and supervisory boards	31	21	0	0	0	1	1	2	0	5	0	0	1	0	0
Number of female members in management and supervisory boards	9	5	0	0	0	0	0	1	0	2	0	0	1	0	0
Number of executive members of the ma- nagement and supervisory boards	3	3	0	0	0	0	0	0	0	0	0	0	0	0	0
Number of non-executive members of the management and supervisory boards	28	18	0	0	0	1	1	2	0	5	0	0	1	0	0
Number of female employees in managing roles	82	49	3	1	0	1	4	8	9	5	1	0	1	0	0
Employment Types															
Number of total permanent employees	971	706	14	10	9	9	100	34	37	38	4	0	7	3	0
Number of female permanent employees	641	412	14	10	7	8	76	30	37	33	4	0	7	3	0
Number of male permanent employees	330	294	0	0	2	1	24	4	0	5	0	0	0	0	0
Number of temporary employees	198	112	1	10	0	0	41	1	28	1	0	0	1	0	3
Number of female temporary employees	140	68	1	10	0	0	28	1	28	1	0	0	1	0	2
Number of male temporary employees	58	44	0	0	0	0	13	0	0	0	0	0	0	0	1
Number of full-time employees	894	666	6	3	7	2	96	25	33	38	4	0	8	3	3
Number of female full-time employees	521	341	6	3	5	1	61	21	33	33	4	0	8	3	2
Number of male full-time employees	373	325	0	0	2	1	35	4	0	5	0	0	0	0	1
Number of part-time employees	275	152	9	17	2	7	45	10	32	1	0	0	0	0	0
Number of female part-time employees	260	139	9	17	2	7	43	10	32	1	0	0	0	0	0
Number male of part-time employees	15	13	0	0	0	0	2	0	0	0	0	0	0	0	0
Turnover															
Number of new hires	188	97	2	3	3	0	49	3	18	8	0	0	3	0	2
Number of employees left	145	87	1	3	0	0	24	1	18	1	0	1	2	0	7

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### BABOR BEAUTY GROUP