



HEALTH & BEAUTY

ACTING NOW. ACTING RESPONSIBLE.

2023 | SUSTAINABILITY REPORT

LR HEALTH & BEAUTY GROUP



SUSTAINABILITY REPORT 2023

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Goals & Engagement

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Environmental

KPI's

Social

KPI's

Governance

KPI's



For us it is a matter of course that we take social responsibility in the here and now to assume social responsibility and to support sustainable development.

It is time to act, to become sustainable – environmentally, socially and economically.



A BRIEF WORD ABOUT THIS REPORT

We are delighted to present you with our Sustainability Report! Commitment to sustainable and responsible business practices has been an integral part of our business strategy for many years. We remain true to our commitment to sustainability – and its documentation – not least because of the constantly changing landscape of social requirements and legal regulations. At the same time we endeavor to develop an even clearer view of processes and strategies in order to implement our sustainability efforts in an even more efficient and targeted manner.

The way in which society's perception of sustainability issues is changing, plus constantly evolving regulatory requirements – for example pertaining to the Non-Financial Reporting Directive (NFRD) or the Corporate Sustainability Reporting Directive (CSRD) – is making us paying even greater attention to the issue of sustainability reporting. We are now publishing our second stand-alone Sustainability Report

that highlights the various aspects of our sustainability activities. In the same way as last year, we are guided by the United Nations Sustainable Development Goals (SDGs), because we are convinced that these provide a comprehensive framework for achieving a sustainable and equitable future for all.

In addition to implementing pragmatic sustainability practices and projects, we also focused our sustainability efforts last year on implementing an EU Directive; the Corporate Sustainability Reporting Directive, or CSRD for short. We will be able to complete this extensive project in the current financial year, so that we will be able to present the reporting on our sustainability efforts in a new form once it comes into effect.

However, we are now pleased to present our Sustainability Report for 2023. Thank you for your interest and we hope you enjoy reading it!

“ **Commitment to sustainable and responsible business practices has been an integral part of our business strategy for many years.** ”

Hundreds of thousands registered community members



7 THINGS YOU SHOULD KNOW ABOUT US...

1 Under the motto “More Quality for your Life”, the LR Health & Beauty Group, along with its parent company, LR Health & Beauty SE, (hereinafter referred to as the LR Group or LR) produces and distributes high-quality health and care products. The LR Group comprises 34 companies in 32 countries around the world and is headquartered in Ahlen, Germany. LR Health & Beauty SE has issued a corporate bond of EUR 130 million, which is tradable on the open market of the Frankfurt Stock Exchange and is expected to be listed on the regulated market of NASDAQ Stockholm. In 2023, sales (revenue from the sale of goods) amounted to EUR 276.5m.

2 The Executive Board, comprising Dr. Andreas Laabs (CEO), Andreas Grootz, Patrick Sostmann and Thomas Heursen, together with the entire management team, continues to successfully drive the development of the LR Group.

3 The company’s average number of employees during financial year 2023 was 1,217. This is in addition to the hundreds of thousands of sales partners worldwide who are largely responsible for the success of our company in their respective countries.

4 For over 38 years, LR has offered people the opportunity of shaping their lives to achieve greater independence and success by becoming sales partners. This has turned LR into one of the most successful direct sales companies in Europe. A modern social selling company, we rely not only on personal contact but also on the latest technical solutions and social media. For example, our digital know-how is evident in the “LR Connect” app we developed ourselves and which allows us to constantly network with our partners. Moreover, a new personalized website entitled “LR NEO” was created in 2023.

34

Companies
in 32 Countries

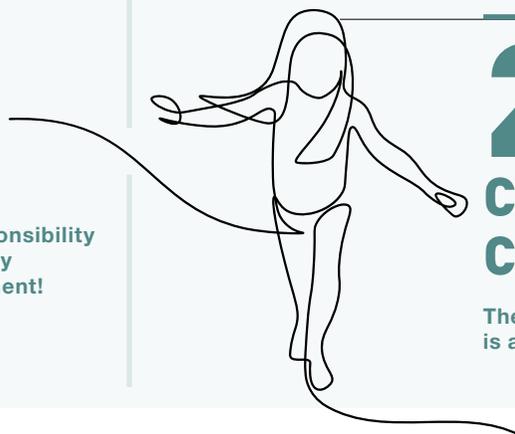


~1,200

Employees

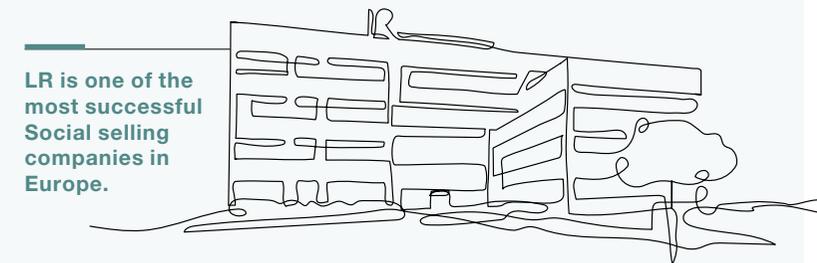


The LR Group
is headquartered
in Ahlen, Germany.



21 Children's Charity Projects

The LR Global Kids Fund e.V. is active in over 20 countries.



This bundles all of the functions most important to our partners, making a unique combination of all digital content available to them.

Of the approximately 200 products in our range, healthcare products accounted for 70 % of our total sales in 2023, while beauty products accounted for 28 % (others made up 2 %). We have always focused on the “Made in Germany” label – and therefore manufacture over 90 % of our products in Germany. They are subject to strict controls and are regularly checked by independent institutes. The Aloe Vera products represent our most important assortment: For both external and internal use, we use the high-quality aloe vera leaf gel, which – in combination with other natural ingredients and the latest scientific findings – forms the basis for many of our products.

Being one of the largest manufacturing companies in Ahlen, we take our social responsibility very seriously and founded the LR Global Kids

Fund e.V. in 2009. The association is committed to helping socially disadvantaged children and supports the nutritional and educational offer directly on site. But the LR Global Kids Fund also supports many other international projects and is active in over 20 countries.

The fact that we want to take responsibility for our society and environment is reflected in countless ideas and projects and is visible in our values and actions. We would like to present more details about this in the following chapters...





01

ACTING IN AN ECOLOGICALLY SUSTAINABLE WAY

For us, acting in an ecologically sustainable way means to work in “unison” with nature. This means: we offer nature time to regenerate and preserve it for future generations.



WATER.

valuable & worth protecting resource

1.092 t

of wastewater collected for treatment for a biogas plant

WATER AN ESSENTIAL RESOURCE

As a producer of care products, fragrances and nutritional supplements, LR focuses very closely on its water footprint. We regard water as a valuable resource worthy of protection, one that is elementary to nature, mankind as well as the animal and plant world. At the same time, water is needed along the entire value chain. In 2023, LR's total water withdrawal was around 20,735 cubic meters, 1,947 cubic meters more than in the previous year. Of this, around 4,724 cubic meters were used in the production process and around 16,011 cubic meters were discharged.

The careful use of resources is reflected in LR's water management plan, which, among others, meets all of the requirements of the German Water Resources Act (WRA). High priority is afforded to the refurbishing LR's existing buildings (in accordance with the 2019 WRA). This ensures that no chemical substances are released into the environment in the event of an accident.

LR also meets specific additional requirements with regard to the disposal of production wastewater. For example, LR employs intensive water treatment methods to ensure that no

nitrites, phosphates, pesticides or priority substances as defined in the European Parliament Directive 2000/60/EC (Article 2, Number 30) enter directly into the wastewater. Furthermore, wastewater discharge from beauty production is diverted to a 25,000-liter tank. The wastewater collected there is fed to a biogas plant in a next step and thus used for energy generation. In 2023, we collected a total of 1,092 tons of wastewater.

SUSTAINABLE FISHING QUALITY SEAL „FRIEND OF THE SEA“



Much of the world's fish population is in danger due to overfishing. It is therefore all the more important to LR that any maritime raw materials in our products are obtained in a sustainable way. We ensure this by only using certified ingredients. For the fish oil used in the LR LIFETAKE Super Omega capsules, LR has chosen to use products with the "Friend of the Sea" quality seal, which is issued by the World Sustainability Organization. The organization "Friend of the Sea" is a world leader in maritime affairs related to sustainability.

SUSTAINABLE USE OF PAPER: CONSCIOUSLY ENVIRONMENTALLY AWARE

In 2023, we were able to save 220,000 kilos of paper by implementing targeted measures!

For example, we managed to significantly reduce both the number of pages in the LR World monthly catalog and the number of recipients. Moreover, all signs point to a digitized future! In 2024, the LR career magazine will be converted to digital, and the course has already been set for digitalization of the LR World catalog in 2025.

In the meantime, however, LR will be consistently focusing on conserving resources and other sustainability issues, especially in terms of paper & packaging – irrespective of whether it's used for catalogs, magazines or for product packaging.

When it comes to paper quality, we continue to rely on the global market leader, the FSC®, or Forest Stewardship Council®. This non-profit organization has set itself the goal of promoting ecologically appropriate, socially beneficial and commercially profitable forest management. It therefore monitors and certifies the cultivation of forests and the processing and production of the finished products.

Product packaging has already been largely converted to FSC®-certified or recycled material. We have been using 100 % recycled paper for printouts and copies at our German headquarters for some time now.

We currently use 98 % FSC-certified and recycled paper for producing our various printed media.

We will endeavor to continue along this path in future and make targeted use of FSC®-certified and recycled material.

17%

reduction in overall paper consumption

30%

reduction of paper use for printed media



98%

of printed materials made of FSC®-certified and recycled paper

PAPEE

100%

recycled copy paper at our Ahlen HQ

Water

Paper

Energy

Waste

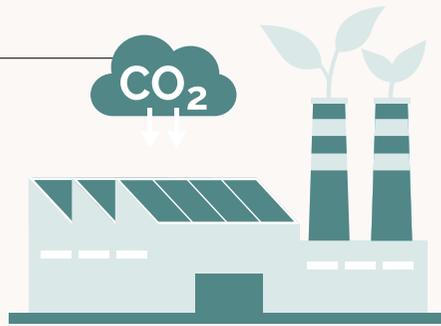
Travelling

Carbon footprint

Goals & Engagement

77 %

of the total electricity consumption from renewable energies

**ENERGY
ELECTRICITY & GAS**

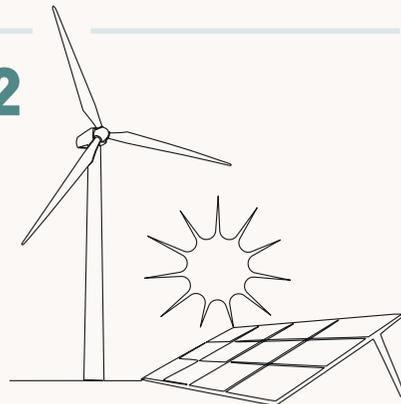
As a manufacturing company, the subject of energy is of particular importance to LR. Many environmental changes and impacts are indirectly or directly related to the use of energy. In this context, we consider it our responsibility to continuously measure and reduce our energy consumption and to increasingly use renewable energy sources. At the same time, LR is aware that effective energy management can also deliver a significant competitive advantage.

In total, LR consumed some 3,502,796 kWh of electricity in 2023, which is approximately the same as the previous year (2022: 3,466,671 kWh). Around 77 % of this energy came from renewable sources, with the company's German sites in Ahlen, Germany, already operating on 100 % green electricity. The latter makes us proud, while at the same time serving as an example for our international sites, for which the same goal is being pursued in the long term. Gas consumption of around 4,144,717 kWh is also roughly amounts to that of the previous year (2022: 4,090,612 kWh). Of this, some 78 % was used for heating and around 22 % for production.

In order to take an even broader approach to meeting the requirements for ecologically sustainable development in future and to be less dependent on external electricity suppliers, LR has focused on generating renewable energies in the past year. At the end of last year, our 4,965 square-meter solar power plant with an output of around 1,000 kWp was commissioned. Green electricity is generated on the roofs of the aloe vera production facility, the service center and the two logistics halls at our Porschestraße site in Ahlen. To ensure efficient energy generation, LR opted for high-quality photovoltaic modules that were installed using state-of-the-art technology. LR will use the system to supply its own energy requirements, but will also feed surplus energy into the power grid. The system was only commissioned during the winter months as last year drew to a close, which means that we were unable to achieve any significant savings in 2023. Thanks to this state-of-the-art system, LR expects to contribute significantly to renewable energy generation in 2024.

**100 %
green electricity
at the company's
site in Ahlen,
Germany****4.965 m²
photovoltaic
system**

put into operation





Water

Paper

Energy

Waste

Travelling

Carbon footprint

Goals & Engagement



Alongside the commissioning of the photovoltaic system, LR was also able to install an additional steam generator in January 2024, which is operated purely electrically. During the previous financial year, LR only used a gas-powered steam generator. The new acquisition enables steam to be generated almost exclusively electrically from spring to fall, or even longer if necessary. The generator is used in the production process of the popular aloe vera drinking gels. LR therefore expects to be able to reduce its gas consumption in production.

