



OUR WORLD & COMMITMENT

CSR HIGHLIGHTS 2025

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1.0



TOMÁS ESPINOSA BRANIFF CESPEDES

CEO Schwan Cosmetics International GmbH

” We believe that sustainable solutions must not come with a price premium if they are to be immediately democratized. That’s why we continuously develop and invest in technologies that deliver reliable and proven sustainable solutions, accessible to all customers without any price difference. This is our commitment! ”

In an increasingly dynamic and interconnected global landscape, the need for social and environmental responsibility has never been clearer. As a purpose-driven and innovation-focused company, Schwan Cosmetics remains resolute in addressing these pressing challenges. This report serves as a testament to our unwavering commitment to creating sustainable and meaningful impact through our practices and products. Over the past two years, we have solidified a clear vision, purpose, and ambitious long-term goals, striving to set a high benchmark for Environmental, Social, and Governance (ESG) standards in our industry. This year’s CSR Report highlights our progress across the three key pillars of sustainable development – Economic, Social, and

Environmental – through transparent disclosures of achievements, ongoing

EDITORIAL

initiatives, and challenges. While our previous fiscal year saw more than double the market growth, this year’s sales in our core categories of eye and eyebrow pencils experienced stagnant growth. This stabilization is attributed to reduced high inventory levels at customers and a normalization in demand following the post-pandemic market recovery. In response to the growing demand for accessible and affordable sustainability, we have prioritized it as a

1.0

core aspect of our offerings. Through targeted investments, we have secured a two-year supply of leading sustainable materials from SULAPAC®, enabling us to transition 20% of our product portfolio to eco-friendly packaging, such as TheProBarrel, within the next 24 months – all without passing on additional costs to our customers. This democratization of sustainable materials ensures that all customer segments benefit, reducing reliance on virgin fossil plastics and making environmentally conscious choices widely accessible. Aligned with our broader environmental goals, we have also invested in solar power installations at our facilities in Germany and Mexico. Once fully operational, our German site will meet up to 100% of its daytime electricity needs with renewable energy, reinforcing our commitment to minimizing our

carbon footprint. As we continue fostering meaningful dialogue and collaborations, we are excited to advance a more responsible and sustainable beauty industry together. Thank you for your engagement and support as we pursue a future rooted in mindful beauty and ethical practices.

These highlights will give you a first overview of our achievements and progress this year. If you want to read the full version of our CSR-report you can find a link on the last page of this presentation or please visit our website:

www.schwancosmetics.com



New solar power plant in Germany

Our world & commitment

Some of our key accomplishments include:

72% biobased content

with biobased material in the barrel.

The introduction of **TheProBarrel**, an innovative, environmentally advanced packaging alternative that reduces CO₂ emissions by almost 70% compared to conventional tubes.

30% self-sufficiency in green electricity

achieved by a 7.8 million € investment in an on-site solar power plant at our German headquarters.

30% reduction in air freight-based GHG emissions

within a single year, thanks to shorter supply chains and a shift toward less emission-intensive transportation modes.

7500 m³ of foamed plastics eliminated

thanks to the near completion of our transition away from Styrofoam packaging materials.

1.0

Global network & business data

Number of employees

June 2024

1172

Germany

3133

worldwide

1961

international

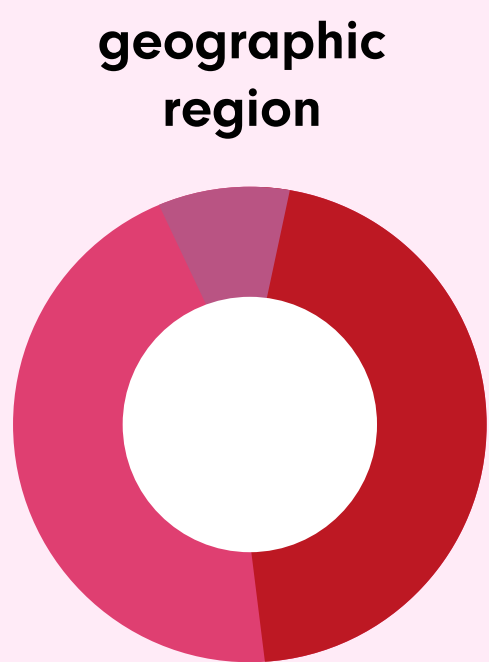
Global sales

FY 2023-2024

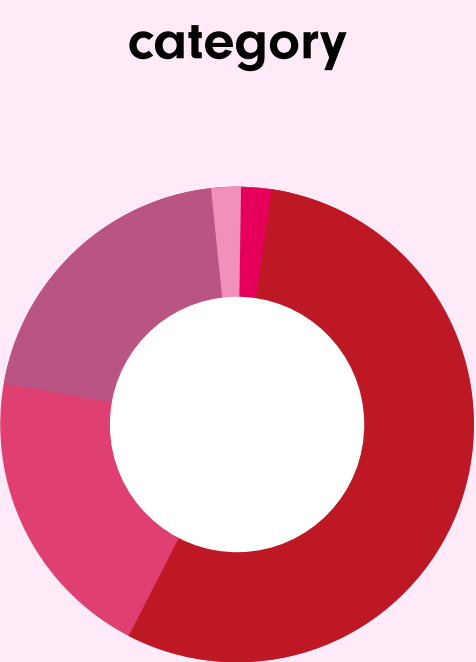
€ 373 M

Break down of FY 2023-2024 sales in million

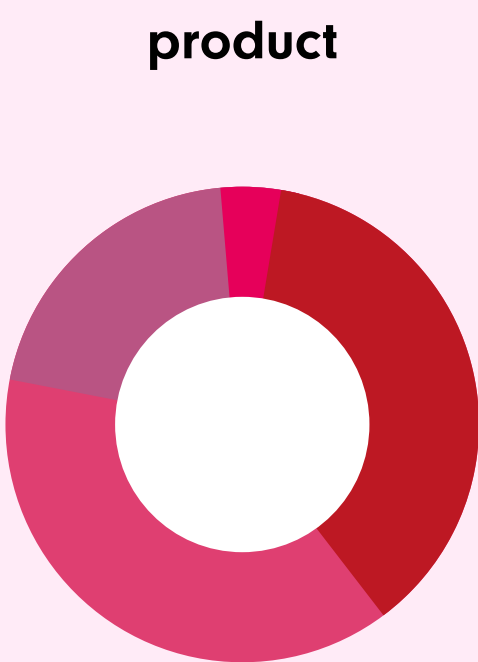
June 2024



- 182 AMERICAS
- 167 EMEA
- 23 APAC



- 215 EYE
- 50 BROW
- 96 LIP
- 8 FACE
- 5 others



- 154 sharpenable pencils
- 147 mechanical pencils
- 53 liquid liners
- 20 others

WHO WE ARE



Recognized among Europe’s top corporations, large companies, and SMEs across 15+ sectors for transparency and sustainability initiatives.

ESG TRANSPARENCY AWARD

Global network & business data

Global subsidiaries

2.1

GERMANY Heroldsberg

ISO 22716
ISO 14001
SMETA
IFS HPC

CZECH REP. Český Krumlov

ISO 22716
ISO 14001
ISO 45001
ECOCERT
FSC / PEFC
IFS HPC
SMETA

USA Murfreesboro

ISO 22716
SMETA

MEXICO Toluca

ISO 22716
ISO 14001
FSC
SMETA

COLOMBIA Bogotá

ISO 22716
ISO 14001
SMETA

BRAZIL Curitiba

ISO 22716
SMETA

CHINA Tianjin, Shanghai

ISO 22716
ISO 14001
ISO 45001
SA 8000
SMETA

Memberships & cooperations

Social responsibility and human rights



All Schwan Cosmetics sites perform annual third party SEDEX SMETA audits, that evaluate a company’s practices in labor rights, health and safety, environment, and business ethics within global supply chains.



