



HEALTH & BEAUTY

# GREEN IMPACT. BRIGHT FUTURE.

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2024 | SUSTAINABILITY REPORT

LR HEALTH & BEAUTY GROUP







# SUSTAINABILITY REPORT 2024

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	<b>Goals &amp; Commitment</b>			



**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

I love nature. I prefer to spend my free time outdoors in the fresh air. That's where I refuel, that's where I find peace. Many people feel the same way as I do. But while we benefit from nature, the question arises: are we also giving something back to it? In my view, everyone who is able to shape their environment sustainably should embrace this responsibility.

At LR Health & Beauty, we take this responsibility seriously and are committed to improving sustainability. Our commitment to sustainable and responsible business practices has been an integral part of our business strategy for many years. We endeavor to continuously make our processes more transparent. This approach enables us to better identify the potential of possible sustainability measures and implement them efficiently and in a targeted manner.

We are guided by the United Nations Sustainable Development Goals (SDGs) in our commitment to the environment and the people who live there. They provide a clear framework for achieving a more sustainable future.

Transparency regarding our goals, measures and progress in economic, ecological and social fields of action is important to us. Despite

constantly changing social demands and legal requirements, which make the documentation of our sustainability measures more challenging, we consistently adhere to them. It is for this reason that we are publishing a separate sustainability report for 2024 again this year. In it, we show clearly and openly how we at LR Health & Beauty have combined profitability and sustainability in the 2024 financial year.

One of my personal highlights is the generation of sustainable energy. Our almost 5,000 square meter photovoltaic system was connected for the first time over an entire reporting year since its acquisition in the summer of 2023. This enabled us to produce about 810 MWh of electricity in 2024, which we used to reduce our own electricity needs and also to feed into the public grid. As part of our efforts to further expand the generation of sustainable energy at LR, we are currently planning to build another photovoltaic system.

At the same time, we are also looking at how our products can be packaged in an even more resource-efficient way. In this regard, we initiated another project last year: the use of what is known as Green PE – a plastic made from sugar cane waste – was successfully

tested. This means that the majority of our tube range can be converted to the new packaging material in 2025. We also made some progress in the area of digitalization in 2024, which will enable us to save many tons of paper in the future. Thanks to the introduction of a new merchandise management system, we can flexibly adjust the size of the shipping boxes depending on the order quantity and in doing so achieve significant savings.

One thing is certain: sustainability is an ongoing process that requires constant rethinking and is never complete. We are continuously working to improve and increase transparency. We are rigorously continuing down this path. My special thanks go to all colleagues, our suppliers and distributors who have supported us with their commitment.

Dr. Andreas Laabs  
(CEO)



## Hundreds of thousands registered community members



### 7 THINGS YOU SHOULD KNOW ABOUT US...

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 has been listed on the regulated market of NASDAQ Stockholm since February 2025. Sales generated (revenue from goods) in 2024 amounted to EUR 289.2 million.

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.

The company’s average number of employees during financial year 2024 was 1,215. This is in addition to the hundreds of thousands of distributors worldwide who are largely responsible for the success of our company in their respective countries.

For over 39 years, LR has offered people the opportunity of shaping their lives to achieve greater independence and success by becoming distributors. As a modern social commerce 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 distributors. In addition, a unique platform with all digital content available for our distributors was created under the title “LR NEO” in 2023: a personalized website that bundles all important functions.

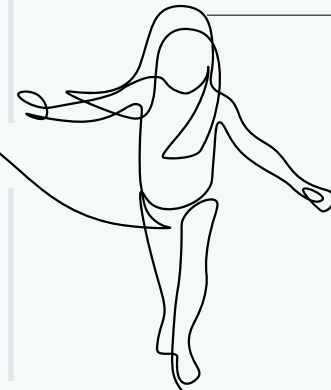
34

Companies  
in 32 Countries

~1,200  
Employees

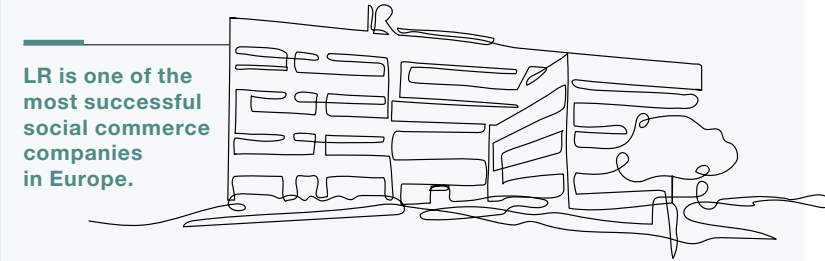
The LR Group  
is headquartered  
in Ahlen, Germany.





# 20 Children's Charity Projects

and an additional 24 Local Hero projects for the 15th anniversary of the LR Global Kids Fund e.V.



5 Of the approximately 200 products in our range, healthcare products accounted for 74 % of our total sales in 2024, while beauty products accounted for 25 % (others made up 1 %). 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.

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...

6 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





# 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

1.356 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 2024, LR's total water withdrawal was around 24.080 cubic meters, 3.344 cubic meters more than in the previous year. Of this, around 18,8 % cubic meters were used in the production process and around 81,2 % 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 2024, we collected a total of 1.356 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 organisation "Friend of the Sea" is a world leader in maritime affairs related to sustainability.