New LR logistics hall with an intelligent energy concept

Further improvements at the company's German sites



Procurement of a new, electricity-powered steam generator for our aloe vera production line



Replacement of conventional light sources with energy-saving LEDs



Installation of motion detectors in little-used rooms

WASTE MANAGEMENT COMPOSTING & RECYCLING

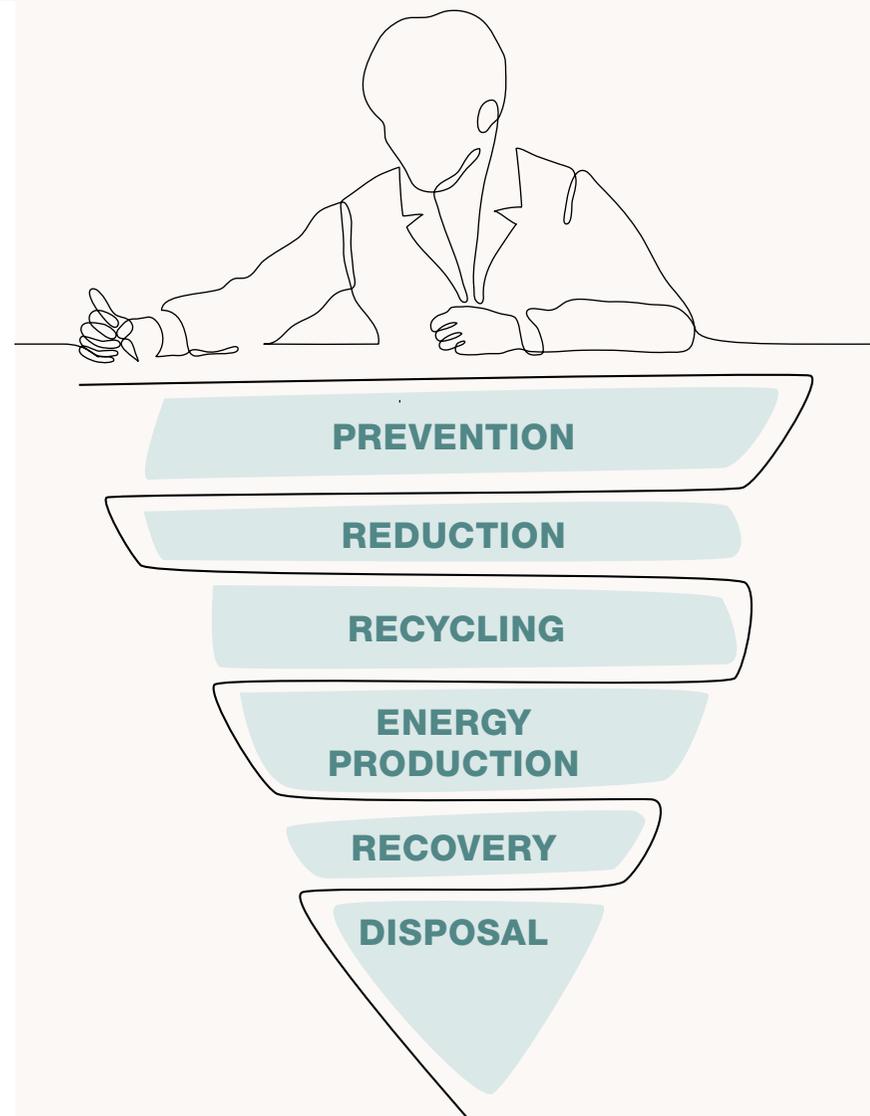
At LR, acting sustainably also means dealing responsibly with all kinds of waste. To keep the potential ecological impact of our business as marginal as possible, LR is taking an approach that reduces the amount of waste on the one hand and promotes the circular economy on the other. In the process, we ensure that paper, cardboard, plastics, glass, residual waste, batteries, etc. are separated by type and, where possible, recycled or reused. This approach is implemented not only at our headquarters in Ahlen – but across all of our company's sites worldwide.

Overall, it has been possible to introduce several processes to optimize LR's waste management program. The following measures for avoiding or reducing waste have been successfully implemented at the company's sites in Ahlen, Germany:

- Return of transport packaging of the same type and quantity
- Avoidance of secondary packaging wherever possible
- Use of refillable canisters (e.g. for detergents and cleaning agents)

“ Dealing responsibly with all kinds of waste is a top priority – both at our headquarters in Ahlen and at our subsidiaries worldwide.

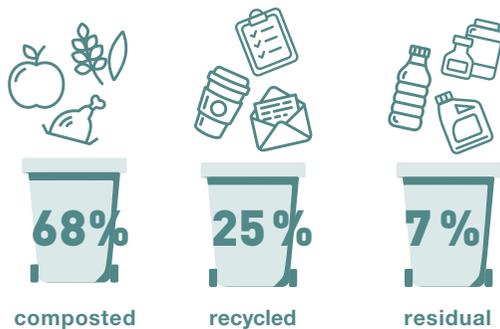
- Increasing replacement of disposable items with reusable items, including conversion to reusable packaging systems (e.g., reusable Euro pallets in place of disposable pallets)
- Careful separation of waste in order to increase the recycling rate and minimize the amount of residual waste
- Procurement of long-life and repairable products
- Repairing instead of replacing equipment, machines and other everyday items



It is also worth mentioning that LR collects and reports the total amount of hazardous waste as a separate key performance indicator. Such waste includes electronic waste, batteries, so-called reaction and distillation residues and solvents. The weight of hazardous waste generated during 2023 can be quantified at 14.66 tons. Where possible, this waste will be recycled or properly disposed of (see the table 'Handling the Different Types of Waste').

Looking at the total volume of waste in 2023, the figure for LR is 2,019 tons. The largest proportion of the waste was composted (68 % of the total waste volume) and recycled (25 % of the total waste volume). This year we recorded a significant reduction in the amount of residual waste, with 135 tons (7 % of the total waste volume) sent for incineration or landfill compared with 198 tons for the previous year.

Volume of waste in 2023



Handling with the different types of waste at the headquarters and production site in Ahlen, Germany

Waste type	Handled by LR	Handled by external service providers
Electric waste	<ul style="list-style-type: none"> Collection in box pallet 	<ul style="list-style-type: none"> Pickup Recycling
Batteries	<ul style="list-style-type: none"> Collection in boxes or drums intended for the specific purpose 	<ul style="list-style-type: none"> Pickup Disposal via the battery return system
Glass	<ul style="list-style-type: none"> Collection in containers 	<ul style="list-style-type: none"> Pickup Recycling
Cardboard	<ul style="list-style-type: none"> Collection in separate containers or garbage cans in the administration area Compaction using a paper press 	<ul style="list-style-type: none"> Collection & inspection of trash cans in the administration area (waste separation) Pickup Recycling
Paper (confidential data)	<ul style="list-style-type: none"> Collection in bins intended for the specific purpose 	<ul style="list-style-type: none"> Pickup Shredding Recycling
Residual waste / municipal waste	<ul style="list-style-type: none"> Collection in separate containers or garbage cans in the administration area Compaction using a press 	<ul style="list-style-type: none"> Collection & inspection of trash cans in the administration area (waste separation) Pickup Disposal via incineration plant
Films	<ul style="list-style-type: none"> Collection in bins intended for the specific purpose Compaction using a foil press 	<ul style="list-style-type: none"> Pickup Recycling
Plastic/tinplate/aluminum	<ul style="list-style-type: none"> Collection in common areas (kitchens, staff rooms, etc.) 	<ul style="list-style-type: none"> Collection & inspection of waste (waste separation) Pickup Recycling
Other plastics (drums/canisters)	<ul style="list-style-type: none"> Uncontaminated with residues/no hazard labels: Collection in special containers 	<ul style="list-style-type: none"> Pickup Recycling



In compliance with local regulations, wastewater from beauty production has been discharged into a separate wastewater tank since March 2022 (no discharge via the municipal wastewater system). The contents of the wastewater tank are then fed to a biogas plant and used for energy production. The same applies to food supplements produced by LR that can no longer be sold, for example, because they are approaching their best-before date. By selling metal that is no longer needed (but is uncontaminated with residues and to which no hazard labels are affixed), Euro pallets, disposable pallets, IBC containers and containers with a capacity of 1,000 to 1,200 liters, some materials can be appropriately reused outside of LR.

Handling with the different types of waste at the headquarters and production site in Ahlen, Germany

Waste type	Handled by LR	Handled by external service providers
Metal	<ul style="list-style-type: none"> • Uncontaminated with residues/no hazard labels: Collection in special containers • Contaminated with residues/with hazard labels: Collection in special containers with lids 	<ul style="list-style-type: none"> • Pickup • Recycling • Pickup • Disposal via incineration plant
Raw materials /bulk/ rejected batches/ environmentally hazardous materials/combustible materials	<ul style="list-style-type: none"> • Collection in solid and liquid form • Pre-sorting & separation by specialist staff 	<ul style="list-style-type: none"> • Re-declaration of substances (on site) • Disposal via incineration plant
Finished products (beauty products, eau de parfums, materials with different substance fractions etc.)	<ul style="list-style-type: none"> • Collection on pallets 	<ul style="list-style-type: none"> • Pickup/loading into containers • Sealing & documentation of the container • Disposal via incineration plant
Dietary supplements	<ul style="list-style-type: none"> • Collection in solid and liquid form 	<ul style="list-style-type: none"> • Pickup • Disposal via biogas plant
Production wastewater	<ul style="list-style-type: none"> • Collection 	<ul style="list-style-type: none"> • Pickup • Disposal via biogas plant
Untreated wood that cannot be monetized (defective pallets, etc.)	<ul style="list-style-type: none"> • Collection 	<ul style="list-style-type: none"> • Pickup • Recycling
Euro & disposable pallets	<ul style="list-style-type: none"> • Collection 	<ul style="list-style-type: none"> • Pickup • Sorting • Provision for reuse
IBC containers/containers with a capacity of 1,000 or 1,200 liters	<ul style="list-style-type: none"> • Collection 	<ul style="list-style-type: none"> • Pickup • Disposal (contents) • Cleaning for reuse • Provision for reuse

ENVIRONMENTALLY FRIENDLY TRAVEL

Sustainability plays an increasingly important role at our company when it comes to travel and transport.

In 2020, we invested in expanding our e-mobility charging infrastructure: A total of 32 charging stations exist at our Ahlen site – 20 of them at our headquarters on Kruppstraße, eight at our aloe vera production site, and four at our in-house advertising agency and IT department. All of our electric company and pool vehicles are therefore able to use the excellent charging infrastructure.

We generally endeavor to avoid unnecessary business trips and make conscious decisions in terms of sustainability. Digital meetings are often a good alternative. Most employees are able to benefit from the mobile working option and optimized video conferencing facilities in our offices at headquarters. However, travel is a fundamental part of our business, because one-to-one contact with our partners and suppliers is very important. As already implied following the removal of all coronavirus restrictions in 2022, the number of business kilometers traveled increased as expected in 2023 (+ 39%) and is currently back at pre-coronavirus levels. For business trips, we recommend that all colleagues avoid short-haul flights and prefer

them to travel by train or electric or hybrid vehicle from our LR pool.

The LR Group's petrol and diesel consumption totaled 206,175 liters in 2023, representing a reduction of over 10% compared to the previous year.

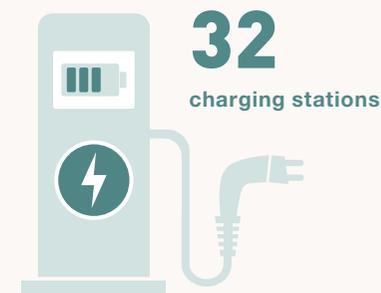
One reason for this reduction in fossil fuel use is most probably our increased use of electric vehicles. In 2023, LR's electric car and hybrid vehicle fleet consumed 87,758 kWh supplied via LR's own charging stations. This corresponds to a significant increase of over 72% compared to the previous year.

Thanks to modified internal guidelines which incentivize employees to switch to e-mobility, the proportion of e-cars increased significantly through 2023. This fact is also reflected in the impressive fuel consumption and electricity usage figures. For example, we launched our "Charge at Home" project in 2023, which enables every employee with an electric company car to set up their own charging station at home with support from LR.

By increasing electrification of our company car fleet, we will be able to further reduce our future gasoline and diesel consumption – with the consequent reduction in CO₂ emissions.

23 
electric and
31
hybrid
company cars¹

+ 72 %
kWh of
electricity
used to
charge electric
and hybrid
vehicles



127
bicycles
on lease¹

¹ These figures relate to our headquarters in Ahlen, Germany.



Our bike leasing offer for employees has also been well received, motivating many to leave their cars behind from time to time. Fortunately, an ever increasing number employees are also using their bikes to get to work. Overall, 127 bikes are currently leased to employees, with 39 leasing contracts concluded in 2023.

In our efforts to further analyze our carbon footprint in order to identify potential for improvement, we were also able to significantly improve the database. In the area of business travel in particular, this has led to leap in the amount of information in our database. The large increase in business trips by air is not actually a result of more frequent flying – the figures rather result from an improvement in our data quality. In 2022, it was not yet possible to record a considerable proportion of air travel. Hotel over-nights were not even systematically recorded last year, so there has been a significant jump in this figure. Similarly, we were also able to significantly improve the database entries for air travel by our sales partners, meaning that there was no actual significant increase in air travel here either.



OUR COMMITMENT TO SUSTAINABILITY: IDENTIFYING POTENTIAL, REDUCING EMISSIONS

For us, acting sustainably means systematizing the myriad individual sustainability activities of our company, uniformly aligning them and maximizing their impact – both ecologically and commercially – to the greatest possible degree. Because commercial and ecological efficiency go hand in hand.