CLICK HERE FOR MORE INFORMATION!
[HTTPS://RECOGNITION.ECOVADIS.COM/V0C0R4T2T0G93ECDLJV5MQ](https://RECOGNITION.ECOVADIS.COM/V0C0R4T2T0G93ECDLJV5MQ)

Since 2014, we are annually audited by the international assessment platform EcoVadis in the areas of the environment, social affairs, ethics, and supply chain.

Reporting



The Carbon Disclosure Project (CDP) is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states, and regions to manage their environmental impacts.



SCIENCE
BASED
TARGET

APPROVED
NEAR-TERM SCIENCE-BASED TARGETS

APPROVED
NET-ZERO SCIENCE-BASED TARGETS

We have been a member of the Science Based Targets initiative (SBTi) since 2022 – a global partnership that promotes science-based, verifiable emissions reduction targets – and our own targets have now been officially approved.

Memberships & cooperations

Partnering for sustainable products



The Responsible Mica Initiative (RMI) is a global alliance working to establish a fair and sustainable mica supply chain by eliminating child labor and unsafe working conditions. Schwan Cosmetics has been a founding member since 2016.



As a founding member of the Roundtable on Sustainable Palm Oil, this non-profit organization unites stakeholders from the seven sectors of the palm oil industry to promote sustainability.



Cosmetics Europe's "Commit for Our Planet" Initiative represents an unprecedented cosmetics industry-wide initiative to reduce the sector's environmental footprint in Europe.

2.2

Our core values & purpose

As a company that operates in 130 countries on 5 continents, we strive to live the same values while respecting cultural differences. It is important for us to recognize our common values and cultural differences equally.

Respect

Responsibility

Passion

One for all – all for One

To achieve this, we have identified four universal values - Respect, Passion, Responsibility and One for All - All for One - that apply across the company. In addition, each site has chosen a fifth value, based on their local needs.



“Our aim is to shape a positive and mindful impact on our customers, consumers, society and the environment.”

SILKE HACKENBERG

Chief People & Culture Officer

a standard we extend to our business partners. Serving as a steadfast framework, it offers guidance to us, our employees, customers, and partners.

Our purpose guides and inspires our development, giving meaning to the work of our employees, and underlines the impact we want to achieve with our innovations.

The Code of Conduct at the Schwanhaeuser Group encapsulates fundamental rules and principles guiding our actions and behavior –

**Push the limits
to create a more
beautiful future
together**

Our commitment to the United Nations sustainable development goals

The United Nations Sustainable Development Goals (SDGs) represent a voluntary framework consisting of 17 global goals and targets designed to expedite progress toward a more sustainable world (source: <https://www.unglobalcompact.org/>).

In alignment with this global initiative, Schwan Cosmetics directs its focus toward six specific SDGs where it believes it can make the most substantial contributions to fostering a more sustainable world.

2.4



NO POVERTY

End poverty in all its forms everywhere.



GOOD HEALTH & WELL-BEEING

Ensure healthy lives and promote well-being for all at all ages.



QUALITY EDUCATION

Ensure inclusive and equitable quality education and promote live long learning opportunities for all.



GENDER EQUALITY

Achieve gender equality and empower all women and girls.



DECENT WORK AND ECONOMIC GROWTH

Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.



CLIMATE ACTION

Take urgent action to combat climate change and its impacts.