88%

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



100%

recycled copy paper  
at our Ahlen HQ

13%

Reduction of the  
total paper consumption

## SUSTAINABLE USE OF PAPER: CONSCIOUSLY ENVIRONMENTALLY AWARE

In 2024, we were able to save 200,000 kilos of paper by implementing targeted measures!

This is primarily the result of consistent digitalization. For example, the monthly LR World and the LR career magazine have no longer been published in printed form since 2024, but exclusively in digital form. Whether catalogs, magazines or product packaging – when it comes to paper and packaging, LR consistently focuses on resource conservation and sustainability.

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 88 % 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.





Water

Paper

Energy

Waste

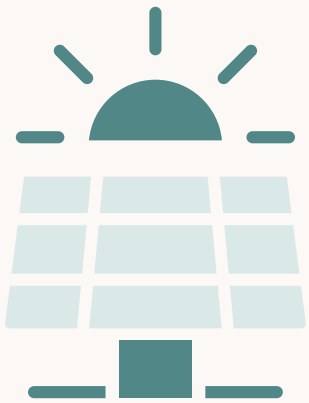
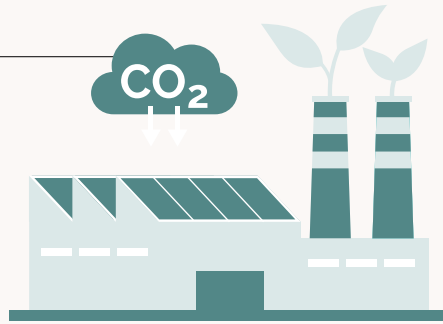
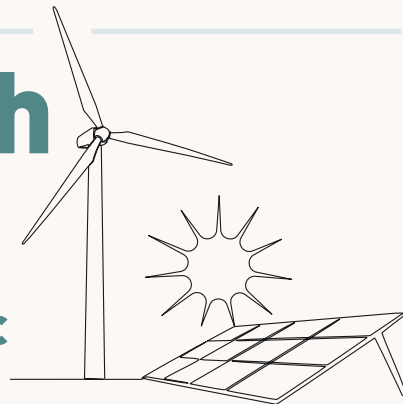
Travelling

Carbon footprint

Goals &amp; Commitment

**76 %**

of the total electricity  
consumption from  
renewable energies

**100 %**  
**green electricity  
at the company's  
site in Ahlen,  
Germany****810 MWh**  
**produced  
electricity from  
own photovoltaic  
system**

## ENERGY ELECTRICITY

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 order to meet the requirements for ecologically sustainable development in future and to reduce dependency on external electricity suppliers, LR has focused on generating renewable energies. A 4,965 square meter solar power generator with a capacity of around 1,000 kWp was already put into operation in 2023. The 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. In 2024, the system with around 2,500 modules was able to produce for a whole year for the first time, generating around 810 MWh.

The electricity generated is used both for the company's own requirements, thus reducing the need for purchased electricity, and for feeding surplus energy into the power grid. A further photovoltaic system is also being planned at the headquarters site in Ahlen, which is expected to be installed and connected in 2026.

In 2024, LR consumed a total of 3,158 MWh of purchased electricity, a reduction of 10 % compared to the previous year (2023: 3,503 MWh), which is mainly due to the use of self-generated electricity from the photovoltaic system. Around 76 % 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. Over the past two years, we have already switched to green electricity at all subsidiaries that have their own contracts with energy suppliers and have the option in their country to switch to green electricity.

## WASTE MANAGEMENT COMPOSTING & RECYCLING

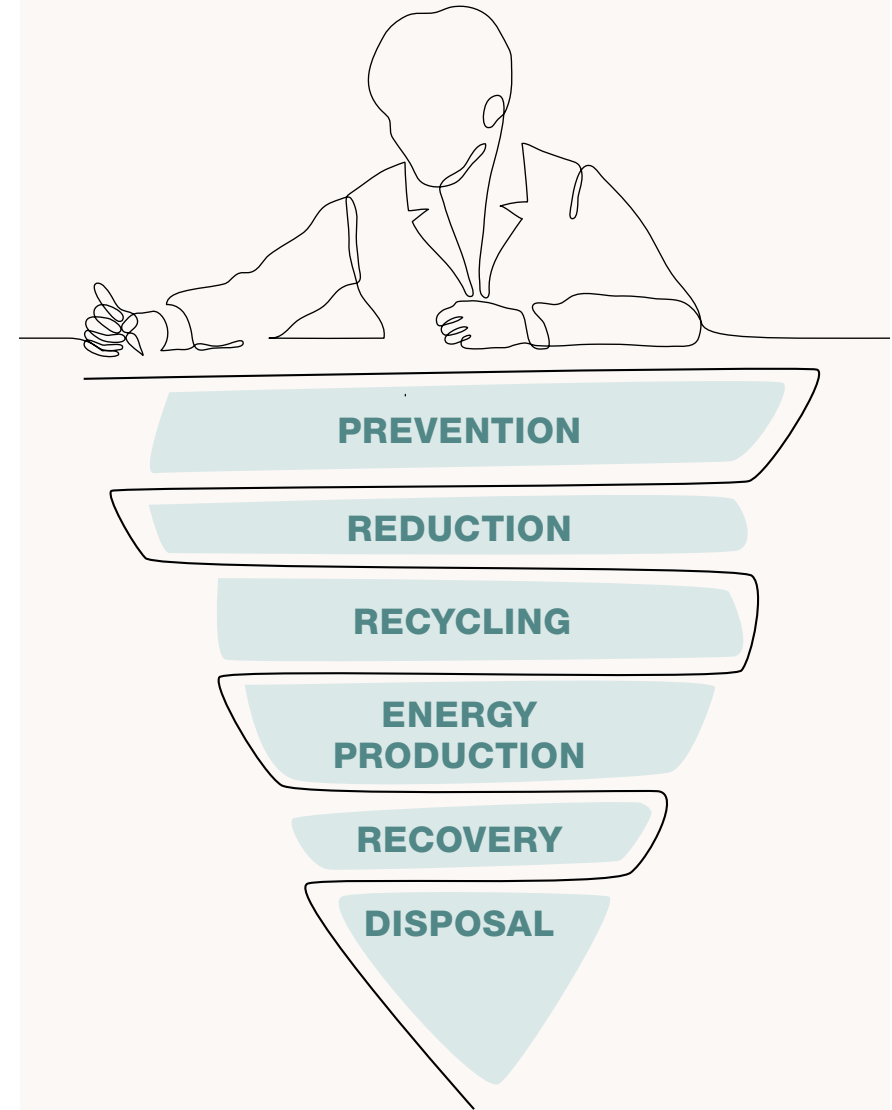
At LR, acting sustainably also means dealing responsibly with all kinds of waste. To keep the potential ecological impact of our business as marginal as possible, LR is taking an approach that reduces the amount of waste on the one hand and promotes the circular economy on the other. In the process, 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, so-called reaction and distillation residues and solvents. The weight of hazardous waste generated during 2024 can be quantified at 14.9 tons. Where possible, this waste will be recycled or properly disposed of.