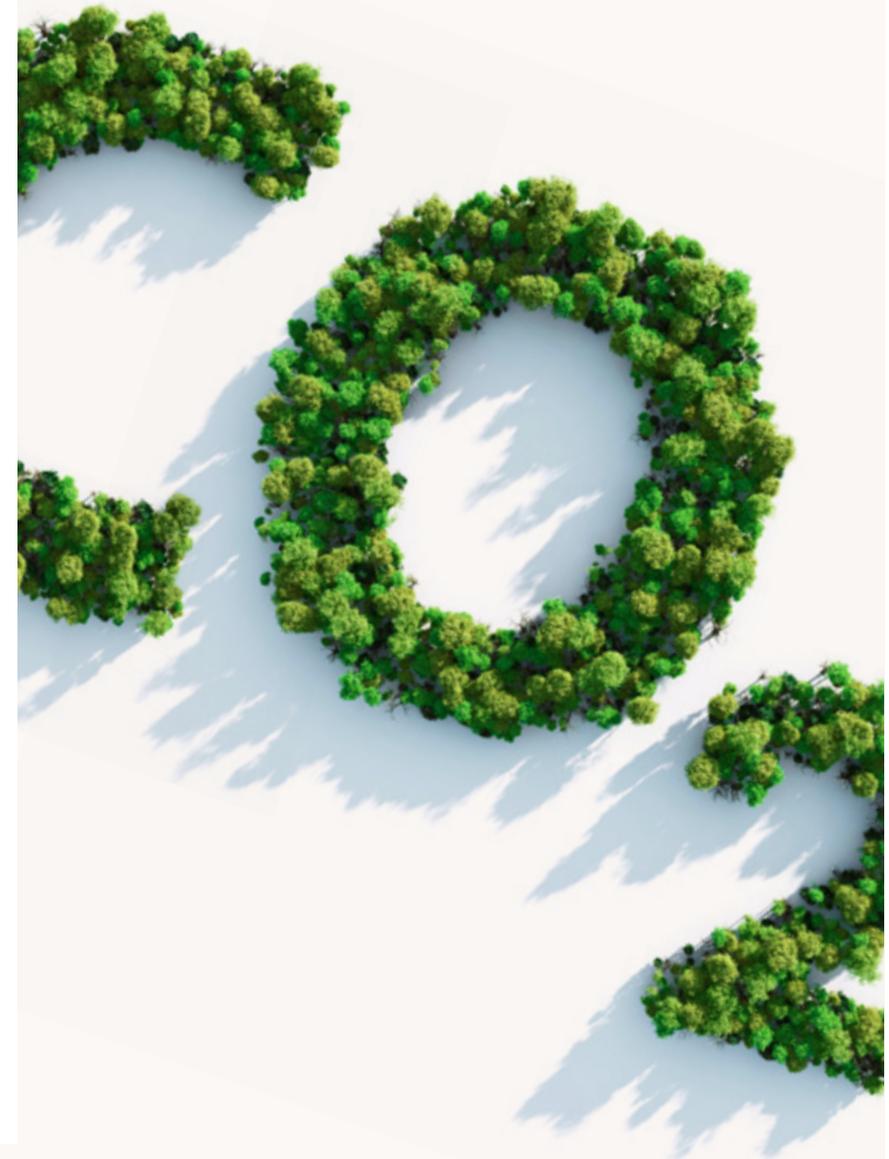
In 2022, we began publishing our commitment to sustainability and reporting annually on our goals, measures and results. Implementing cross-divisional sustainability requirements in our business processes – at both our Ahlen headquarters and at our international subsidiaries – is a process that we are constantly and actively forging ahead with. Just like our sustainable actions, our carbon footprint database is also undergoing a development process. We are committed to achieving continuous improvement in this area too.

In the area of business travel in particular, this has caused a leap in the amount of information held in our database. The numerical increase in business trips by air is not because people are flying more frequently – the figures rather result from the above-mentioned improvement in our data quality (for further information, see Chapter 1.5. “Travelling”). It should be mentioned here that, due to our social selling

sales structure, air travel includes flights by our LR colleagues – including those of our subsidiaries – as well as our sales partners. It was not possible to systematically record hotel overnights last year, meaning that a jump also occurred here that cannot be attributed to an actual increase in the number of overnight stays.

In terms of the vehicle fleet, we recorded a significant reduction with CO₂ emissions amounting to 503,661 kg CO₂. This is partly a result of our sustainable corporate policy of avoiding travel wherever possible and partly due to the increasing electrification of LR’s vehicle fleet (for further information, see Chapter 1.5. “Travelling”). In 2023, LR’s electric car and hybrid vehicle fleet consumed 87,758 kWh supplied via LR’s own charging stations. This corresponds to a significant increase of over 72 % compared to the previous year. This also explains the increase in our electricity consumption attributable to our vehicle fleet, while at the same time the consumption of gasoline and diesel has fallen.

Compared to the previous year, electricity consumption at static installations increased only slightly – by 3.5 %. The newly installed photovoltaic system with a nominal output of approx. 1,000 kWp was only connected to the grid towards the end of 2023 and has therefore not





Water

Paper

Energy

Waste

Travelling

Carbon footprint

Goals & Engagement

yet recorded a significant impact in the past financial year. However, in 2024 the system is expected to deliver a significant reduction in external electricity consumption. Apart from the green electricity we produce ourselves, we already source our electricity from eco-power at our headquarters in Ahlen. In the medium term, we will also endeavor to gradually switch our international subsidiaries to the use of green electricity wherever possible.

Moreover, as a company with international operations, we are addressing the challenges posed by globalization and digitalization, among others. In this context, we were able to save some 220,000 kg of paper in the area of printed materials, further reducing our carbon footprint. Additional savings in printed materials are planned for 2024 and 2025 as digitalization progresses (for further information, see Chapter 1.2. "Paper").

In terms of the calculated size of our carbon footprint, at 7,828,294 kg of CO₂ emissions, we have recorded an increase compared to the previous year. However, the primary reason for this increase lies in the significantly improved and more comprehensive database entries for the 2023 financial year compared to the previous year. We also aim to continue improving in this area. In particular, we want to include the upstream and downstream supply chain in future carbon footprint calculations, which will allow us to make more detailed analyses and implement appropriate measures.

10%

Savings on petrol and diesel consumption

13%

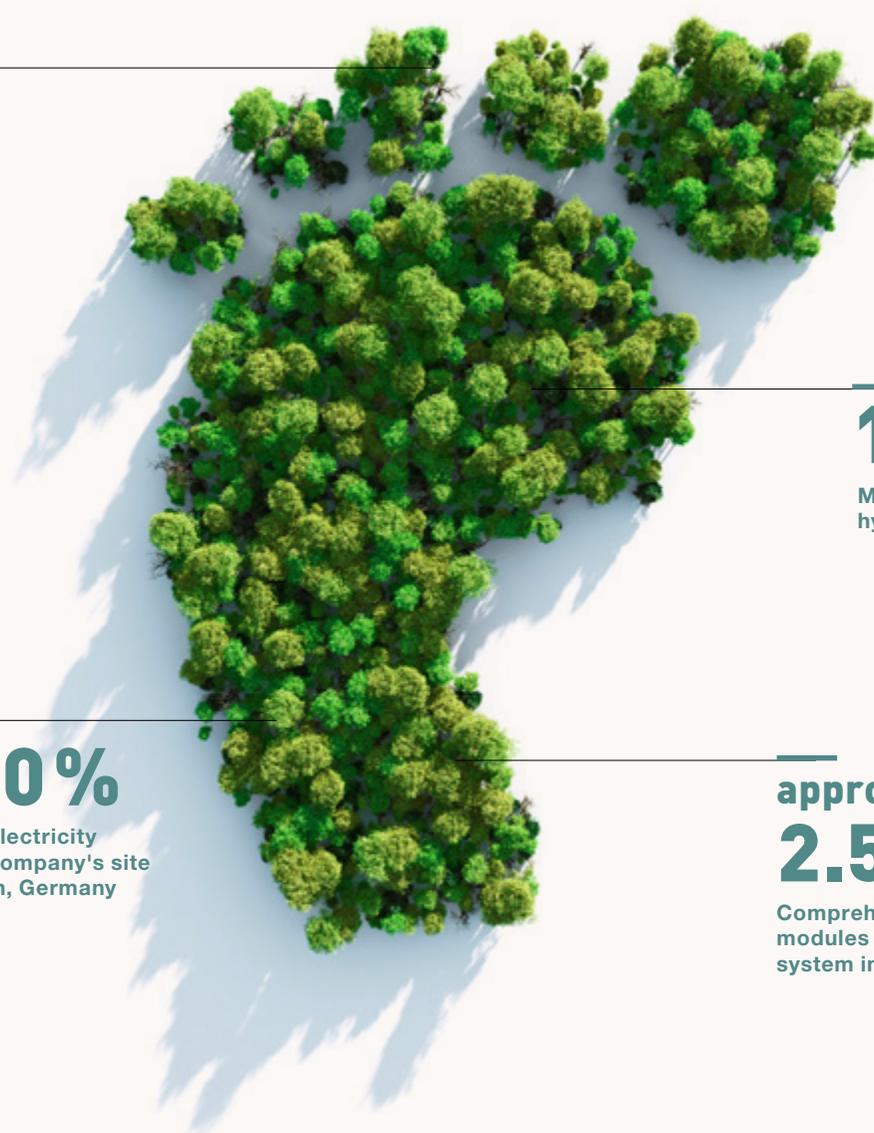
More electric and hybrid cars

100%

green electricity at the company's site in Ahlen, Germany

approx. 2.500

Comprehensive modules Photovoltaic system installed



GOALS & ENGAGEMENT

SDG	TOPIC	GOAL / ENGAGEMENT	COMMENT
	Energy from Green Electricity	In the long term, we intend for the LR Group's electricity consumption to be obtained entirely from sustainable sources.	It had already been possible to fully shift the electricity supply to the company's German headquarters to green electricity in 2021. The same goal is being pursued for our foreign subsidiaries in the long term.
	Generating Renewable Energies	In addition to purchasing green electricity from the grid, LR is, under its own initiative, also taking responsibility for ensuring a more ecologically compatible electricity mix.	Back in 2022, planning for a photovoltaic installation on the roofs of the aloe vera production facility, the service center and the two logistics halls at our Porschestrasse site in Ahlen had already been completed. In 2023, the plant – comprising some 2,500 modules with a nominal output of around 1,000 kw/peak – was installed and connected to the grid at the end of the same year. This will enable LR to make a significant contribution to the use of renewable energy in future.
	Bike Leasing	Mobility is important, but we can influence our impact on the environment by carefully choosing our modes of transport.	LR offers a very attractive bike leasing program, through which 127 bikes have been leased during 2023. This allows LR to make a decisive contribution to persuading ever more employees to leave their cars behind and cycle to work instead, in a carbon-neutral manner.
	Switching from Gasoline and Diesel to Electric	Journeys and business travel are part of our business, but we can still decisively influence how this affects the climate.	LR began installing charging stations for e-cars back in 2020. Overall, 32 charging stations were put into operation. Usage has already increased significantly in recent years. In the long term, LR is planning to continuously increase the proportion of electric vehicles used as company cars, thereby significantly reducing carbon emissions from transport.

GOALS & ENGAGEMENT

SDG	TOPIC	GOAL / ENGAGEMENT	COMMENT
	Water	During the manufacture of beauty products, various by-products are produced that can be harmful to the environment. LR ensures that this production wastewater is disposed of in an environmentally friendly manner.	LR employs intensive water treatment methods to ensure that no nitrates, phosphates, pesticides or priority substances as defined in Directive 2000/60/EC of the European Parliament (Article 2, Number 30) enter the wastewater directly. Moreover, the wastewater from our beauty production line is discharged into a 25,000-liter tank. The next step is to feed the wastewater collected there to a biogas plant where it is used for energy generation.
	Waste Management	Reducing the amount of non-recyclable waste is an important component for a sustainable future. In the long term, the majority of waste generated by LR should be either recyclable or compostable.	In 2023, the percentage of compostable or recyclable waste was over 90 %.
	Carbon Emissions	Greenhouse gas emissions must be reduced in the long term. One building block on the way to achieving this aim is to precisely measure and analyze one's own carbon footprint.	We have calculated our carbon footprint annually since 2021 and have continuously expanded our database. This enables us to take an analytical, coordinated and targeted approach to the issue of reducing our CO ₂ emissions. In the long term, we intend to expand the scope of these calculations and also include the upstream and downstream supply chains, allowing us to gain further insights and derive targeted measures.
	Energy Consumption – Gas in the Production Process	Reducing energy consumption in the form of gas is a key element in reducing our carbon footprint.	In our production process, a large proportion of the gas consumed is attributable to a gas-fired steam generator. In order to significantly reduce the level of consumption, we acquired and installed an electrically-powered steam generator in 2023. This will be integrated into our ongoing production process in 2024.