3.0

OUR TARGETS & ACHIEVEMENTS

3.1

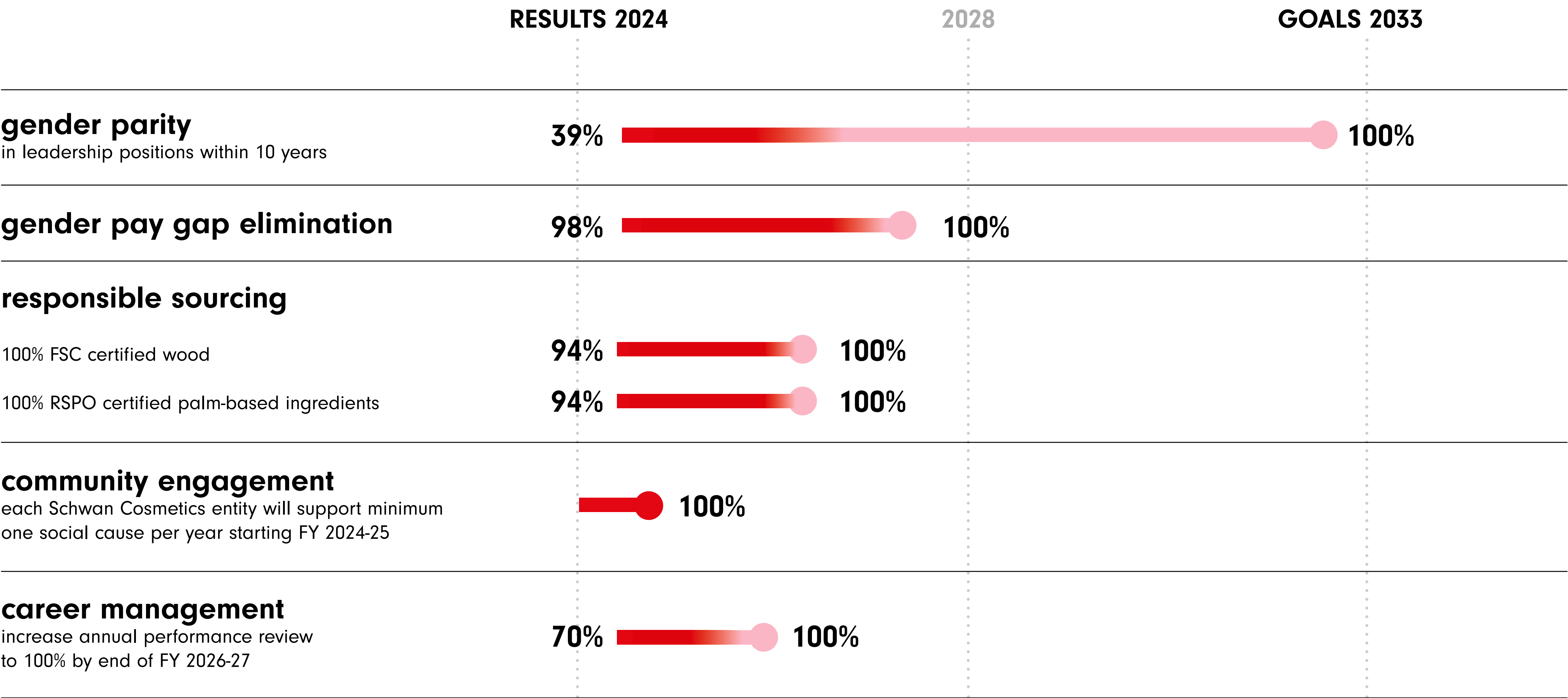
PEOPLE & COMMUNITY

OUR TARGETS & ACHIEVEMENTS

3.1

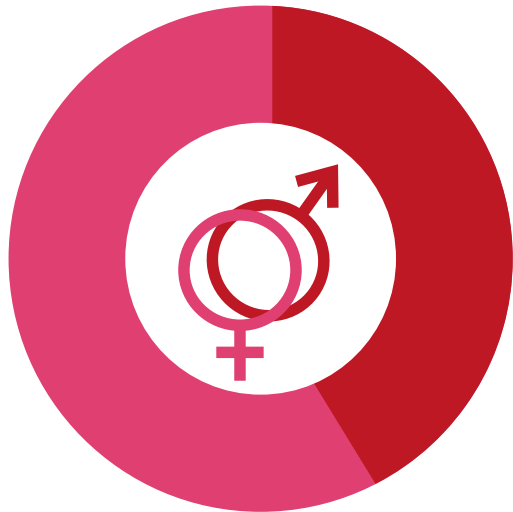
Social targets & recognitions

transforming, empowering, contributing



Schwan people, diversity & equality

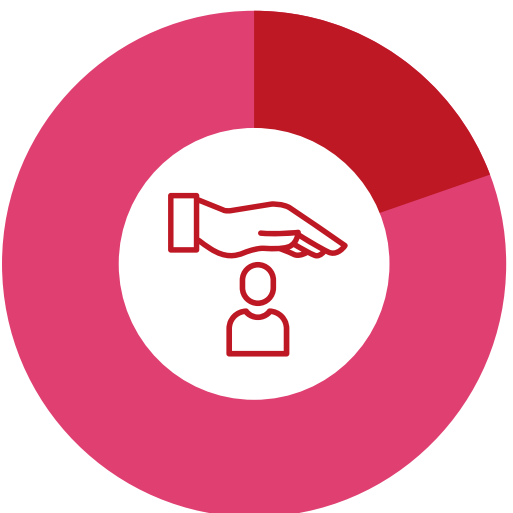
3.1



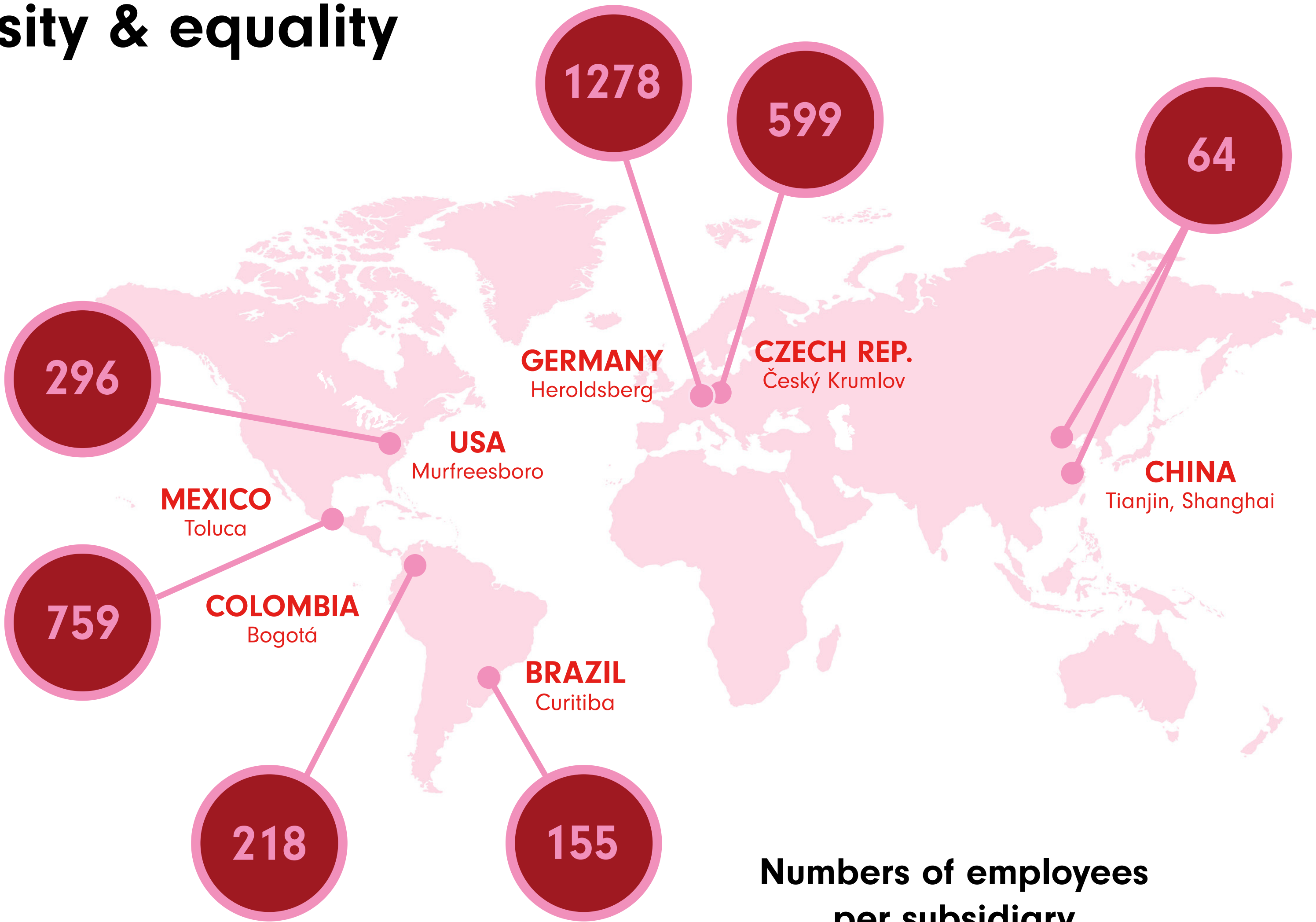
- 42% MEN
- 58% WOMEN



- 98% EQUAL PAY
- 100% GOAL



- 20% EMPLOYEES FROM VULNERABLE GROUPS
- 80% OTHER EMPLOYEES



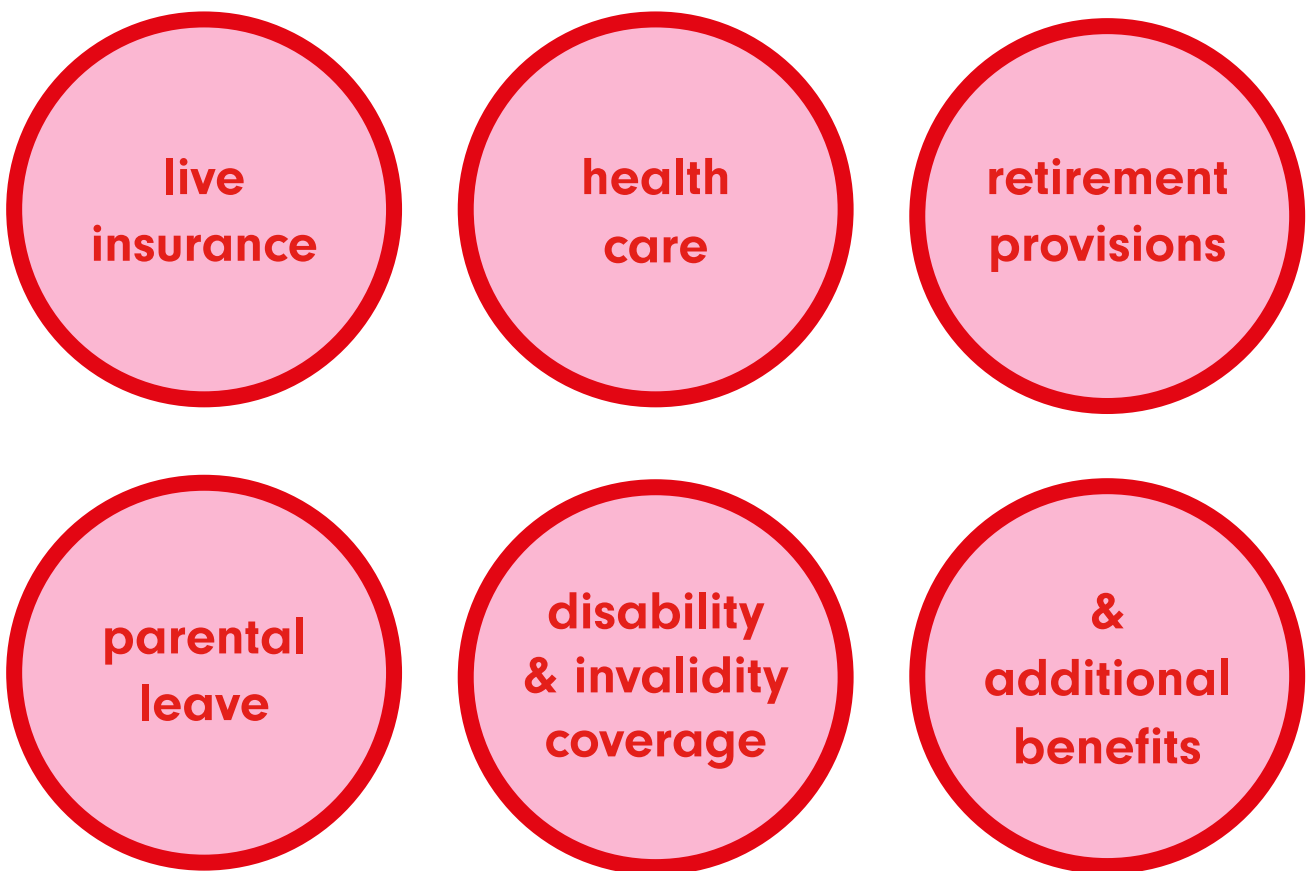
Numbers of employees per subsidiary

Workplace, training & development

Benefits of employment

Acknowledging a variety of country-specific social laws, we have aligned on essential benefits across all our companies.

Other fringe benefits may include subsidies for **additional healthcare, public transportation, cafeterias, childcare facilities, and education.**



Employee training

58247 h
hours of training worldwide.



Career development:

Onboarding

Integration

Regular performance & development reviews

Onboarding setup durations are role-specific, from a few weeks up to several months.

Acquainting employees with company policies, environment, systems, safety structure, departments including their team and colleagues.

Individual leadership training at regular intervals.



Health & safety

Employee safety

100%

of employees completed safety training within past 12 months.

63%

below industry average for severe accidents.

Though we will continue to eliminate risks and hazards wherever possible.

Customer safety

ZERO ADVERSE EVENTS