In compliance with local regulations, wastewater from beauty production is discharged into a separate wastewater tank (no discharge via the municipal wastewater system). The contents of the waste water tank are then fed into a biogas plant and used to generate green electricity. The same applies to food supplements produced by LR that are no longer sold, for example due to an approaching use-by 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
Electric waste	<ul style="list-style-type: none"><li>Collection in box pallet</li></ul>	<ul style="list-style-type: none"><li>Pickup</li><li>Recycling</li></ul>
Batteries	<ul style="list-style-type: none"><li>Collection in boxes or drums intended for the specific purpose</li></ul>	<ul style="list-style-type: none"><li>Pickup</li><li>Disposal via the battery return system</li></ul>
Glass	<ul style="list-style-type: none"><li>Collection in containers</li></ul>	<ul style="list-style-type: none"><li>Pickup</li><li>Recycling</li></ul>
Cardboard	<ul style="list-style-type: none"><li>Collection in separate containers or garbage cans in the administration area</li><li>Compaction using a paper press</li></ul>	<ul style="list-style-type: none"><li>Collection &amp; inspection of trash cans in the administration area (waste separation)</li><li>Pickup</li><li>Recycling</li></ul>
Paper (confidential data)	<ul style="list-style-type: none"><li>Collection in bins intended for the specific purpose</li></ul>	<ul style="list-style-type: none"><li>Pickup</li><li>Shredding</li><li>Recycling</li></ul>
Residual waste / municipal waste	<ul style="list-style-type: none"><li>Collection in separate containers or garbage cans in the administration area</li><li>Compaction using a press</li></ul>	<ul style="list-style-type: none"><li>Collection &amp; inspection of trash cans in the administration area (waste separation)</li><li>Pickup</li><li>Disposal via incineration plant</li></ul>
Films	<ul style="list-style-type: none"><li>Collection in bins intended for the specific purpose</li><li>Compaction using a foil press</li></ul>	<ul style="list-style-type: none"><li>Pickup</li><li>Recycling</li></ul>
Plastic/tinplate/aluminum	<ul style="list-style-type: none"><li>Collection in common areas (kitchens, staff rooms, etc.)</li></ul>	<ul style="list-style-type: none"><li>Collection &amp; inspection of waste (waste separation)</li><li>Pickup</li><li>Recycling</li></ul>
Other plastics (drums/canisters)	<ul style="list-style-type: none"><li>Uncontaminated with residues/no hazard labels: Collection in special containers</li></ul>	<ul style="list-style-type: none"><li>Pickup</li><li>Recycling</li></ul>

Looking at the total volume of waste in 2024, the figure for LR is 2,214 tons.

The majority of the waste is organic/bio waste (68 % of the total amount of waste), most of which consists of separately collected waste water from beauty production, which is delivered to a biogas plant. The remainder consists of paper (23 %) and plastic waste (3 %), most of which can be recycled, as well as a residual amount of 6 %.