Water

Paper

Energy

Waste

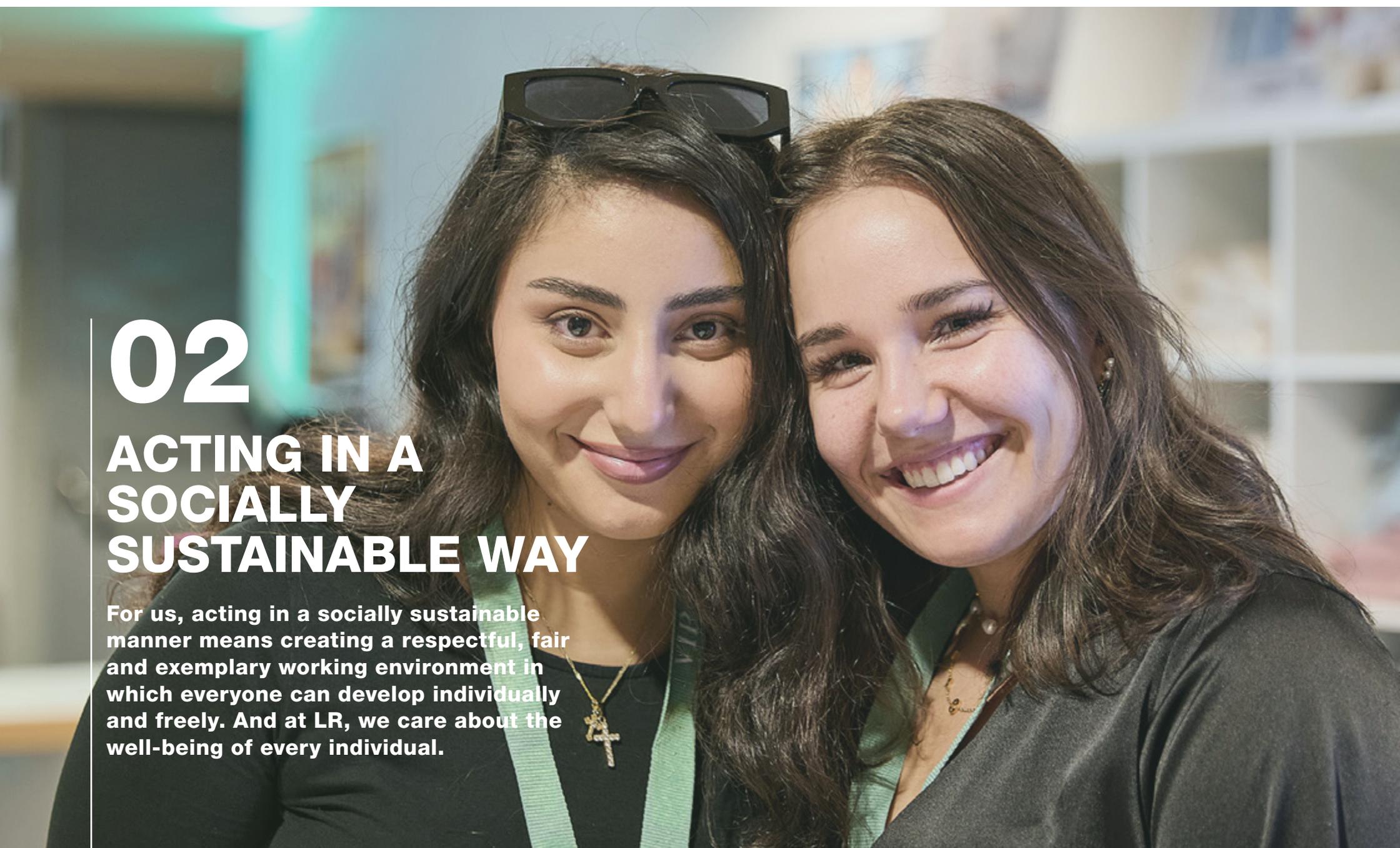
Travelling

Carbon footprint

Goals & Engagement

GOALS & ENGAGEMENT

SDG	TOPIC	GOAL / ENGAGEMENT	COMMENT
	Energy Consumption – Electricity	Increasing the use of green electricity to reduce and supplant fossil fuels.	The more electricity generated from renewable energy sources, the more the consumption of fossil energy sources can be reduced and supplanted. Examples, such as the increased charging of electric and hybrid company cars and the use of an electric instead of gas-powered steam generator, lead to an increase in the consumption of electricity. Overall, however, increasing our electricity consumption can result in a reduction in our carbon footprint.
	Sustainable Fishing	The manufacture of LR products should not contribute to overfishing.	All marine raw materials used in our products are obtained in a sustainable manner. We ensure this by relying on certified suppliers. Here we have chosen the “Friend of the Sea” seal of approval, which is granted by the World Sustainability Organization.
	Paper	Sustainable forestry methods and sustainable use of the key resource of wood is important to us. In terms of paper and cardboard consumption, we strive to obtain a high proportion of material from sustainable cultivation or recycled goods. Our medium-term goal is to achieve a share of sustainable materials of over 90 % of total consumption.	In the case of materials obtained from sustainable cultivation, we rely particularly on global market leader, the FSC®, or Forest Stewardship Council. LR’s consumption of paper and cardboard is measured in the areas of product packaging, catalogs and magazines, and other paper consumption. In the area of product packaging, the proportion of FSC-certified and recycled material is around 83 %. In the area of catalogs and magazines, some 98 % of the material used is already recycled or certified, and in the area of other paper consumption the figure is around 61%.



02

ACTING IN A SOCIALLY SUSTAINABLE WAY

For us, acting in a socially sustainable manner means creating a respectful, fair and exemplary working environment in which everyone can develop individually and freely. And at LR, we care about the well-being of every individual.



1.222

Employees

in 34 companies
(as of December 31, 2023)

 **59 %**
female

 **41 %**
male

WE CARE FOR OUR EMPLOYEES

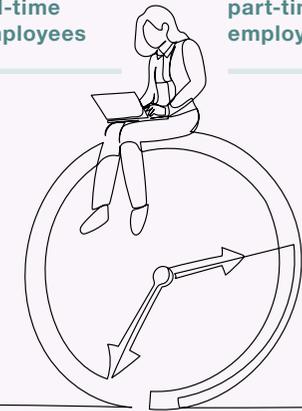
“More quality for your Life” applies not only to LR’s business and products, but also to our employees at the company’s headquarters at Ahlen, Germany, and those worldwide. For us, “More Quality” means taking sustainable responsibility – for our partnership, our suppliers, our region, for nature and also for our employees.

In 2023, the LR Group took sustainable responsibility for a total of 1.222 employees at 34 companies across 32 countries. Of these LR employees, 41 % were male and 59 % were female. This breakdown has not changed compared to the previous year. The development into FTE (Full Time Equivalent), was as follows: In 2023, FTEs amounted to 1,105, while in 2022 there were 1,107 FTEs. The gender distribution among FTEs in 2023 was 43 % male and 57 % female, resulting almost in parity with the previous year.

At LR, full-time employees represented the largest share of the workforce (HC) in 2023, at 86 % – while part-time employees accounted for 14 %. This means that the breakdown has not changed compared to the previous year. In terms of “age groups”, those aged between 30 and 39 took the lead at 30 % (HC). They were followed by the 40 to 49 age group at 26 %, then those under 30 at 18 %, closely followed by those aged between 50 and 59 at 17 %. The oldest age group, those aged over 59, accounted for 9 % of the workforce. Compared to 2022, the breakdown has remained almost unchanged. The average age of the overall LR workforce in 2023 was 42 years, up by one year compared to the previous year.

86 %
full-time employees

14 %
part-time employees



Age groups



Average age

42 yrs

20 %
Sales

46 %
Operations



6 %
Marketing

22 %
Administration

237

employees held a position with management responsibility, of which

44 %
are female.

PROFESSIONAL POSITIONS AND DEPARTMENTS

At year-end 2023, a total of 237 employees held a position with management responsibility at LR. Alongside Managing Director and Vice President, this also includes many other employees with management responsibility such as Heads of Department or Managers. This corresponds to an increase compared to the previous year with 220 employees. The top two management levels, Managing Director and Vice President, accounted for a total of 13 employees. On these two management levels, the proportion of women is about 23 %, a figure that is above the average for Germany. At 44 %, the proportion of women was even higher across all LR management levels.

LR employees are divided into the following areas: Administration, Sales, Marketing and Operations. The percentage distribution of all

employees in the aforementioned categories was as follows: At 46 %, almost half of all employees held positions in Operations departments. This is due to the fact that we are a company that produces in-house and manufactures over 90 % of our products in Germany. True to our “Made in Germany” quality principle. A balance is maintained between the number of employees in the Administration and Sales departments, at 22 % and 20 % respectively. At the end of 2023, the smallest employee share was attributable to Marketing, at 6 %. The previous year’s distribution was practically the same. In terms of gender distribution, female employees were far more strongly represented in the Sales and Marketing departments, at 74 % and 75 % respectively. In the other two departments, Administration and Operations, the distribution was more homogeneous.

LR IS INTERNATIONAL

LR is an international company. This is apparent not only in the number of LR subsidiaries that reflect our worldwide operations, but also in the number of different nationalities. 45 different



“ **Combining what belongs together**

At LR there are no borders! The dialogue with sales partners & colleagues from all over the world provides the necessary change of perspective to successfully implement global measures and projects.

Premi, Head of Sales Consulting & Recognition



#WEAREMORE



nationalities are represented at multiple sites in Ahlen, Germany, and in a total of 32 countries around the world. On average, our employees have worked at LR for over 8 years. Moreover, to ensure a sustainable working relationship in future too, LR has plenty to offer its employees.

LR IS MORE

LR is a company for everyone who wants more. Under the hashtag #WEAREMORE, LR launched an employer branding campaign to establish LR as an employer brand, boost its reputation and build a better perception of LR as both a company and as an employer. Here, the employees became the stars and were used as models for shootings and videos. LR is the employer for everyone who wants “more”. Greater opportunities, more openness and creativity in a culture that embeds mutual appreciation in its values. These topics and many more are also reflected in the new look and feel of the LR careers page, which was revised in 2023.

→ <https://jobs.lrworld.com/>

EVERY EMPLOYEE BENEFITS – EVEN NEW HIRES

Whether flexible working hours, diverse working models or career opportunities – our employees already benefit from numerous additional services such as occupational health management, company pension schemes and many other benefits. As part of workshops to evaluate employee satisfaction, employees are given the opportunity to get actively involved and present ideas for improvement. With our “mobile working” program, we also encourage our employees to take responsibility for their own work and place our trust in them. The key pillars of our corporate culture are a pleasant working atmosphere, team spirit, solidarity and a healthy work-life balance. To ensure that this is also the case for new employees right from the start, every employee undergoes a fully comprehensive onboarding program – tailored to the respective position – at the beginning of their LR career path. Furthermore, each employee is assigned a personal mentor during the first few months. An introductory seminar and a tour of the company are an ideal way to round off the induction phase. Right from day one, this concept is thoroughly beneficial to employees in terms of orientation and integration into the company.



PROGRAM FOR A HEALTHY WORK-LIFE BALANCE

We offer our employees at all of our international sites excellent working conditions with numerous benefits. To illustrate this, we highlight below the benefits our employees receive at our largest site – our headquarters, including our production facilities, at Ahlen, Germany.



Flexible Working

Flexible working hours on the basis of a flexi-time hour range are standard practice at our company. To facilitate this, LR offers various working models. Whether full-time or part-time – employees decide according to their individual needs and in consultation with their supervisor. LR facilitates the part-time model, for example, so that employees can achieve a better work-life balance. Part-time work is ideal for employees who want to look after their children or take on the care of relatives (family care time). The job sharing model, where possible, is also already practiced at LR.



Hybrid Work Model with Mobile Working

Depending on the field of responsibility, LR offers the option of working flexibly from home for up to 3 days per week. This – in combination with the flexi-time model – allows a good balance between private and professional life.



30 Days of Vacation

LR offers a total of 30 days of vacation as well as Christmas Eve and New Year's Eve as company holidays. From the 5th year of employment, and then every 5 years thereafter, each employee receives an additional vacation day. Employees were also given the opportunity to choose additional vacation days instead of a salary increase.



Occupational Health Management

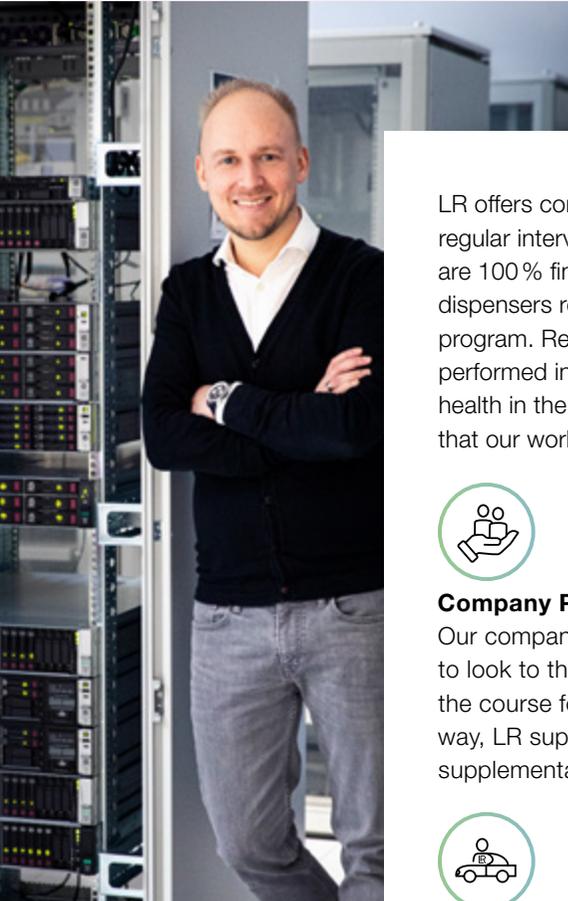
LR offers a broad range of diverse health measures to make a sustainable contribution to maintaining the health of all employees. In addition to regular on-site medical consultations,



“Balancing work and family – no problem at LR!”