related to the use of our products.

3.1



Community activities worldwide

Our goals

We understand the importance of our role in supporting our employees and society. **Our goal is to create a positive and lasting influence in the areas where we operate and live.**

This is why we back non-profit organizations, NGOs, local community projects, solidarity efforts, and citizenship programs. Our team members are dedicated to contributing to children's education and health, assisting marginalized communities, empowering women in their careers, and funding initiatives for Cancer Prevention and Treatment.

We have over 30 different NGO projects sponsored worldwide with active employee engagement.

Great examples

GIVING CONFIDENCE BACK (Mexico)
hair donations for women battling breast cancer

CITY DISTRICT SPONSORSHIP (Germany)
supporting 10 social institutions and initiatives

OUTUBRO ROSA (Brazil)
campaign carried the important motto:
"Prevention Saves Lives!"

SCHWAN TEAM CZECH REPUBLIC
fostering education and community well-being,
with a focus on children

SCHWAN TEAM COLOMBIA
visiting sick elderly without family providing a
welcome distraction

TIANJIN WELFARE FOUNDATION (China)
Schwan Team supports helping people with
disabilities to integrate into society

HABITAT FOR HUMANITY (USA)
Schwan Team volunteered to assist in the
construction of two single-family homes



Schwan Team volunteered to assist in the construction of two single-family homes



In FY 2023-24, Schwan team fostering education and community well-being, with a focus on children