### Volume of waste in 2024



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



## 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.

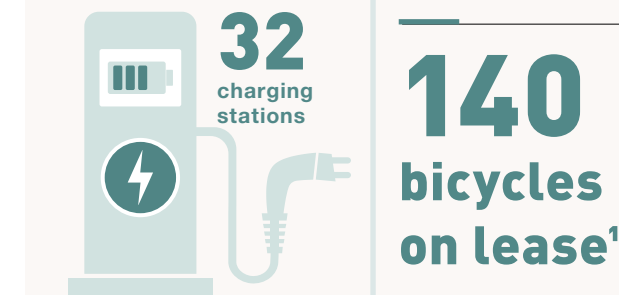
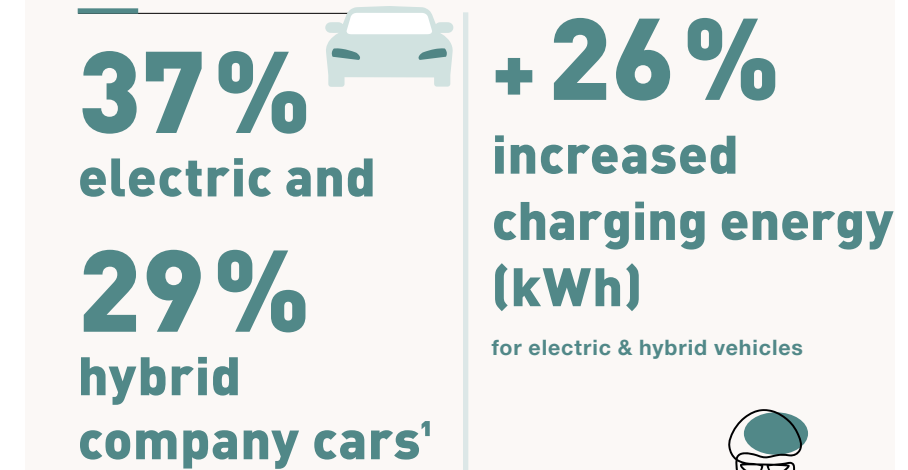
We generally endeavor to avoid unnecessary business trips and make conscious decisions in terms of sustainability. Digital meetings are often a good alternative. Most employees are able to benefit from the mobile working option and optimized video conferencing facilities in our offices at headquarters. However, travel is a fundamental part of our business, because one-to-one contact with our partners and suppliers is very important. The number of business trips increased slightly by 6 % in 2024 compared to the previous year. 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 195,242 liters in 2024, representing a reduction of over 5 % compared to the previous year.

One reason for this reduction in fossil fuel use is most probably our increased use of electric vehicles. In 2024, LR's electric car and hybrid vehicle fleet consumed 110.653 kWh supplied via LR's own charging stations. This corresponds to a significant increase of over 26 % 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 2024. 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 CO<sub>2</sub> emissions. 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, 140 bikes are currently leased to employees.

<sup>1</sup> These figures relate to our headquarters in Ahlen, Germany.

## OUR COMMITMENT TO SUSTAINABILITY: IDENTIFYING POTENTIAL, REDUCING EMISSIONS

For us, acting sustainably means systemizing the many individual sustainability activities within our company, aligning them uniformly, and ensuring they have the greatest possible impact – both ecologically and economically. Because economic and ecological efficiency go hand in hand.

In 2022, we began disclosing our sustainability commitments and reporting annually on our goals, measures, and results. We are actively and continuously working to implement cross-divisional sustainability requirements in our business processes – both at our headquarters in Ahlen and internationally in our subsidiaries. Just like our sustainable practices, our database for the CO<sub>2</sub> footprint is also subject to a development process. Here, too, we are committed to continuous improvement.

For the reporting year 2024, we were able to calculate our CO<sub>2</sub> footprint in accordance with the requirements of the Greenhouse Gas Protocol (GHG Protocol). The GHG Protocol is

an international standard to account for greenhouse gas emissions. This divides emissions into three areas – known as scopes. Scope 1 includes all direct emissions, i.e., those generated within the LR Group. Scope 2 includes indirect emissions from purchased energy, such as electricity. Scope 3 includes all other indirect emissions along the value chain, including the manufacture and transport of purchased goods and raw materials, the shipment of our own products, the disposal of waste, and emissions from business travel. In recent years, Scope 1 and 2 have already been fully covered, while individual areas have already been covered in Scope 3. This year, we were also able to complete our Scope 3 emissions, particularly in the important areas of purchased goods and logistics. This provides us with a comprehensive and robust basis for managing future activities.

A comparison of Scope 3 emissions with the previous year is not possible due to differences in the data basis. In Scope 1 and 2, which we











also recorded in previous years, we were able to achieve an overall reduction in CO<sub>2</sub> emissions through targeted measures – despite an increase in sales. In the energy sector in particular, we were able to significantly reduce our CO<sub>2</sub> emissions. On the one hand, our photovoltaic system with approx. 1,000 kWp has reduced our need for purchased energy, and on the other hand, we have gradually switched our subsidiaries to green electricity over the last two years, where possible. In addition, we were also able to reduce CO<sub>2</sub> emissions in our vehicle fleet by increasing the number of electric cars, which, although they increase electricity consumption, save gasoline and diesel. The total CO<sub>2</sub> footprint calculated for the 2024 financial year amounts to 24,608 tCO<sub>2</sub>e, of which 1,602 tCO<sub>2</sub>e are Scope 1, 284 tCO<sub>2</sub>e are Scope 2, and 22,721 tCO<sub>2</sub>e are now fully calculated Scope 3 emissions.