I love giving my all on the job. Since the birth of our daughter, however, I've been doing this part-time and sometimes mobile at my desk at home. That's a great way to balance my job and my family life.

Pia, Corporate Communication Manager



LR offers comprehensive medical check-ups at regular intervals as well as flu vaccinations, which are 100 % financed by LR. Free fruit and water dispensers round off LR's health management program. Regular occupational health checks are performed in line with protecting employees' health in the workplace. Among others, we ensure that our workplaces are of ergonomic design.

**Company Pension Scheme**

Our company pension scheme allows employees to look to the future with confidence and set the course for a peaceful retirement now. In this way, LR supports its employees in building up a supplementary pension at an early stage.

**Bike & Car Leasing**

Bike leasing is an environmentally friendly and healthy form of mobility and is particularly attractive for employees thanks to tax and social security breaks. A total of 127 bikes are currently being leased to employees. This corresponds to a total value of around € 437,000 or around € 3,440 per bike. Of these, 63 leasing contracts

were concluded in 2020, 41 in 2021, 47 in 2022 and 39 in 2023. Alongside bike leasing, LR also offers its employees a car leasing program. Thanks to the company's cooperation with Mercedes, every LR team member can also enjoy attractive special leasing conditions for certain models from the car manufacturer.

**EVEN MORE ATTRACTIVE EXTRAS**

Our in-house canteen offers discounted meals and ensures the physical well-being of our employees. Moreover, water, fruit and ice cream, together with a variety of our LR products such as the popular Aloe Vera Drinking Gels, Figuactive soups and shakes are available to our employees free of charge on site every day. Those who wish to use LR products themselves also receive an exclusive employee discount. On top of this, a merchandise voucher is issued annually. Since last year, it has also been possible to bring dogs into the workplace after agreeing this with colleagues.

**“ Technological, modern, agile**

We dare to try out new methodologies in projects and question current approaches. This makes project management at LR particularly versatile and modern. This variety keeps it interesting day after day.

Leon, Consultant Project Management Office



IDEAL CAREER OPPORTUNITIES FOR YOUNG PEOPLE

One of LR’s concerns is to promote and develop young talent and offer them promising future prospects. In this connection, LR offers a comprehensive training program that covers theoretical and practical subjects in a total of ten different occupational fields to date. Whether commercial, creative or technical – we have a diverse range of apprenticeships. We focus not only on professional qualifications, but also on promoting social and personal skills such as self-confidence, creativity and openness. Close cooperation with the respective manager and the HR department is a key pillar of the training program. In 2023, a total of 19 apprentices participated in a training program and laid the foundation for their careers. The underlying plan is to offer them employment once they have successfully completed their training.

Our trainee program for the young “managers of tomorrow” combines theory and practice in a meaningful way, successfully launching young peoples’ careers. Over a period of 18 months, trainees gain a comprehensive insight into the various company departments and are entrusted with responsibilities right from the start. This gives them an ideal grounding, regardless of the field they decide to work in later.

As an international company, our trainee program naturally includes foreign assignments at one of our numerous international sites. Our trainees are therefore able to experience LR’s international operations at first hand and help shape and further expand their social networking. In 2023, we handed two trainees the opportunity of completing their trainee program with the intention of transferring them to their target departments.

Furthermore, the company offers young people the opportunity of completing a program of dual study at LR. Overall, six students took up this opportunity at LR in 2023. Interns, such as student interns, are also always welcome at LR. They are able to experience everyday working life and get to know the various departments. LR therefore offers numerous opportunities to launch a successful career.

ALWAYS UP TO DATE

What’s new internally at LR, who actually works in which department, and what event will soon be taking place? Our social intranet “L-AIR” – the bulletin board for employee information – answers all these questions, and much more. And speaking of events: The management also takes every opportunity to keep employees informed and, in addition to holding regular “town

“ All for one, one for all is what counts at LR – with respect and tolerance.

hall meetings”, also arranges CEO breakfast meetings for direct exchanges with the workforce. Digital coffee breaks allow employees to network and remain abreast of current topical issues from their respective departments. In this way, LR offers its employees numerous opportunities to be always up to date.

ALL FOR ONE, ONE FOR ALL!

Doing more, creating great things. This is what LR wants to accomplish together with its employees – as a team and always hand in hand. Gender, age, religion, nationality and sexual orientation are irrelevant. “All for one, one for all” is what counts at LR – with respect and tolerance. And the common goal of acting sustainably and continuing to grow always remains in focus.



OCCUPATIONAL HEALTH & SAFETY EVERYDAY PRACTICE AT LR

LR has always been concerned with issues regarding employee health and protection. But what does occupational health and safety actually mean? For us, occupational health means protecting employees against occupational hazards and stresses. Occupational safety, on the other hand, means enabling employees to perform their jobs without exposing them to hazards.

HEALTH COMES FIRST

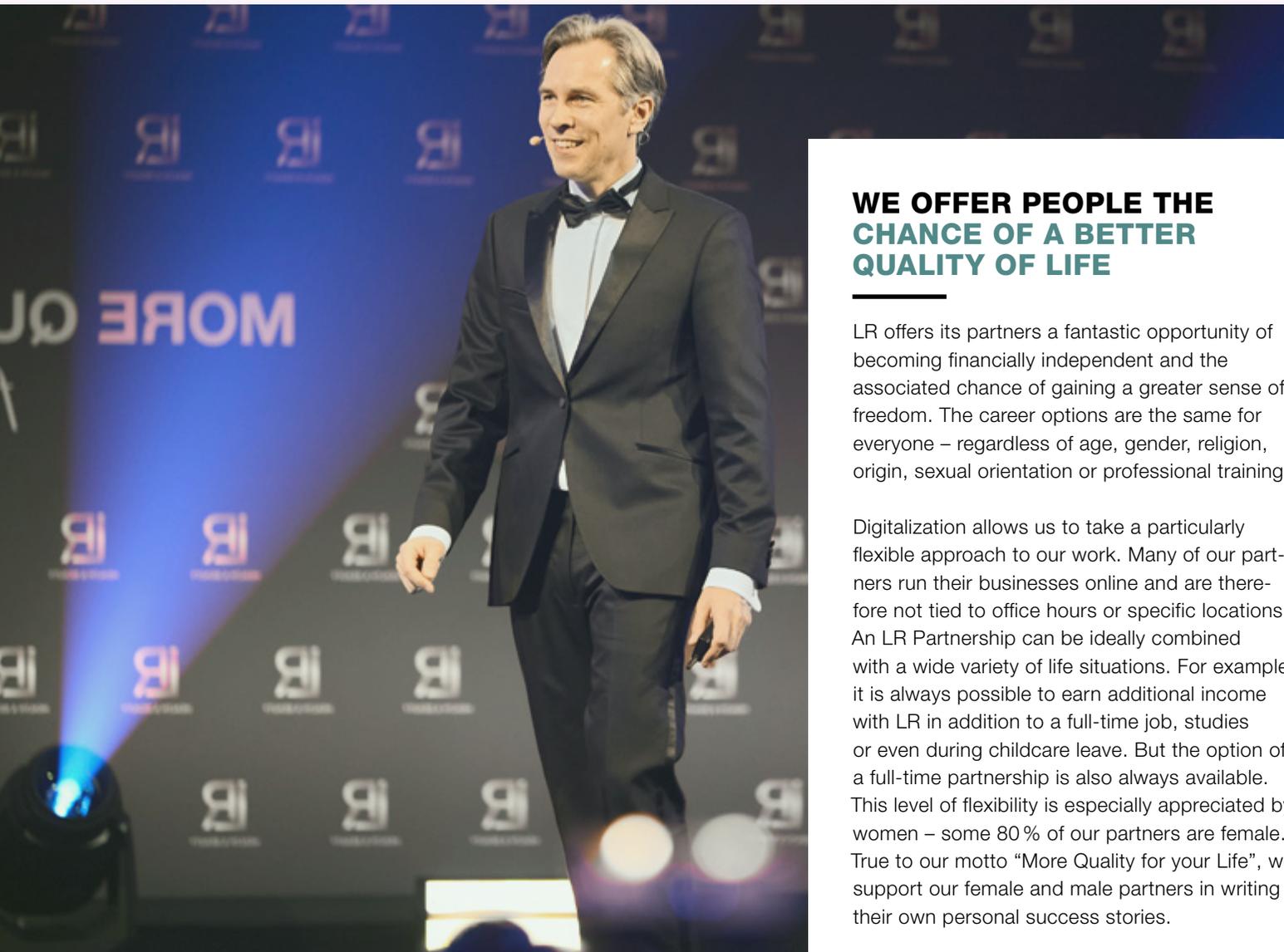
Ensuring that all employees remain healthy – in the workplace too, of course – is very important to LR. This specifically means physical, mental and social health. To ensure physical health, workplaces are subjected to occupational health inspections at regular intervals. Among others, we ensure that our workplaces are of ergonomic design. Alongside physical health, mental health also plays a major role in the workplace. Therefore, LR also takes its responsibility in this area seriously and offers employees a number of benefits, such as “flexible working”, the “hybrid working model with mobile working” and much more, in order to prevent mental stress, among others (for further information, see Chapter 2.1. “Employees”). The company’s health management system comes into play for the social aspect of employees’ health.

This gives every employee an opportunity to participate in various health measures. Regular on-site medical consultations are offered, as well as our popular medical check-ups and flu vaccinations, which are 100 % financed by LR. Free fruit and water dispensers round off LR’s health management program (for further information, see Chapter 2.1. “Employees”).

HEALTH AND SAFETY IN HARMONY

LR offers its employees a safety concept that ensures the best possible protection in the workplace for everyone – in both operational and non-operational spheres of activity. Especially since the coronavirus pandemic, it has been important to LR as an employer to offer its employees the greatest possible protection and flexibility. Depending on their area of responsibility, employees can now work flexibly from home up to three days a week as part of mobile working. The absolute number of sick days for all employees fell from 6,708 (161,000 hours) in the previous year to 6,041 (145,000 hours). The regular training courses for employees and the workplace inspections have continued to prove their worth: At 21, the number of work-related accidents remains at a very low level (previous year: 17).

A range of disparate reasons, such as maternity leave, parental leave, illness, vacation and a reduction in flexi-time, is behind the number of absolute absences among the workforce as a whole. The number of such days decreased slightly in 2023 compared to 2021 and 2022 and amounted to 21,003 (504,000 hours). Finally, we can report that, thanks to our high standards of safety, we did not record any work-related accidents that resulted in fatalities.



WE OFFER PEOPLE THE CHANCE OF A BETTER QUALITY OF LIFE

LR offers its partners a fantastic opportunity of becoming financially independent and the associated chance of gaining a greater sense of freedom. The career options are the same for everyone – regardless of age, gender, religion, origin, sexual orientation or professional training.

Digitalization allows us to take a particularly flexible approach to our work. Many of our partners run their businesses online and are therefore not tied to office hours or specific locations. An LR Partnership can be ideally combined with a wide variety of life situations. For example, it is always possible to earn additional income with LR in addition to a full-time job, studies or even during childcare leave. But the option of a full-time partnership is also always available. This level of flexibility is especially appreciated by women – some 80% of our partners are female. True to our motto “More Quality for your Life”, we support our female and male partners in writing their own personal success stories.

“Coming together is the beginning. Keeping together is progress. Working together is success.”

Henry Ford

SO HOW DOES THIS WORK?

With every LR product sold, a partner collects “PV” (Points Value). The higher the PV the at the end of a month, the higher the bonus level earned. In addition to such financial opportunities, partners are welcome to participate in our attractive car plan and earn other incentives, such as trips and special events.

PARTNERS WITH PASSION

LR also offers you the opportunity of expanding your own business and building a team with new LR Partners. Many of our partners are so



“ Innovative, unshakeable, indispensable – that’s how I see our sales partners.