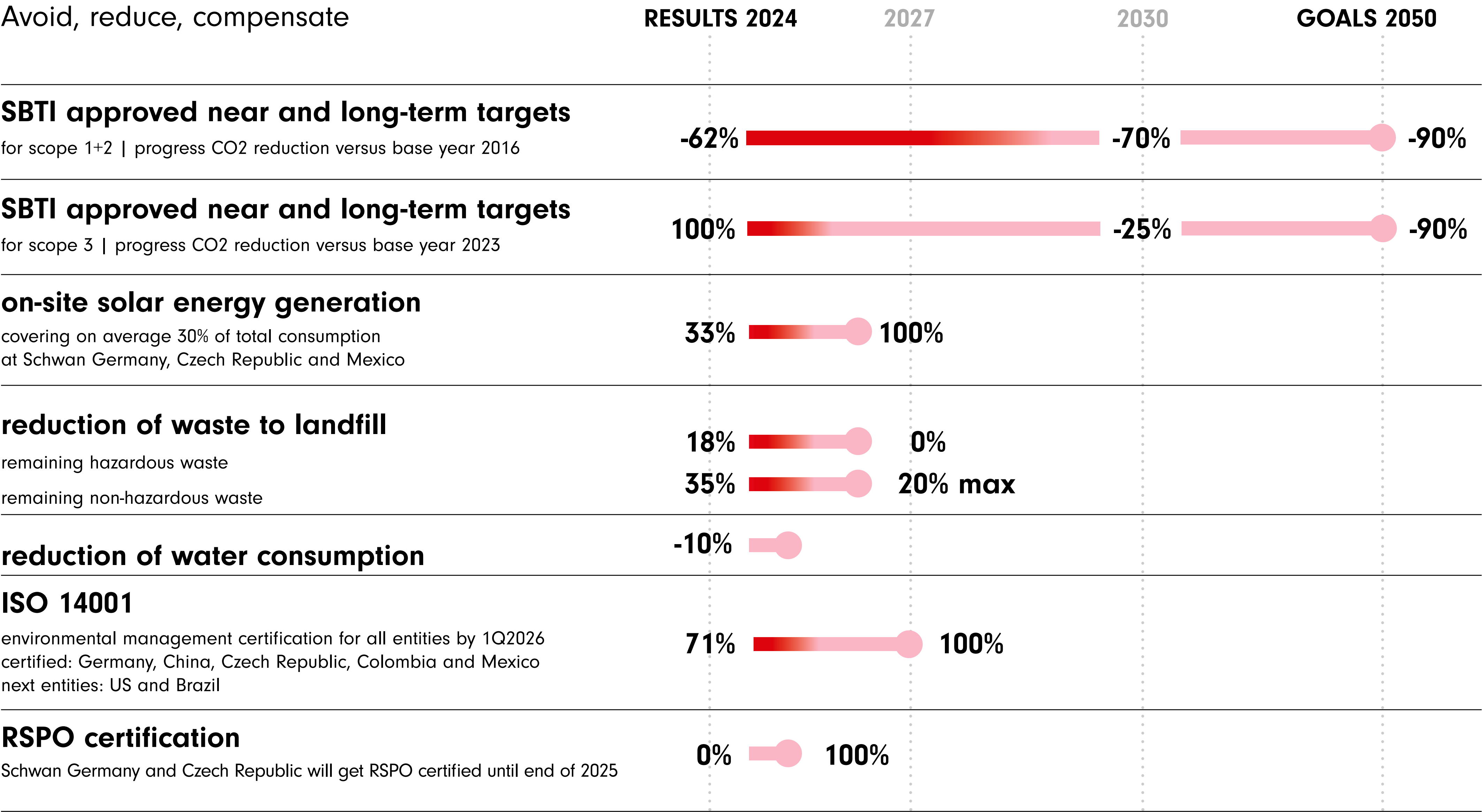
3.2

ENVIRONMENT

OUR TARGETS & ACHIEVEMENTS

Environmental targets

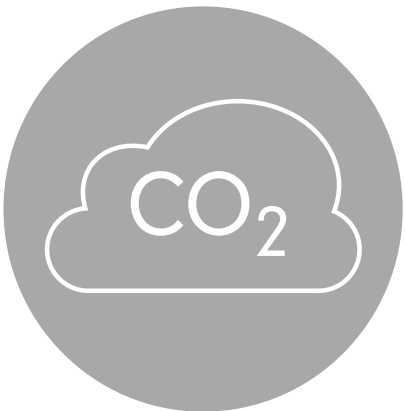
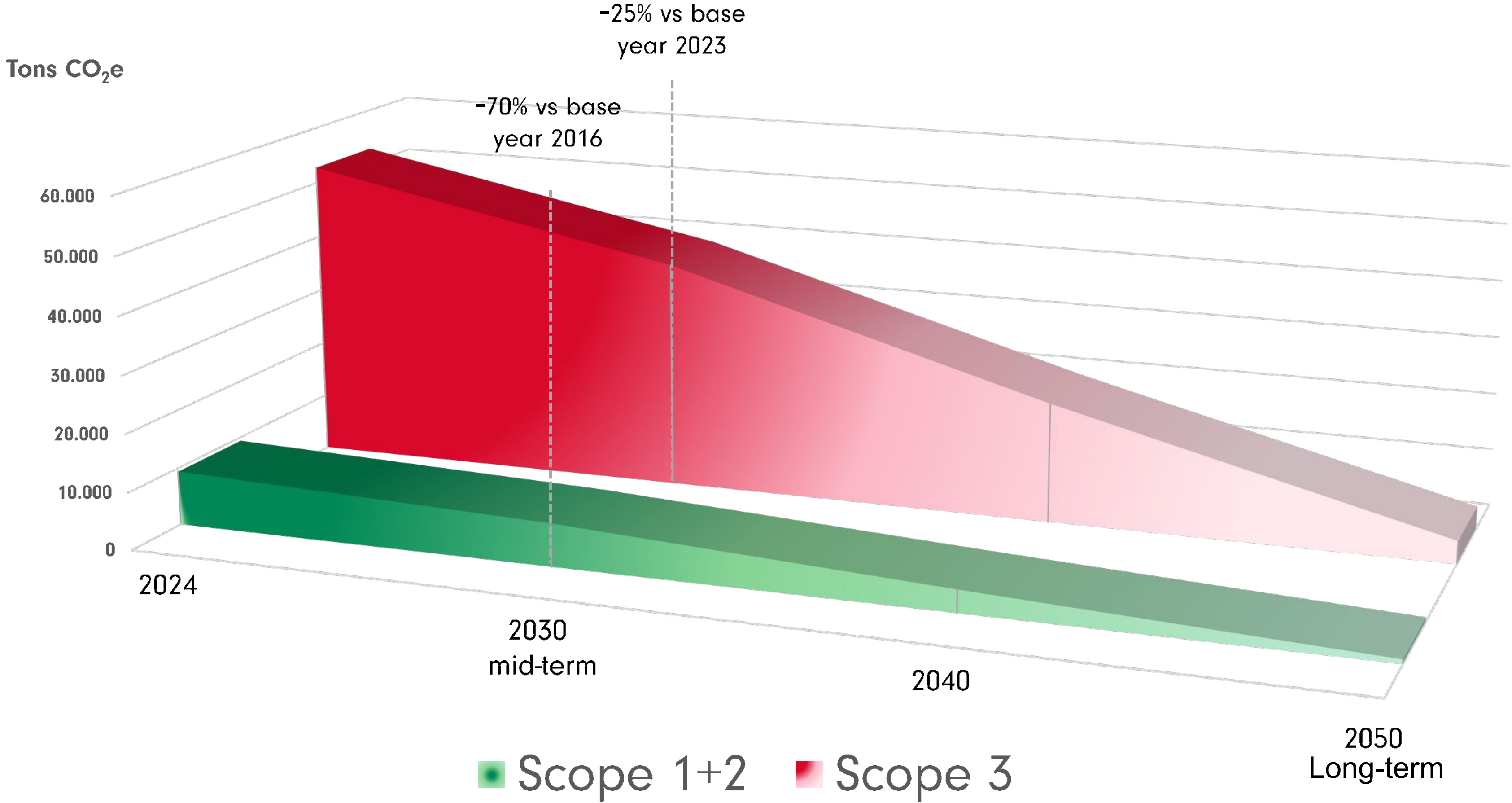
Avoid, reduce, compensate



Strategy, performance & development

Schwan Cosmetics global scope 1,2,3 CO2 emission aligned with SBTi

3.2



Emission savings

15400 t

of annual CO₂ emissions savings to base year 2017.

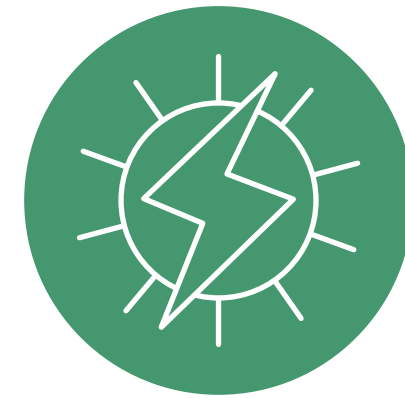
Emission reduction projects & achievements



Reduction in air freight-based GHG emissions

-30%

within a single year, thanks to shorter supply chains and a shift toward less emission-intensive transportation modes in FY 2023-24.



Energy generation

3.5 MW

peak capacity of new solar field in Germany, supplying

30%

of annual electricity demand.

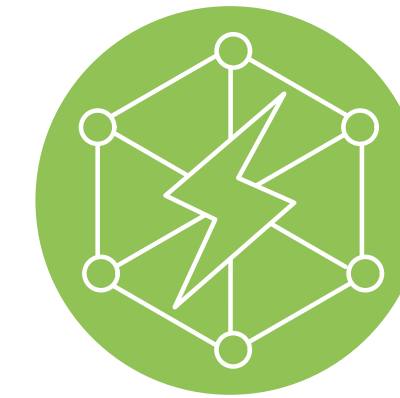


Energy saving

4432 MWh

in total where saved during FY 2023-24.

The lower energy efficiency of - 3.2% within the reporting period is due to an overall decrease in average machine utilization.



Renewable energy

70.9%

of our global energy consumption comes from renewable energy sources.

3.2

Water & waste



Water consumption

5%

increase in water consumption versus previous FY which corresponds to 3.6 million liter due to an unforeseen leakage.

TARGET: 10% water saving in FY 2024-25



Reduction of waste

130 tons

less waste – in total -5% less waste compared to 2023.

TARGET: continued reduction of waste to landfill

0% hazardous waste until FY 2026-27

max. 20% non-hazardous waste until FY 2026-27

Nature conservation & biodiversity

3.2



One of our entities, **Schwan Cosmetics CR s.r.o.** (N48.83306; E14.32763) is located inside an IUCN Category V (landscape/ seascape conservation) protected area, close to its south-east edge, as a “lived-in working landscape”, the lowest protection status according to IUCN. This category targets to protect overall landscapes and seascapes that have value to biodiversity.