**10 %****less purchased  
electricity****100 %****green electricity  
at the company's site  
in Ahlen, Germany****20 %****more pure  
electric  
driving cars**





## GOALS & COMMITMENT

SDG	TOPIC	GOAL & COMMITMENT	COMMENT
<b>7</b> AFFORDABLE AND CLEAN ENERGY 	Energy from Green Electricity	In the long term, we intend for the LR Group's electricity consumption to be obtained entirely from sustainable sources.	The headquarters location in Germany relies entirely on green electricity in addition to the electricity produced by its own photovoltaic system. The same long-term goal is being pursued for the foreign subsidiaries. All subsidiaries that have their own contracts with energy suppliers and also have the option of switching to green electricity in their country have switched to green electricity. The remaining subsidiaries are continuously reviewing possibilities.
<b>7</b> AFFORDABLE AND CLEAN ENERGY 	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.	A photovoltaic system was installed and connected on the roofs of the Aloe Vera production facility, the service center and the two logistics halls at the Porschestraße site in Ahlen in 2023. In 2024, the system with around 2,500 modules and a nominal output of around 1,000 kWp was able to produce for a full year for the first time. This means that LR is already making a significant contribution to the use of renewable energies. The construction of a further photovoltaic system is also in the planning phase.
<b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION 	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 140 bikes have been leased during 2024. 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.
<b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION 	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 & COMMITMENT

SDG	TOPIC	GOAL & COMMITMENT	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 2024, the share of organic and therefore compostable waste and recyclable waste (paper and plastic) was over 94%.
	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 <sub>2</sub> 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 – 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.



GOALS & COMMITMENT

SDG	TOPIC	GOAL & COMMITMENT	COMMENT
	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 86 %. In the area of catalogs and magazines, some 88 % of the material used is already recycled or certified, and in the area of other paper consumption the figure is around 59 %. This brings the total share of FSC-certified and recycled material to 86 %.



# 02

## ACTING IN A SOCIAALLY 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. At LR, we care about the well-being of every individual.





## 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 head-quarters 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 2024, the LR Group took sustainable responsibility for a total of 1.204 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. Our FTEs (full-time equivalents) totaled 1,084 in 2024, of which 57% were female and 43% male – in 2023 we had 1,222 employees.

# 1.204

## Employees

in 34 companies  
(as of December 31, 2024)



# 59%

female



# 41%

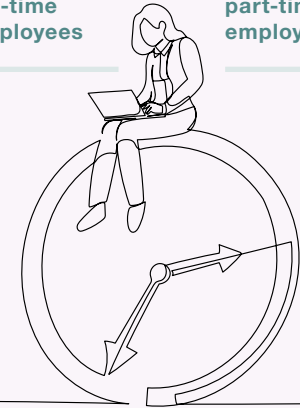
male

# 85%

full-time employees

# 15%

part-time employees



### Age groups

# 17%

< 30 years

# 29%

30–39 years

# 26%

40–49 years

# 19%

50–59 years

# 9%

> 59 years

### Average age

# 42 yrs



### PROFESSIONAL POSITIONS AND DEPARTMENTS

At year-end 2024, a total of 252 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 237 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 45 %, 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 48 %, 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. The number of employees in administration (22 %) and sales (22 %) is balanced. At the end of 2024, the smallest employee share was attributable to Marketing, at 8 %. 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 73 % 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. Over 40 different nationalities are represented at multiple



“International, customer-oriented, adaptable:

At LR, we place great value to consider our customer’s and distributor’s needs in the best possible way – including in the area of finance. Developing country-specific payment solutions for different markets requires flexibility and a solution-oriented approach.

Tom Steggewentz,  
Project Manager Finance

252

employees held a position with management responsibility, of which

45 %  
are female.



# #WEAREMORE



sites in Ahlen, Germany, and in a total of 32 countries around the world. On average, our employees have worked at LR for over 9 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. In 2022 LR launched an employer branding campaign under the hashtag #WEAREMORE, to establish LR as an employer brand, boost its reputation and build a better perception of LR as 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.





“ **Digitalization is the key to the future of our warehouse logistics.**

**With projects such as Logistics 4.0, we are constantly setting new milestones at LR. Seeing how digital solutions are transforming processes motivates me to play an active role and drive forward sustainable logistics solutions at LR.**

Tobias Brüser, Logistics Coordinator



### 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 employee 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. Last year, for the first time, we also offered employees the opportunity to choose additional vacation days instead of a salary increase. This form of flexibility is an additional plus, both for our employees and in the application process (employer branding).



### “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 Hovestadt,  
Corporate Communication Manager





### 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, LR offers comprehensive medical check-ups at regular intervals as well as flu vaccinations, which are 100 % financed by LR. 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.



### 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 140 bikes are currently being leased to employees. 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.



### 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.



### Even more attractive extras

Our in-house canteen offers discounted meals and ensures the physical well-being of our employees. In addition, water, a wide range of hot drinks (coffee, cocoa, etc.), fruit and ice cream as well as 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 like to use LR products privately, receive an exclusive employee discount. On top of this, a merchandise voucher is issued annually.



“ **Right from the start at LR, I was inspired**

**to discover new things and gain valuable experience in order to enlarge my perspective. LR gives me the space to recognize new potential and continuously provides innovative impulses that promote my personal and professional development.**

Henning Thiesing,  
Quality Assurance Manager





## “ Together, innovative, AI-driven:

By introducing new processes and tools, using AI such as our LR-Vera chatbot and cross-divisional optimization in some service centers, we aim to increase distributor satisfaction and efficiency. At the same time, we are improving the work processes of our colleagues and making their everyday lives easier with intelligent support.

Jill Seidl,  
Program Manager CSC

## 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 2024, a total of 23 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.