**Gerrit Knein,
Regional Managing Director
Germany**

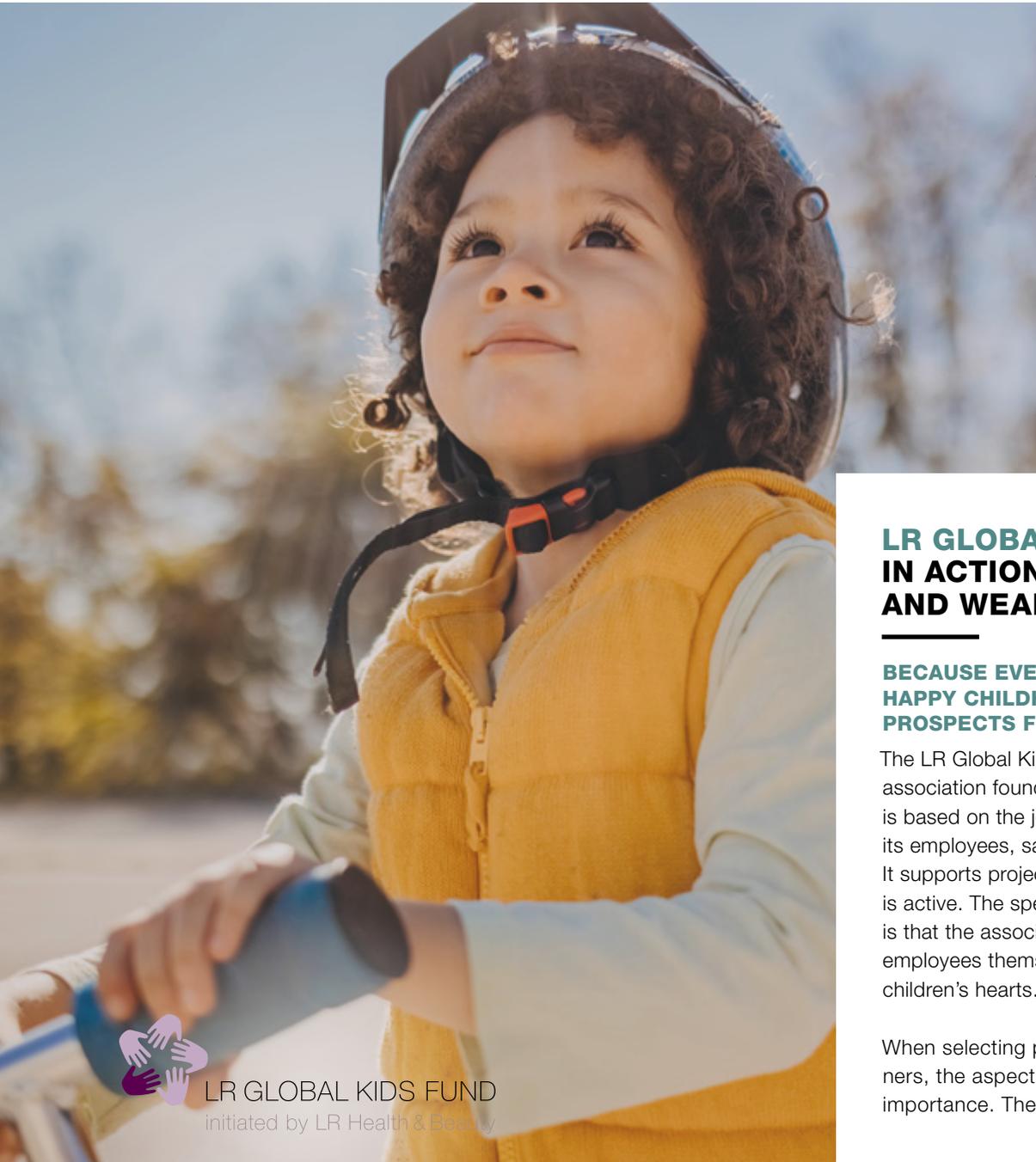
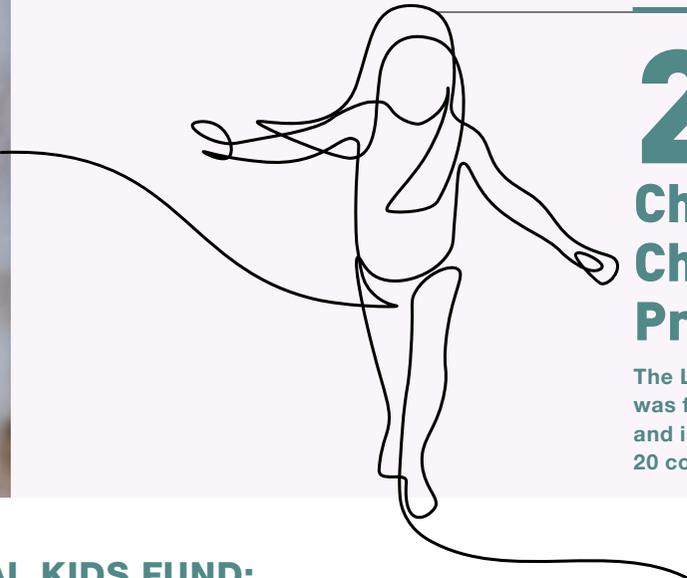
convinced of the high quality of our products and the excellent earning opportunities they offer, that they also infect other people with their enthusiasm. Moreover, thanks to LR’s Newcomer Concept and the possibility of a guaranteed income (Fast Track Bonus) during the initial period, it is easy to build up your own communities.

SO WHAT DO WE GET IN RETURN?

We are, of course, delighted that we can offer our partners an opportunity to enjoy a better quality of life. But we also benefit from it at the same time: Because our partners are our most important communicators. They are in close contact with customers – both theirs and ours – offering explanations and advice. Partners provide us with the most important feedback and are a significant factor in social selling. Which products are in particular need of explanation and detailed information material? Which products are characterized by a special demonstration effect? Engaging in direct conversation, our partners discover precisely why someone decides in favor of one product or against another. This, in turn, has a major influence on deciding on our strategic measures. “They are not only our company’s brand ambassadors, but also the lifeblood of our corporate soul,” says Gerrit Knein, Regional Managing



Director Germany. “Their passion and commitment exceed the norm in the world of commerce and weave the social fabric that makes LR Health & Beauty a living, breathing organism. Without them? We would be like a ship without sails on the open ocean – directionless and without drive. Together with them, we are setting sail for a future that boldly redefines the boundaries of feasibility.”

21
Children's
Charity
Projects

The LR Global Kids Fund e.V. was founded in 2009 and is active in over 20 countries

LR GLOBAL KIDS FUND: IN ACTION FOR THE SMALLEST AND WEAKEST ...

BECAUSE EVERYONE DESERVES A HAPPY CHILDHOOD AND BRIGHT PROSPECTS FOR THE FUTURE.

The LR Global Kids Fund (LRGKF) is a registered association founded in 2009. The association is based on the joint commitment of the company, its employees, sales Partners and customers. It supports projects in the countries where LR is active. The special characteristic of the LRGKF is that the association was founded by the employees themselves – from our hearts to the children’s hearts.

When selecting projects and cooperation partners, the aspect of sustainability is of particular importance. Therefore, the aid organization

attaches a high priority to supporting the respective projects not only in the short term, but over the longest possible period. Here, the LRGKF cooperates with well-known and reliable aid organizations such as the “SOS Children’s Villages worldwide” organization. Every cent donated goes straight into the projects, as the entire administration is carried out by LR employees and no administrative costs are incurred. Overall, the LRGKF was able to support 21 children’s aid projects in 20 countries in the past year.



LR GLOBAL KIDS FUND
initiated by LR Health & Beauty



AUSTRIA: Social residential home for young people

The social residential home (“SoWo” – Soziales Wohnhaus) at Neunkirchen in Austria offers young people aged 14 and over, who can no longer live at home, a new home and support in life. Here too, most of them come from difficult family backgrounds. The SoWo offers support and care to help them overcome their individual challenges. It is a place where young people can live in a safe and supportive environment to improve their quality of life and promote their social integration. It provides the foundations for a self-determined and happy future life for the youngsters.

SWITZERLAND: Giving children a smile

Unfortunately, illness and suffering do not stop at the youngest members of our society. Especially for children, a stay in hospital, separated from their parents, with pain and fear of treatments and operations, is a heavy blow. The “Theodora Foundation” has set itself the task of bringing laughter and joy to the little patients in Swiss hospitals with the special efforts of its “Giggle Doctors”. Working closely with the care specialists, they transform surgical procedures into an exciting fantasy journey in which children and parents can relax and overcome their fears. In 2023, the LRGKF managed to put a smile on the faces of 500

children with the help of the “Giggle Doctors” at the hospitals – a great result to which the LRGKF was happy to contribute.

Ukraine: Educational support and leisure activities

The SOS Children’s Village Kyiv supports foster families and their children who have experienced violence and neglect early on in their lives. This has triggered behavioral problems such as fear of loss, depression and aggression in many of them. Through special therapies, the children and young people learn to come to terms with their past and to better deal with their feelings and themselves. The aim is to heal their souls for a better future. With its donation, the LRGKF was able to help almost 100 children with individualized therapies.



“ **It is important for us to improve the future prospects for disadvantaged children & young people through our corporate philosophy – “More quality for your Life” –**

at LR we are socially responsible. This is a part of our corporate culture. Donations from our employees, partners and the company are what make the valuable help in the children's aid projects possible in the first instance.

Kirsten Ueckmann, Chairwoman of the Board, LR Global Kids Fund e.V.

GOALS & ENGAGEMENT

SDG	TOPIC	GOAL / ENGAGEMENT	COMMENT
	<p>Health Products</p>	<p>Naturally, as a company operating in the health industry, the health of our customers, our sales partners and our employees is close to our hearts.</p>	<p>LR offers a wide range of products that support health and well-being. This includes a wide range of Aloe Vera products and, with FIGUACTIVE, an entire product line devoted to weight management.</p>
	<p>Employee Health Management</p>	<p>The physical and mental health of our employees is a valuable asset and ultimately also ensures that the entire LR Group is able to perform so well.</p>	<p>LR offers a broad range of health measures to make a sustainable contribution to maintaining the health of all employees. In addition to regular on-site medical consultations, which are 100% financed by LR, free fruit and water dispensers round off LR's health management program. Regular occupational health checks are performed in line with protecting employees' health in the workplace.</p>
	<p>Women in Management Positions</p>	<p>Equal opportunities when filling management positions is an important concern for LR.</p>	<p>Among the 237 employees with management responsibility, 105 are women, which corresponds to a share of 44%.</p>



GOALS & ENGAGEMENT

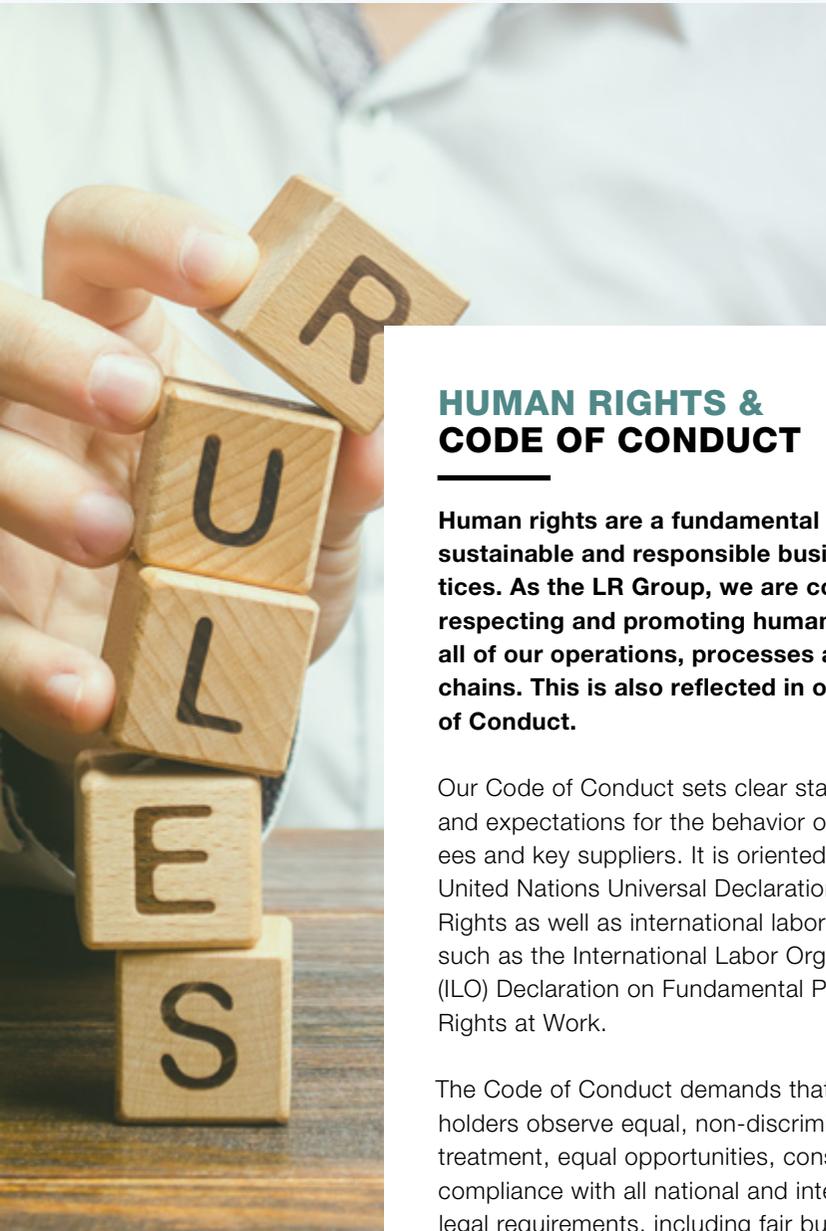
SDG	TOPIC	GOAL / ENGAGEMENT	COMMENT
	<p>Health and Safety in the Workplace</p>	<p>With high safety standards and a comprehensive range of safety training courses, we intend to keep the number of accidents in the workplace to at a low level.</p>	<p>There were only 17 occupational accidents in 2022 and 21 in 2023 (with no fatal accidents), so LR was able to meet this target. Our aim is to maintain the high level of safety standards and safety training and stay up to date with them.</p>
	<p>A Business Model for All</p>	<p>We respect equal rights and equal treatment of all people and actively apply this within our large LR family.</p>	<p>Our business model and marketing plan allow us to offer all our distributors, regardless of age, gender, origin or sexual orientation, the same earning opportunities, the same opportunities for additional benefits such as the car concept, the opportunity for teamwork and recognition within the team.</p>



03

ACTING IN AN ECONOMICALLY SUSTAINABLE WAY

For us, acting in an economically sustainable way means finding an economic approach that is based on fair dealings with all parties involved. In addition, we are looking to be economically sustainable in the long term to ensure a bright future.