To minimize its environmental impact and blend in with the surroundings, the roof of the Czech factory is covered with plants.

Schwan Mexico sponsors and works at the "chinampa" in Xochimilco – an ancient, sustainable farming system developed by the Aztecs that involves creating small, man-made islands for cultivation. We proudly share the fresh produce harvested from this traditional method.

Additionally, 97 Schwan Mexico employees and their families actively participated in a reforestation initiative at Toluca National Park, contributing to the preservation and restoration of this vital natural area.



3.3

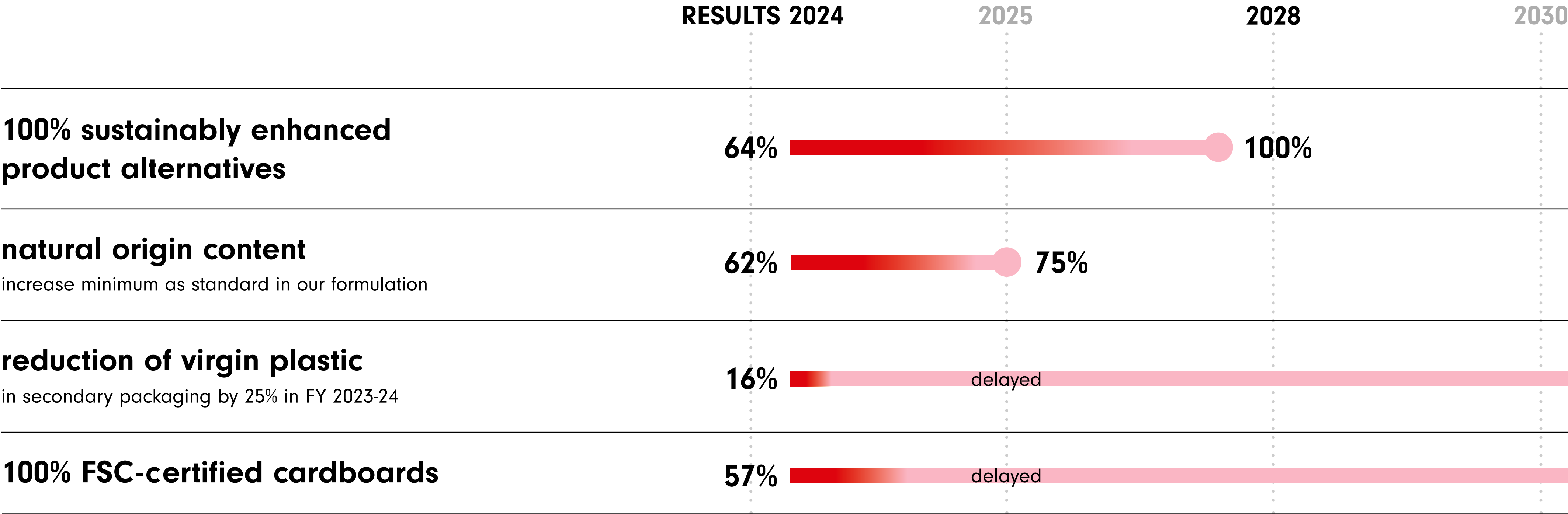
PRODUCT INNOVATION

OUR TARGETS & ACHIEVEMENTS

Sustainable product development targets

Avoid, reduce, compensate

3.3



Sustainable product development

Our philosophy

”Our approach to sustainability goes beyond mere compliance; it is a core driver of how we develop products and bring them to market.”

Dr. Alexander Doll

R&D Senior Vice President

No compromise on sensory & aesthetic qualities

In the beauty industry, product feel, appearance, and packaging play a critical role in customer satisfaction. We ensure that our eco-friendly solutions are as visually appealing and pleasant to use as any conventional product.

Superior performance supported by sustainable solutions

Every sustainable product we develop is designed to match or exceed the performance of traditional alternatives. Whether it's the wearability of our cosmetics or the durability of packaging, our products deliver the high-quality experience our customers expect.

Cost-effective innovations

We recognize that sustainability should not come with a premium price tag for our customers. By smartly developing products with sustainable materials and processes, we aim to offer accessible and affordable sustainable options to a wide range of consumers.



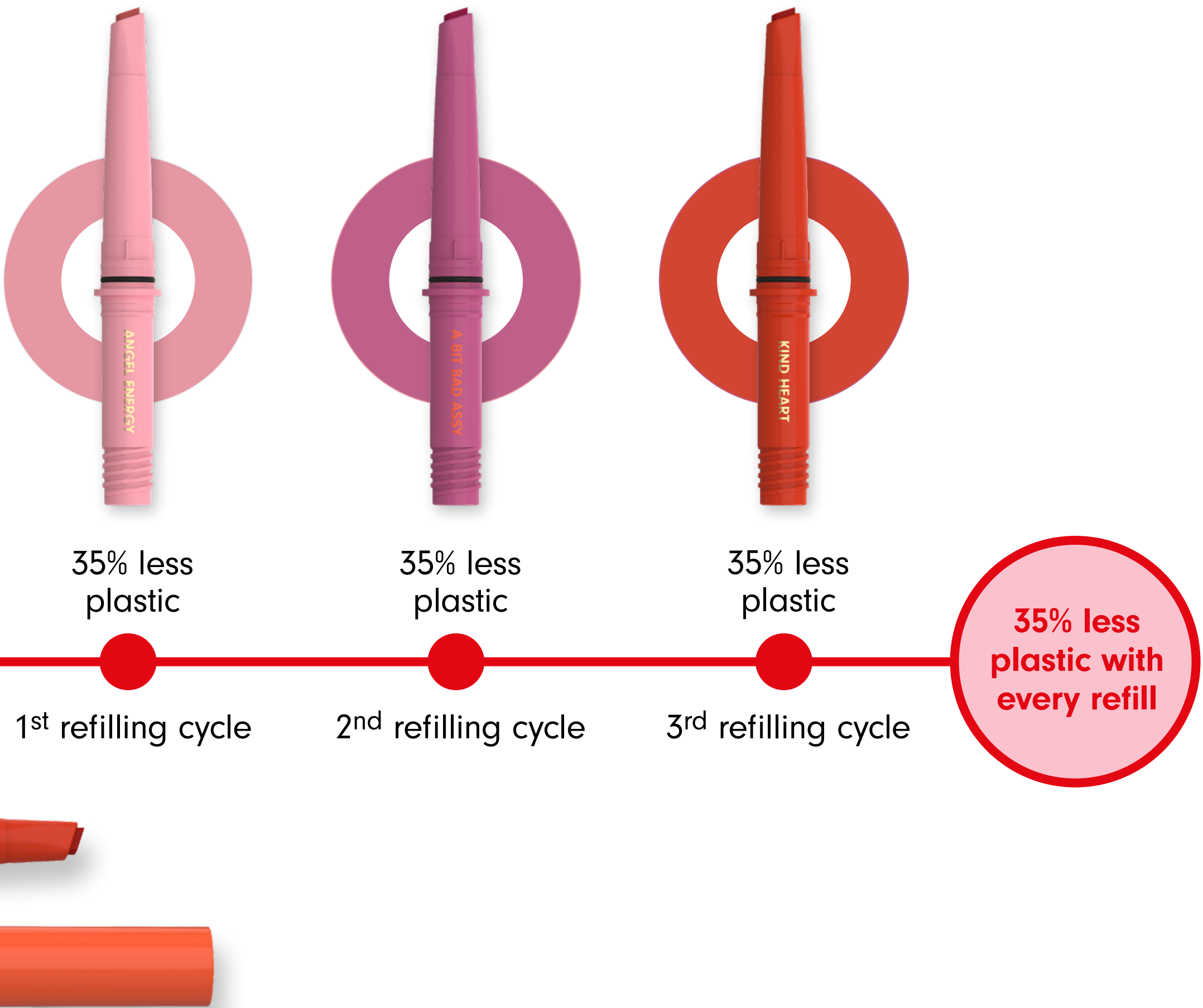
New sustainable product launches

Refillable products

35% reduction of plastic

with one refill unit compared to a nonrefillable product.