Furthermore, the company offers young people the opportunity of completing a program of dual study at LR. Overall, nine students took up this opportunity at LR in 2024. 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 hall meetings”, also arranges CEO break-fast meetings for direct exchanges with the workforce. Digital coffee breaks allow employees



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

Maurice Ohl,  
Senior Video & Sound Producer

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 02. Social/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 02. Social/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. It is 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 increased by 7.3 % compared to the previous year, from 145,000 hours to 156,000 hours. The regular training courses for employees and the workplace inspections have continued to prove their worth: The number of work-related accidents fell to an even lower level of 7 compared to the previous year (21).

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 distributors 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 distributors run their businesses online and are therefore not tied to office hours or specific locations. An LR distribution 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 distribution 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.

### 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 distributors. Many of our distributors are so 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. Launched in October 2024, the LR BUSINESS TRACK with a guaranteed monthly bonus for advanced career levels enables our distributors to earn a secure and fast income without any risk.



#### SO WHAT DO WE GET IN RETURN?

We are, of course, delighted that we can offer our distributors an opportunity to enjoy a better quality of life. But we also benefit from it at the same time: Because our distributors are our most important communicators. They are in close contact with customers – both theirs and ours – offering explanations and advice. Distributors provide us with the most important feedback and are a significant factor in social commerce. 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 distributors 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.

“What we do today determines what the world will look like tomorrow.”

**Marie von Ebner-Eschenbach,**  
Austrian writer,  
(1830 – 1916)

“The long-standing distributors with large teams are characterized in particular by their loyalty and faithfulness. With their enormous wealth of experience and contact with their own community, they help us to meet the needs of our customers. We trust them very much,” emphasizes Nenad Kolar, Director Sales Germany. “They are like a bond for our company that holds everything together.”





## THE LR GLOBAL KIDS FUND E.V. ENGAGED IN A TOTAL OF 19 COUNTRIES.

For over 15 years, as one of the largest manufacturing companies in Ahlen, we have taken our social responsibility very seriously. With our commitment to the LR Global Kids Fund e.V., we support disadvantaged children and young people. Our support projects range from nutritional and educational services to psychological counseling and art therapy. In total, the association supported 45 projects in 2024.

### LR GLOBAL KIDS FUND E.V.: 2009 – 2024: A success story

Fifteen years ago, dedicated employees and the management of LR Health & Beauty founded the LR Global Kids Fund e.V. association (LRGKF) with the clear objective of helping socially disadvantaged children and offering them a better chance at a life governed by self determination.

The association's work, especially its support for global cooperation projects, is more important than ever, as children's futures remain threatened by rising violence, poverty, and displacement.

### Community involvement as the key to success

The association's success is based on the collective commitment of the LR Group, its employees, its distributors, and its customers. In 2024, the association supported 20 projects (one in Germany and 19 international projects) and donated an additional € 25,000 to a total of 25 "Local Heroes" – Projects worth € 1,000 each, which were proposed by distributors and employees, 21 of them in Germany and four in other European countries.



**“ We are proud of what we have been able to achieve over the past 15 years thanks to our many supporters.**

**The need for donations to support children's aid projects is still great, and funds will continue to be needed in the future. It is therefore important for us to continue our social commitment in the future.**

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





## OUR COMMITMENT IN 2024 BASED ON SELECTED PROJECTS

### BELGIUM: Building strength for an independent future

The youth program at SOS Children's Village Chantevent supports young people between the ages of 14 and 18 on their path to independence, as they are unable to grow up in their biological families.

In supervised residential groups, they are supported by an educational team in leading an increasingly independent life. Individual coaching, targeted life planning and, if necessary, psychological support help them to overcome challenge and develop future prospects. Many of the young people have already had traumatic experiences at a young age. This makes joint activities such as school, sports and local events all the more important, as they strengthen their social skills and give them a foothold in society.

The goal: to enable young people to lead self-determined lives. At the age of 18, they leave the SOS Children's Village and face a new chapter in their lives.

### BULGARIA: A home filled with love: Hope and joy at the Children's House

The organization “For Our Children” offers children aged 0 to 7 a loving and safe home at the “Children's House” in Bulgaria. Many of the young residents had to be taken away from their biological families due to neglect or violence. At the facility, up to eight children are cared for around the clock by a dedicated team of nine childcare workers and two social workers.

The children taken in are often neglected, show developmental deficits, exhibit behavioral problems, and have already experienced traumatic events in their short lives. Individual therapy programs promote their development and accompany them on their path to emotional healing. They are supported by additional professionals such as psychologists, speech therapists, special education teachers, and early childhood development specialists.

The primary goal of “For Our Children” is to enable children to live happy lives, to carefully return them to the care of their biological families, or to place them in loving adoptive families.

### NETHERLANDS: CliniClowns – Building bridges with joy and ease

The CliniClowns are specially trained artists who use their performances to give children and young people moments of carefree fun. For over 30 years, they have been visiting young patients in Dutch hospitals to bring them comfort and distraction through humor and warmth. Over the years, their commitment has expanded: Today, they also visit care facilities for children with physical or mental disabilities, as well as shelters for children in difficult life situations.

Especially for children in refugee shelters, the CliniClowns are often the first visitors who do not come from an authority or the police. No questions, no expectations – just there to make them laugh. Many of these children have experienced terrible things during their flight, and some seem as if they have grown up far too quickly. They come from places such as Gaza, Syria, Somalia, or Afghanistan, and now they are in a foreign country and do not understand the language.