HUMAN RIGHTS & CODE OF CONDUCT

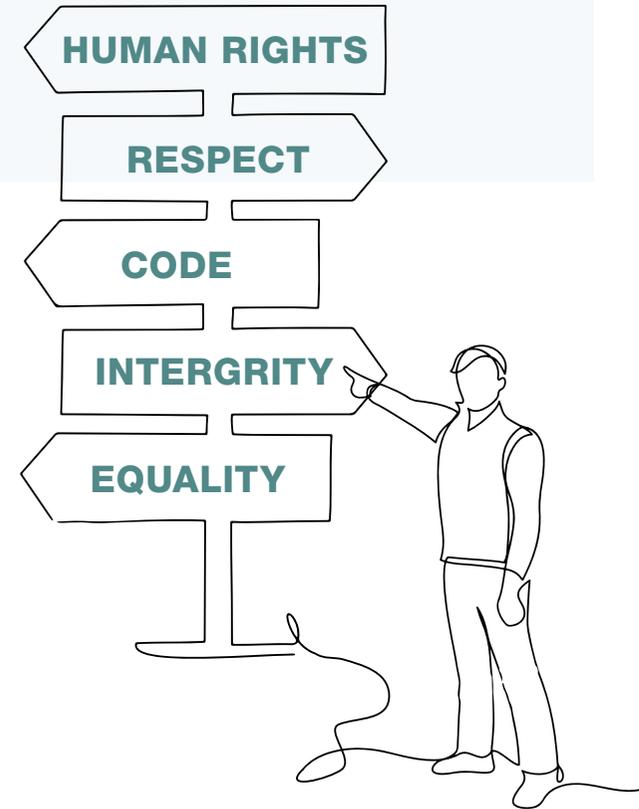
Human rights are a fundamental aspect of sustainable and responsible business practices. As the LR Group, we are committed to respecting and promoting human rights in all of our operations, processes and supply chains. This is also reflected in our Code of Conduct.

Our Code of Conduct sets clear standards and expectations for the behavior of our employees and key suppliers. It is oriented on the United Nations Universal Declaration of Human Rights as well as international labor standards such as the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work.

The Code of Conduct demands that all stakeholders observe equal, non-discriminatory treatment, equal opportunities, constant compliance with all national and international legal requirements, including fair business

practices and competition rules, prevention of bribery, corruption and money laundering, and integrity in business dealings. We are moreover committed to respecting employees' rights and ensuring healthy and safe working conditions.

A certified Compliance Management System ensures adequate and systematic implementation of compliance requirements. This includes regular training and communication with employees as well as regular audits and assessments of our operations and supply chain. We communicate our Code of Conduct to key suppliers and reserve the right to terminate relationships with them in cases of corruption and bribery as well as non-compliance with human rights legislation or our Code of Conduct in general. Thanks to careful selection of our suppliers and regular exchanges including the submission of our Code of Conduct, there was no need to terminate a supplier relationship in recent years.



Overall, our Code of Conduct provides an important tool to help us respect and promote human rights at all of our sites and throughout our supply chains. This is how LR demonstrates its commitment to responsible and sustainable business practices.

WORKS COUNCILS & FEEDBACK CULTURE

At our German headquarters, works councils have been established for the companies LR Global Holding GmbH, LR Health & Beauty Systems GmbH and LR Deutschland GmbH, which work together to form a Group Works Council. These serve as platforms for communication and cooperation between management and employees.

The works councils comprise elected representatives from the respective companies and are tasked with representing the interests and opinions of employees on various subjects, including issues such as working conditions, training and development. The works councils hold regular meetings with management to discuss these and other subjects and to provide feedback and suggestions for improvement.

We believe that works councils are a key factor in promoting employee satisfaction, motivation and well-being, and for creating a positive and productive working environment. They also help ensure that our business practices meet the expectations and needs of our employees.

In addition to the works council, we also engage with our employees through regular feedback and promote open and transparent communication through various channels such as our social intranet. We are convinced that such two-way communication is essential for building trust, boosting collaboration and promoting sustainability and responsible business practices.

Group Works Council

as a further platform for communication and cooperation between management and employees.



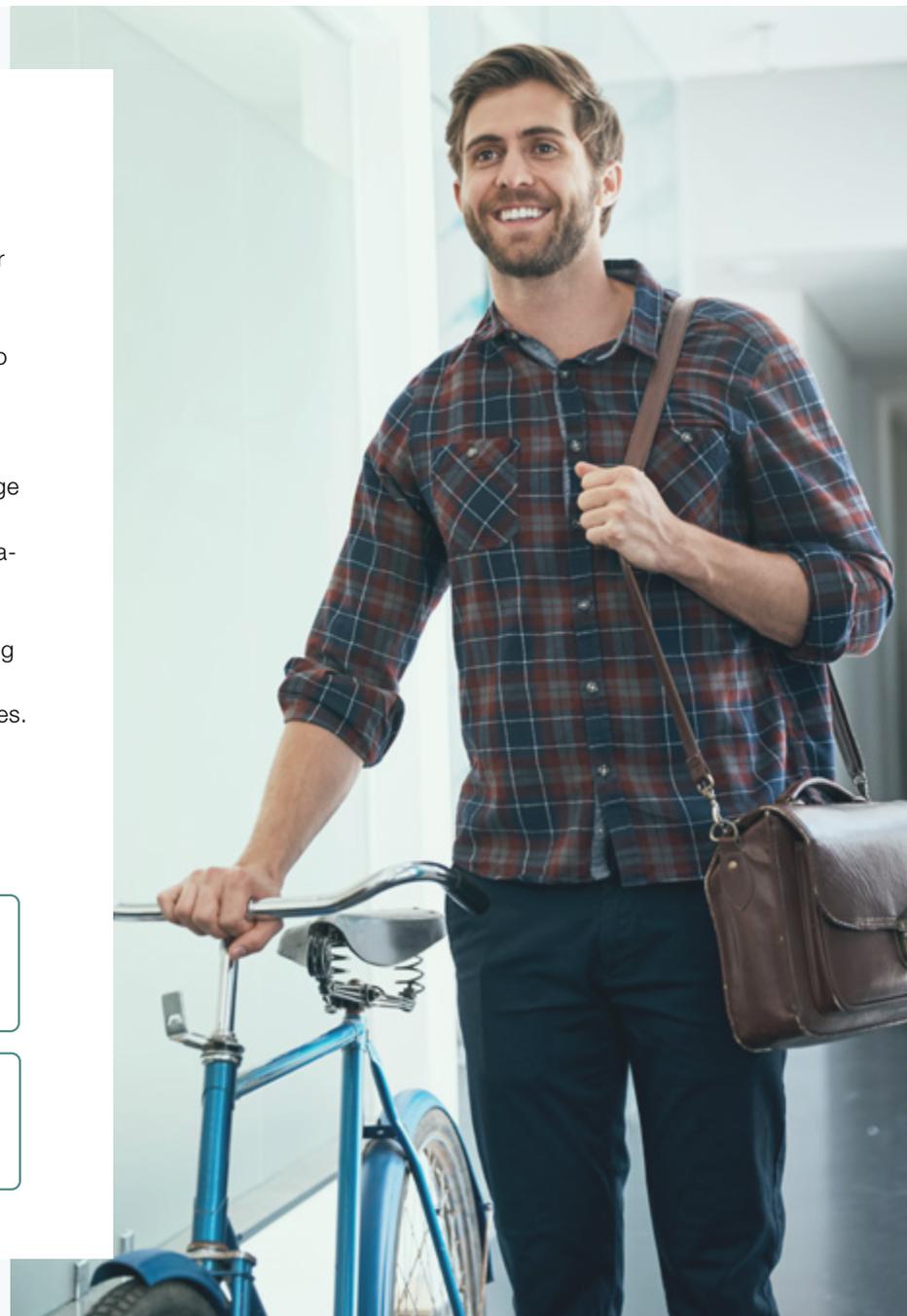
**Works Council of
LR Global Holding GmbH**



**Works Council of
LR Health & Beauty
Systems GmbH**



**Works Council of
LR Deutschland GmbH**



COMPLIANCE

COMPREHENSIVE SET OF RULES

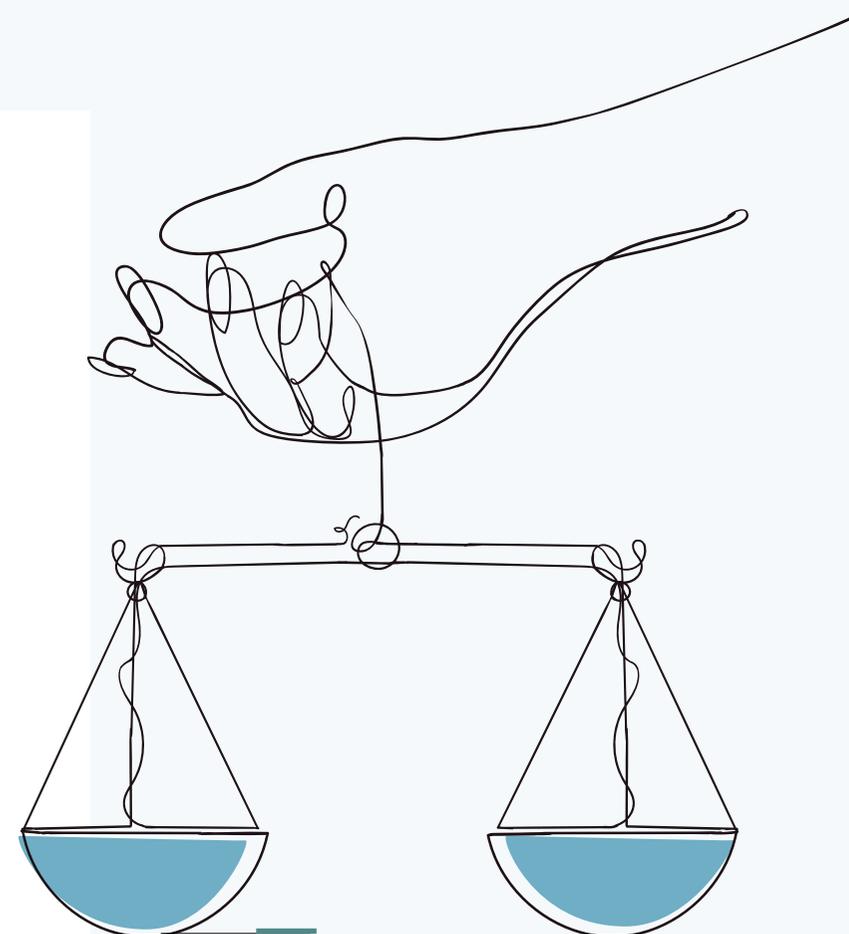
Our company is committed to conducting its business with the highest level of integrity and in compliance with all relevant laws, regulations and standards. To guarantee this, we have established a comprehensive Compliance Policy.

This policy is overseen by a Chief Compliance Officer (CCO), who is responsible for ensuring that our business practices comply with all relevant laws and regulations as well as our own ethical standards. The CCO is supported by so-called Compliance Delegates, who are responsible for implementing and monitoring our Compliance Policies and procedures in the different regions. All managers serve the company as “Compliance Ambassadors” and are given regular training which allows them to assume this role for their departments and employees. So-called Compliance Committee meetings are held on a quarterly basis, at which representatives from the Legal, Human Resources, Operations, Finance and Audit departments, as well as the CCO and the Compliance Delegates, consult on current and general compliance issues. In addition, the CCO is also responsible for a dedicated Sales Compliance department, which focuses specifically on ensuring that our Sales Partners comply with

legal requirements and our own ethical standards. The Compliance Management System is based on ISO 37301 and has been certified by TÜV Rheinland Cert GmbH.

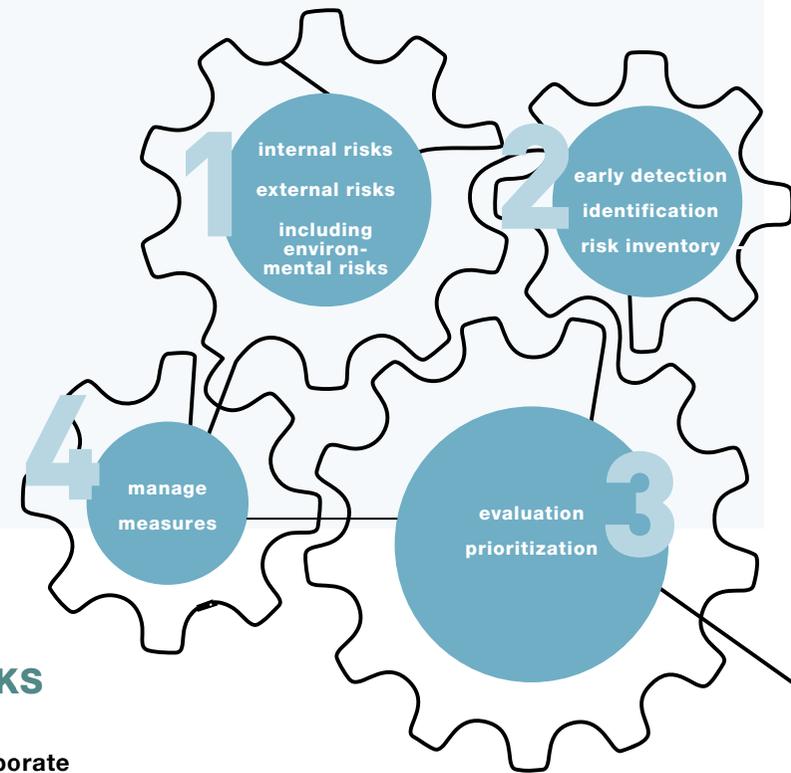
To guarantee the effectiveness of our Compliance Policy, our own internal Audit department conducts regular audits to assess the effectiveness of our compliance guidelines and procedures at our headquarters and all of our subsidiaries. These audits serve to identify areas for optimization.