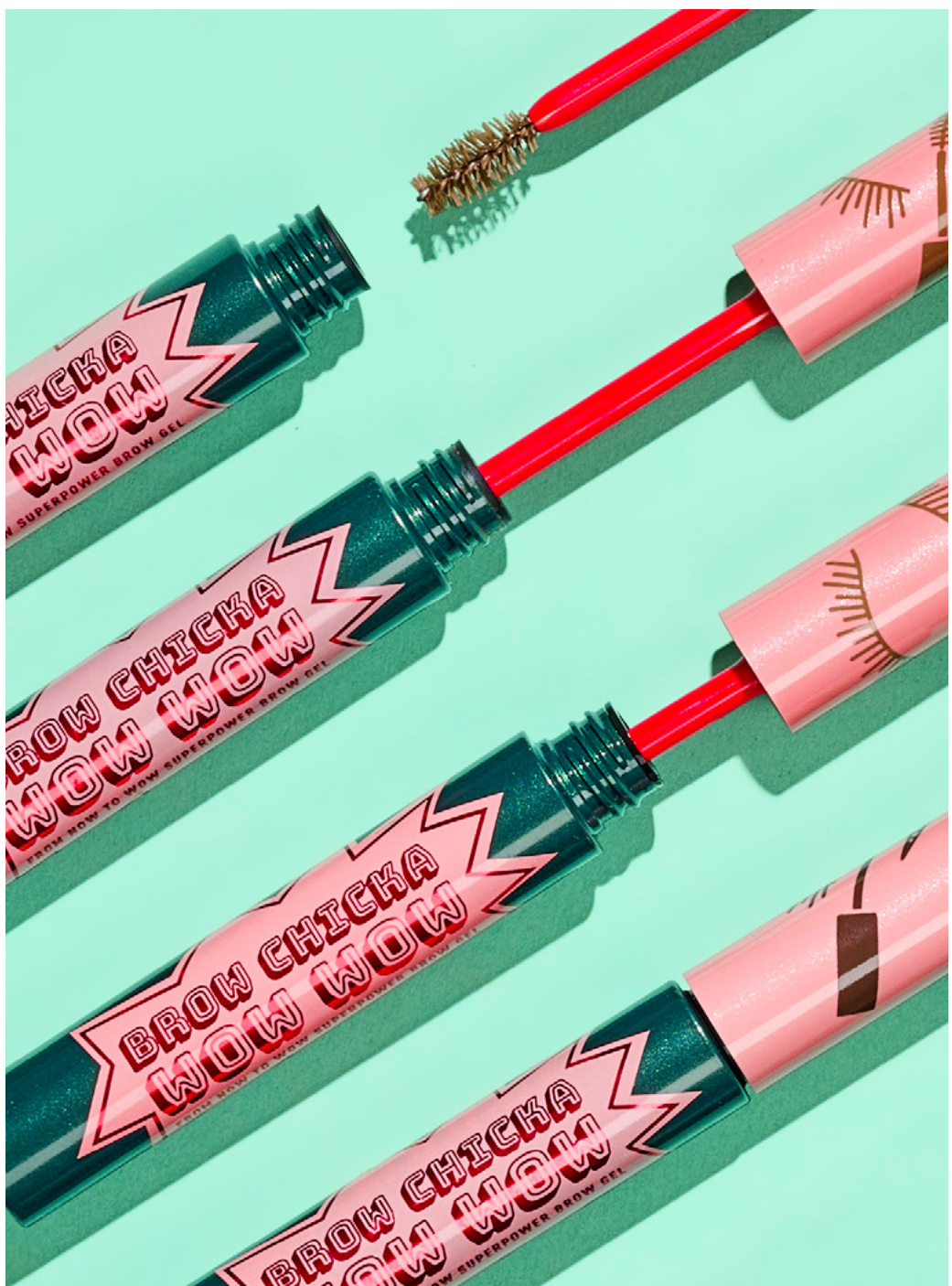
The refillable PowerUpYourPout lip liner aligns perfectly with our strategy, enabling us to implement closed-loop systems for our products and prevent waste from ending up in landfills or incinerators.



Recycled content

70%

recycled content is used to produce the new brow gel packaging featuring a PCR bottle and cap.



3.4

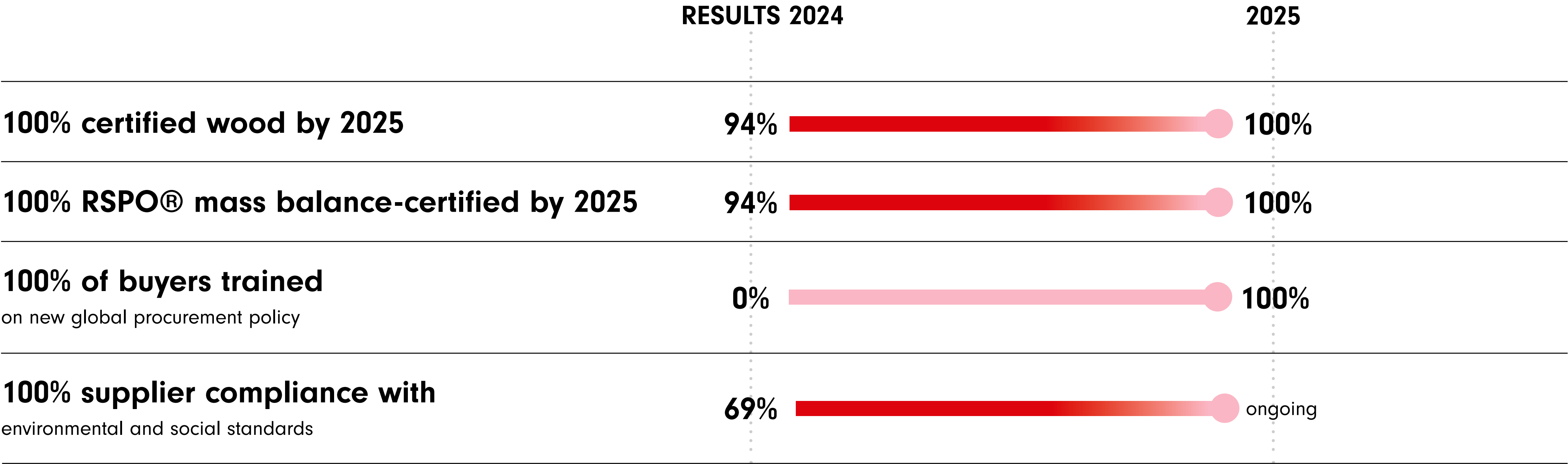
SUSTAINABLE PROCUREMENT

OUR TARGETS & ACHIEVEMENTS

Sustainable procurement targets

avoid, reduce, compensate

3.4



Responsibility in the supply chain

We promote and monitor transparency in our supply chains, especially for risk-materials in terms of social or environmental impact.

FSC/PEFC certified wood

3.4

94%

of the wood used to manufacture our products in FY 2023–24 was FSC/PEFC certified.



Exclusive sourcing from RMI certified suppliers or non-risk supply chains.