The CliniClowns create a space where children can be children again—a moment of carefreeness that is good not only for the young refugees, but also for their parents and caregivers. With kindness, cheerfulness, and positivity, the artists show the children that they are welcome.



## GOALS & COMMITMENT

SDG	TOPIC	GOAL & COMMITMENT	COMMENT
	Health Products	Naturally, as a company operating in the health industry, the health of our customers, our distributors and our employees is close to our hearts.	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.
	Employee Health Management	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.	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 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.
	Women in Management Positions	Equal opportunities when filling management positions is an important concern for LR.	Among the 252 employees with management responsibility, 113 are women, which corresponds to a share of 45%.



GOALS & COMMITMENT

SDG	TOPIC	GOAL & COMMITMENT	COMMENT
	Health and Safety in the Workplace	With high safety standards and a comprehensive range of safety training courses, we intend to keep the number of accidents in the workplace at a low level.	There were only 21 occupational accidents in 2023 and 7 in 2024 (with no fatal accidents). As a result, 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.
	A Business Model for All	We respect equal rights and equal treatment of all people and actively apply this within our large LR family.	Our business model and career 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.





# 03

## ACTING IN AN ECONOMICALLY SUSTAINABLE WAY

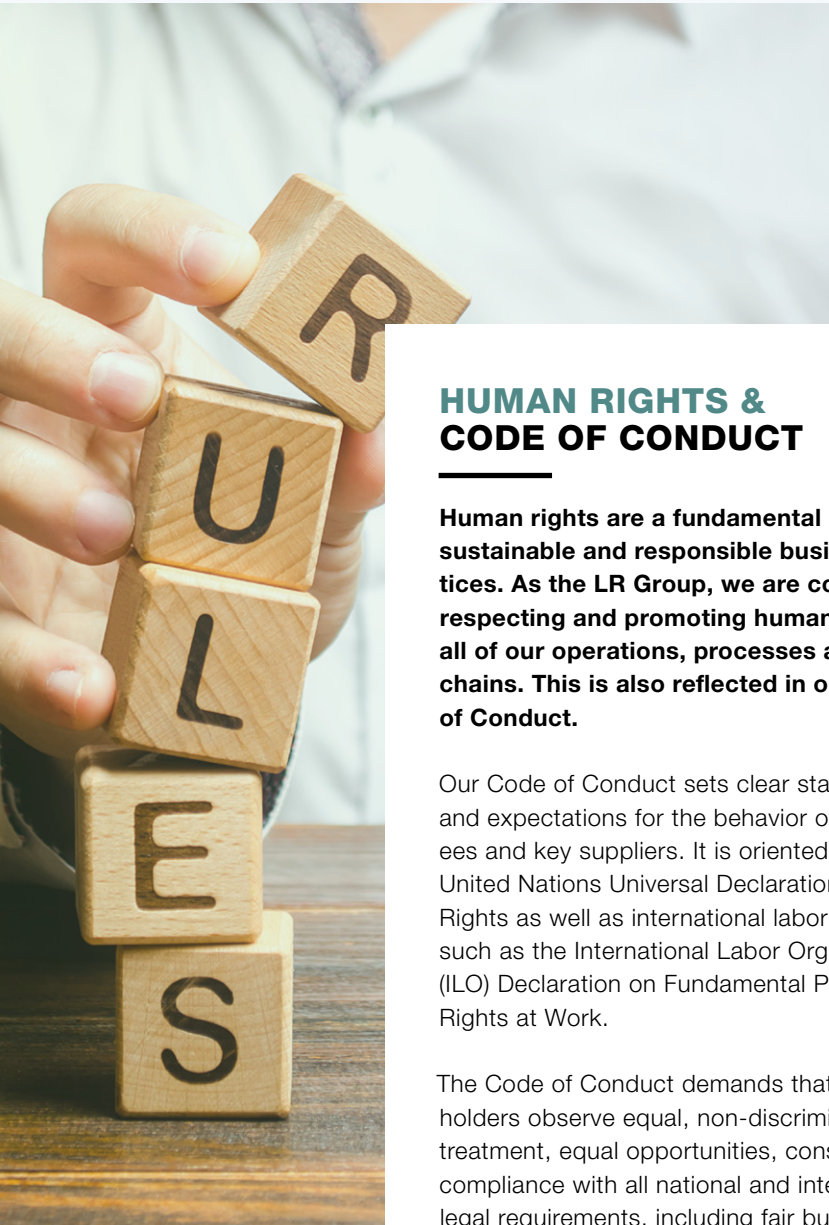
For us, acting in an economically sustainable way means finding an economic approach that is based on fair dealings with all parties involved. In addition, we are looking to be economically sustainable in the long term to ensure a bright future.