A whistleblowing management system was set up back in 2021 and provides our employees with a confidential, secure and, if desired, anonymous channel to report potential compliance violations. We take all reports seriously, investigate them thoroughly and take appropriate action to resolve the issues identified. In the past two years, six and two reports respectively have been received, responded to and dealt with within the deadlines set by the EU Whistleblower Directive.



Compliance Policy

Helps the company to operate the business with the highest level of integrity and in compliance with all relevant laws, regulations and standards.



RISK MANAGEMENT INCLUDING ENVIRONMENTAL RISKS

Sustainable and responsible corporate governance also necessitates a comprehensive risk management system that explicitly takes into account environmental risks in addition to operational, legal, financial, market and IT security risks¹.

At the LR Group, risks are identified by the Director Compliance Information Security & Risk Management, while involving those operationally responsible, as part of a system-based risk management process. It serves to identify, assess and manage internal and external risks at an early stage. An important building block is to identify risks in line with a risk inventory,

which determines the primary risks on an annual basis. These include environmental risks such as the climate impact on the cultivation of certain raw materials, changes in customer behavior and customer requirements, climate impacts on global logistics and transport costs, potential costs for CO₂ emissions, and new or amended legislation and directives. Once risks have been identified, weighted, evaluated and prioritized, they are discussed with the management and at Supervisory Board meetings of LR Health & Beauty SE and any necessary control measures are adopted.

¹A detailed description of the key risks can be found in the Management Report in the LR Group Annual Report 2023. This can be found at ir.lrworl.com.

SUSTAINABILITY WITHIN THE COMPANY'S ORGANIZATIONAL STRUCTURE

At the LR Group, we are committed to sustainable corporate governance that promotes long-term value creation and supports the responsible management of our business.

In this respect, we are continuing to develop our comprehensive Sustainability Strategy to guide our efforts and activities in an even more targeted manner. Previously, the issue of sustainability was anchored in the various departments of our company. This means that sustainability had already been taken into consideration in all decisions, developments and innovations. The many advances and individual measures implemented by LR were – and continue to be – monitored through an annual Sustainability Report to our investor Quadriga Capital. Moreover, we issued our very first comprehensive Sustainability Report last year, thereby ensuring that our activities are presented transparently.

By further developing our Sustainability Strategy and organizational structure we will be better able to target our sustainability activities in an even more specific manner, guide them in the desired direction and identify and focus on individual, especially important subjects. Last year's appointment of a Corporate Sustainability Officer enabled us to start developing a corresponding

strategic implementation plan in 2023. In this context, we collaborated with a management consultancy to launch a project which aims to adapt our organizational structures and prepare us for upcoming EU requirements such as the Corporate Sustainability Reporting Directive.

In recognition of the importance of ESG issues, sustainability targets are included in our management's compensation scheme. In this way, the interests of our management team are brought into line with our broader sustainability targets and our commitment to incorporating ESG considerations into our business strategy is underscored.

We are convinced that sustainable corporate governance practices are critical to the long-term success and sustainability of our business, and are committed to continuously improving our approach in this area. Integrating ESG considerations into our business strategy and decision-making processes allows us to create value for our stakeholders and support the responsible management of our company.





GOALS & ENGAGEMENT

SDG	TOPIC	GOAL / ENGAGEMENT	COMMENT
	Human Rights/Employee Rights	Our Code of Conduct, which sets clear standards and expectations for the behavior of our employees and key suppliers, is oriented on the United Nations Universal Declaration of Human Rights as well as international labor standards such as the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work. Regular communication of these standards is intended to prevent violations of these fundamentally important requirements.	In 2022 and 2023, we neither had to instigate labor law measures against employees nor did we need to terminate any supplier relationships prompted by violations of our standards and expectations.
	Combating Corruption	Prevention of corruption at all levels and at all LR Group companies.	We observe a comprehensive set of compliance rules, a Compliance Management System (certified to ISO 37301), regular training and monitoring by a Chief Compliance Officer, several compliance delegates, regular compliance meetings and internal audits, to create all of the conditions necessary for preventing corruption in the best possible way.
	Whistleblower System	This reduces potential obstacles to employees passing on information about potential compliance violations. All incoming information should be processed and answered within the deadlines set by the EU Whistleblower Directive.	A confidential, secure and, if desired, anonymous channel for employees to report tip-offs relating to potential compliance violations was introduced in 2021. The system was used to report six tip-offs in 2022 and two in 2023, all of which were processed and responded to within the specified deadline.
	Anti-discrimination	Prevention of discrimination at all levels and at all LR Group companies.	Our Code of Conduct, with its clear rules of conduct, plays a key role here too. Moreover, LR promotes exchanges between 45 different nationalities among its employees in 32 countries and, via the social intranet for instance, various cross-national meetings or onboarding and exchange programs. This is a major factor in preventing prejudice and discrimination.



04

ESG IN ZAHLEN



Environmental

Social

Governance

KPI'S ENVIRONMENTAL

	Unit	2022	2023
WATER			
TOTAL WATER WITHDRAWN	in m³	18.788	20.736
thereof total water consumed in production process	in m ³	4.264	4.724
thereof total water discharged	in m ³	14.525	16.011
PAPER			
TOTAL PAPER USAGE	in kg	1.281.522	1.062.364
Paper product packaging	in kg	491.899	504.289
thereof from certified sources (FSC™ / PEFC)	in kg	394.354	377.160
thereof from recycled materials	in kg	66.204	39.204
thereof from non-certified sources	in kg	31.341	87.924
Catalogue and magazine paper	in kg	751.656	524.259
thereof from certified sources (FSC™ / PEFC)	in kg	705.408	494.152
thereof from recycled materials	in kg	31.390	18.245
thereof from non-certified sources	in kg	14.858	11.862
Other paper, e.g. copy paper	in kg	37.967	33.817
thereof from certified sources (FSC™ / PEFC)	in kg	12.155	13.879
thereof from recycled materials	in kg	12.071	6.791
thereof from non-certified sources	in kg	13.740	13.147

KPI'S ENVIRONMENTAL

	Unit	2022	2023
ENERGY			
TOTAL CONSUMPTION ELECTRICITY	in kWh	3.466.671	3.502.796
thereof from renewable sources	in kWh	2.692.028	2.696.764
thereof from non-renewable sources	in kWh	774.643	806.033
TOTAL ENERGY PRODUCTION FROM PHOTOVOLTAIC	in kWh	0	121.280
TOTAL CONSUMPTION GAS	in kWh	4.090.612	4.144.717
thereof heating	in kWh	3.198.671	3.251.243
thereof for production process	in kWh	891.941	893.474
WASTE			
TOTAL WASTE PRODUCED	in tons	1.826	2.019
thereof recycled	in tons	511	502
thereof composted	in tons	1.117	1.382
thereof incinerated or landfilled	in tons	198	135
TRAVELLING			
E-Bikes leased by employees	in numbers	151	127
Cars in fleet	in numbers	134	139
thereof BEV (electric cars)	in numbers	9	24
thereof PHEV (hybrid cars)	in numbers	47	39
thereof combustion cars (Diesel / Petrol)	in numbers	78	76
Fuel combustion of LR owned vehicles	in litres	229.466	206.176
thereof Petrol	in litres	152.924	141.997
thereof Diesel	in litres	76.542	64.179

**KPI'S ENVIRONMENTAL**

	Unit	2022	2023
Charged electricity of LR owned vehicles	in kWh	51.010	87.758
thereof at LR owned charging stations	in kWh	49.159	68.699
thereof at public charging stations	in kWh	1.851	19.059
Employee business travel	in km	1.128.853	2.052.342
thereof by car (not company cars)	in km	33.205	44.843
thereof by train	in km	79.151	139.239
thereof by airplane	in km	1.016.497	1.868.260
Hotel nights	in overnight stays	---	1.562
Partner air travel to international conferences	in km	266.532	1.488.991

CARBON FOOTPRINT¹

	in tons CO ₂	6.440	7.828
TOTAL CO₂ EMISSIONS	in tons CO₂	6.440	7.828
thereof Scope 1	in tons CO ₂	583	667
thereof Scope 2	in tons CO ₂	1.275	1.255
thereof Scope 3 ¹	in tons CO ₂	4.581	5.906

¹The carbon footprint / scope 3 is currently calculated without considering upstream and downstream supply chains.



Environmental

Social

Governance

KPI'S SOCIAL

	Unit	2022	2023
EMPLOYEES¹			
TOTAL EMPLOYEES (HEADCOUNT)	in HC	1.236	1.222
thereof male	in HC	509	499
thereof female	in HC	727	723
thereof diverse	in HC	0	0
TOTAL EMPLOYEES (FTE)	in FTE	1.107,1	1.104,7
thereof male	in FTE	483,6	477,5
thereof female	in FTE	623,5	627,2
thereof diverse	in FTE	0,0	0,0
Employment type: full-time	in HC	1.061	1.049
Employment type: part-time	in HC	175	173
Age group: < 30 years	in HC	221	217
Age group: 30-39 years	in HC	383	364
Age group: 40-49 years	in HC	324	321
Age group: 50-59 years	in HC	215	213
Age group: > 59 years	in HC	93	107
Global average age of employees	in years	41,5	41,9
Job position: Managing Directors	in HC	3	4
thereof male	in HC	3	4
thereof female	in HC	0	0
thereof diverse	in HC	0	0
Job position: VPs	in HC	10	9
thereof male	in HC	6	6
thereof female	in HC	4	3
thereof diverse	in HC	0	0

¹ Figures as of reporting date December 31, 2022 and December 31, 2023.



Environmental

Social

Governance

KPI'S SOCIAL

	Unit	2022	2023
Job position: Head-Ofs / Manager and other executives	in HC	207	224
thereof male	in HC	107	122
thereof female	in HC	100	102
thereof diverse	in HC	0	0
Departments: Administration	in FTE	248	257
thereof male	in FTE	131	134
thereof female	in FTE	116	123
thereof diverse	in FTE	0	0
Departments: Sales	in FTE	233	234
thereof male	in FTE	61	61
thereof female	in FTE	172	173
thereof diverse	in FTE	0	0
Departments: Marketing	in FTE	84	75
thereof male	in FTE	17	19
thereof female	in FTE	67	57
thereof diverse	in FTE	0	0
Departments: Operations	in FTE	543	538
thereof male	in FTE	274	264
thereof female	in FTE	268	274
thereof diverse	in FTE	0	0
Global avg. Tendure of employees	in years	8,4	8,6
Number of nationalities represented in our global workforce	in numbers	40	45
Number of apprentices	in HC	14	19
Apprentices takeover rate	in %	74,3%	100,0%
Number dual students	in HC	4	6
Number of trainees	in HC	5	2
Trainees takeover rate	in %	85,7%	50,0%



Environmental

Social

Governance

KPI'S SOCIAL

	Unit	2022	2023
OCCUPATIONAL HEALTH AND SAFETY			
Recordable work-related injuries	in numbers	17	21
thereof Operations	in numbers	13	16
thereof Non-Operations	in numbers	4	5
Illness time of employees	in hours	161.416	145.157
thereof Operations	in hours	108.297	92.595
thereof Non-Operations	in hours	53.120	52.562
Occupational injuries time	in hours	842	3.686
thereof Operations	in hours	620	3.310
thereof Non-Operations	in hours	222	377
Total absenteeism time	in hours	515.330	504.094
thereof Operations	in hours	271.140	265.175
thereof Non-Operations	in hours	244.189	238.919
Fatalities as a result of work-related injury	in numbers	0	0
thereof Operations	in numbers	0	0
thereof Non-Operations	in numbers	0	0
CHARITY			
Total amount raised for charity projects	in EUR	572.436	576.193
Number of LRGKF² members	in HC	1.355	1.206
Number of supported projects by LRGKF²	in numbers	18	21

² LR Global Kids Fund e.V.



KPI'S GOVERNANCE

	Unit	2022	2023
HUMAN RIGHTS AND CODE OF CONDUCT			
Business relationships with suppliers terminated due to human rights breaches or systematic cases of corruption and / or bribery	in numbers	0	0
Signatures of the Code-of-Conduct by suppliers	in numbers	27	140
WORKS COUNCIL			
Number of works councils	in numbers	4	4
Members of works councils	in numbers	27	27
COMPLIANCE			
1st and 2nd management levels completed the compliance training	in numbers	34	168
Quota of 1st and 2nd management levels completed the compliance training	in %	100,0%	100,0%
Number of whistleblower notices	in numbers	6	2
thereof answered / processed within 3 months ¹	in numbers	6	2

¹ Specified time limit of the EU Whistleblower Directive