Supplier screening

100%

of all new suppliers have been screened according to social and environmental criteria.

RSPO mass-balance certified

94%

of palm oil products used for our products in FY 2023-24 are certified.



3.5

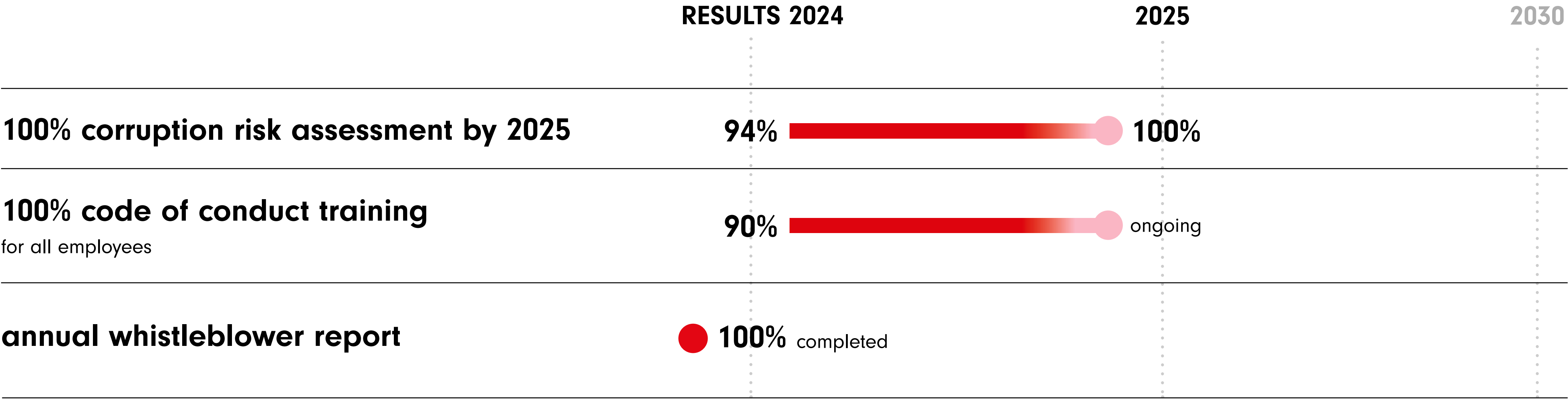
GOVERNANCE

OUR TARGETS & ACHIEVEMENTS

Governance targets

Compliance and business integrity

3.5



Compliance & business integrity

All entities prepare annual Business Ethics Reports which include information on GRI Standard compliance as listed below:

ZERO incidents of customer privacy breaches

0€ spent on political contributions

3.5

90% completed Code of Conduct training

ZERO confirmed incidents of anti-competitive behavior

ZERO product information incidents of noncompliance

1*) confirmed incident of corruption (fraud)

*) Following an internal audit review, it was discovered that one Schwan Cosmetics employee had engaged in fraudulent activities involving an external savings fund. This individual apparently acted in collusion with an employee of the external organization. Upon discovery, the employee was immediately dismissed, and legal actions were initiated to recover the misappropriated funds. In addition, internal processes were reviewed and strengthened with additional control measures to prevent future incidents.

Information security

Our global Information Security Training program ("SoSafe") was extended to all employees who have computer access.



Regular updates are necessary to continue safeguarding our system against potential threats that could compromise both company and external contact information.

IT training

4408 hours

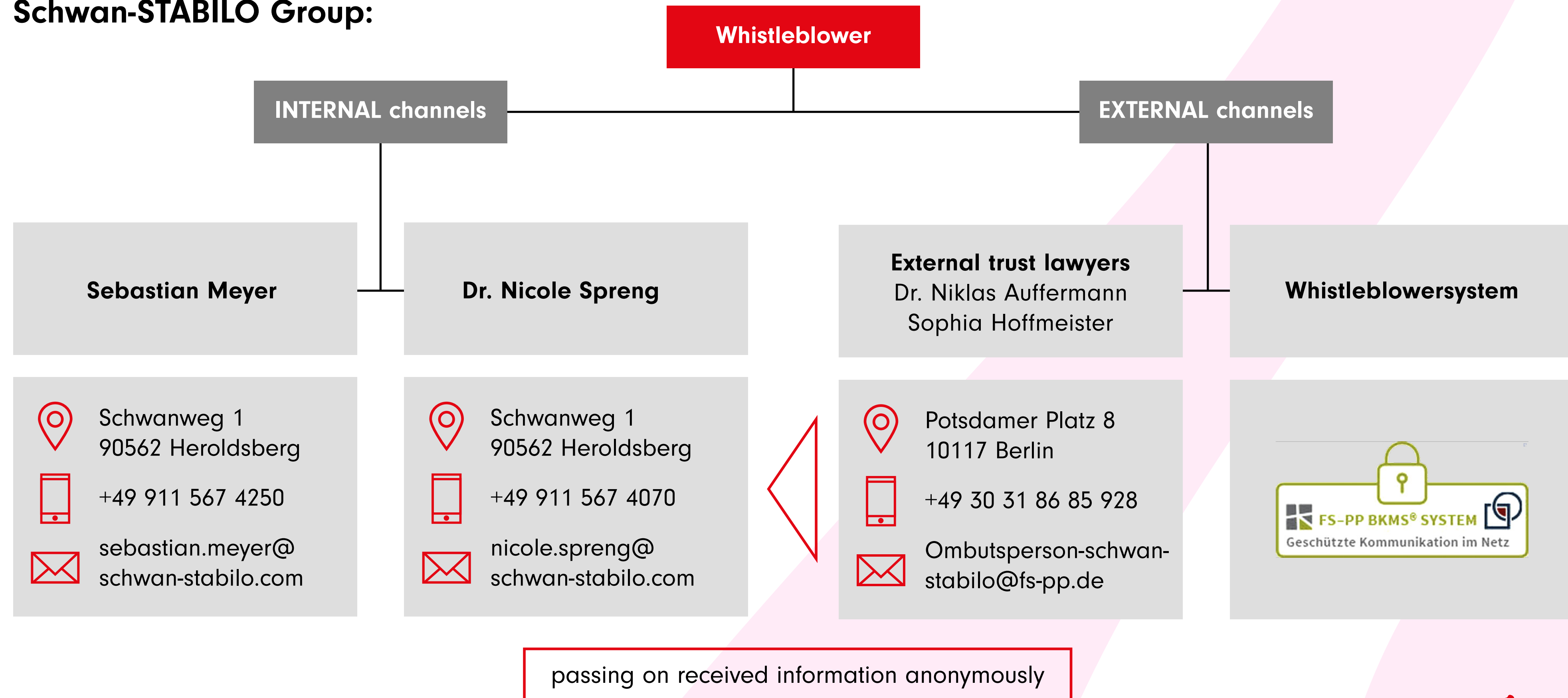
of training across all sites in
FY 2023-24.



Communication channels/irregularity reporting

We encourage everyone to speak up if they notice any potential violation of laws, internal policies, or contractual obligations. Depending on the issue, employees can reach out to their team leader, HR, the works council, or Occupational Health & Safety. For more serious concerns, our global whistleblower channel is available. A safe and supportive environment for reporting is guaranteed – including the option to remain anonymous.

Reporting channels of Schwan-STABILO Group:



Any questions?

For more details and the full CSR report FY 2023-24
please click here:

<https://www.schwancosmetics.com/sustainability/our-approach/>

Or use the QR code forwarding you directly to the full CSR report

4.0

Contact

If you have questions about the
CSR report please feel free to contact:

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FULL CSR REPORT