Rollen  
und  
Verantwortlichkeiten

KEY STAKEHOLDERS

Process Owner

Businessprozesse



## HUMAN RIGHTS & CODE OF CONDUCT

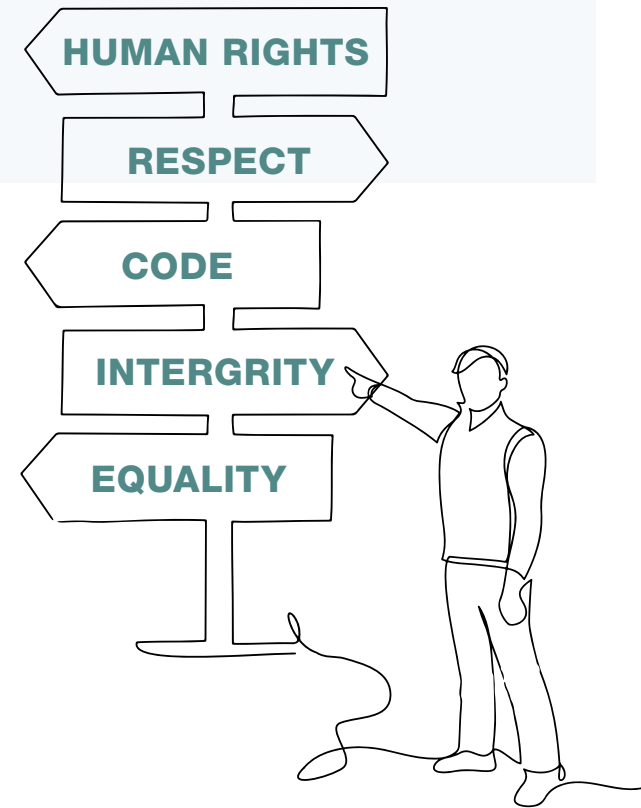
**Human rights are a fundamental aspect of sustainable and responsible business practices. As the LR Group, we are committed to respecting and promoting human rights in all of our operations, processes and supply chains. This is also reflected in our Code of Conduct.**

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.



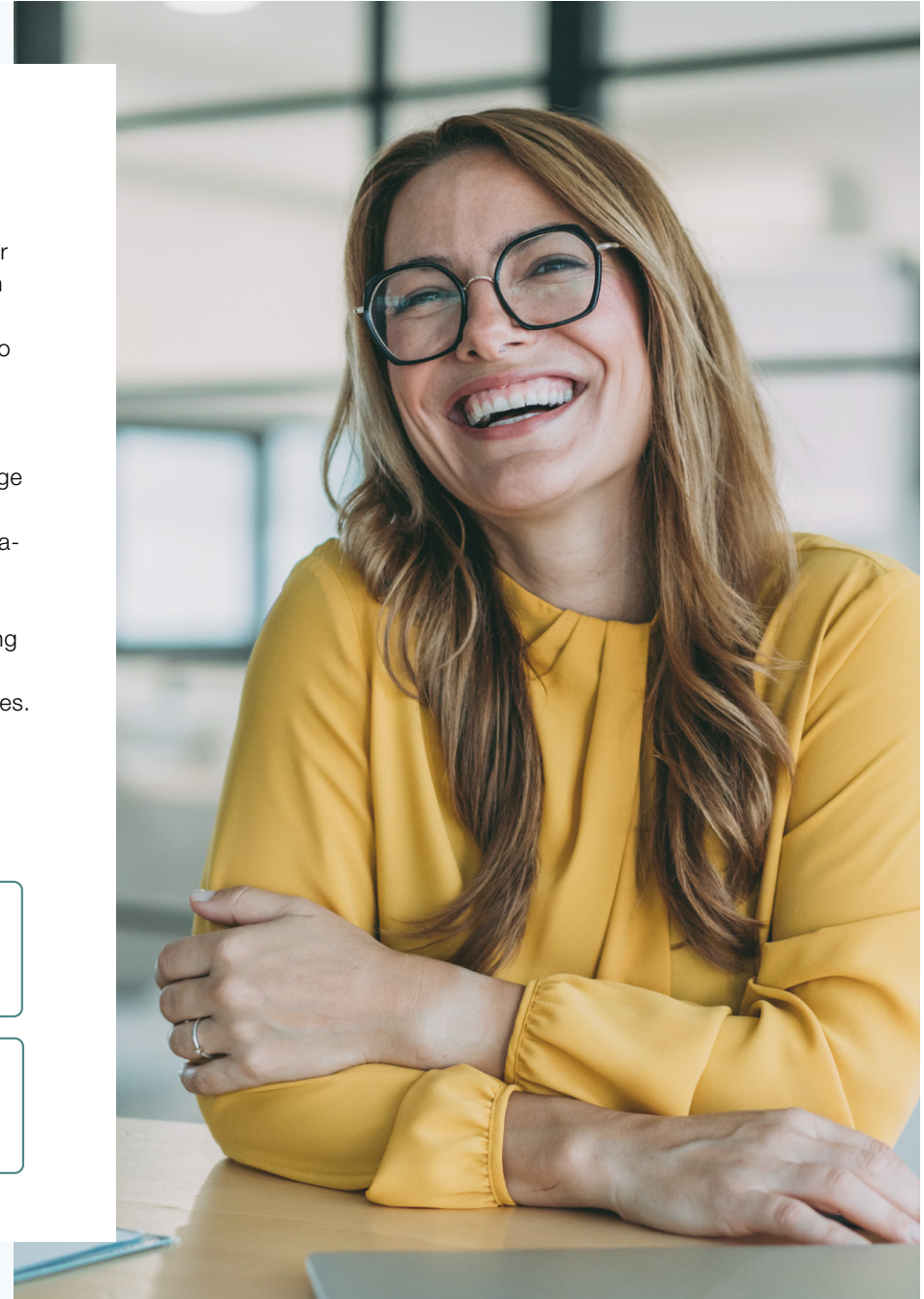
**Works Council of  
LR Global Holding GmbH**



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



**Works Council of  
LR Deutschland GmbH**





## COMPLIANCE

### COMPREHENSIVE SET OF RULES

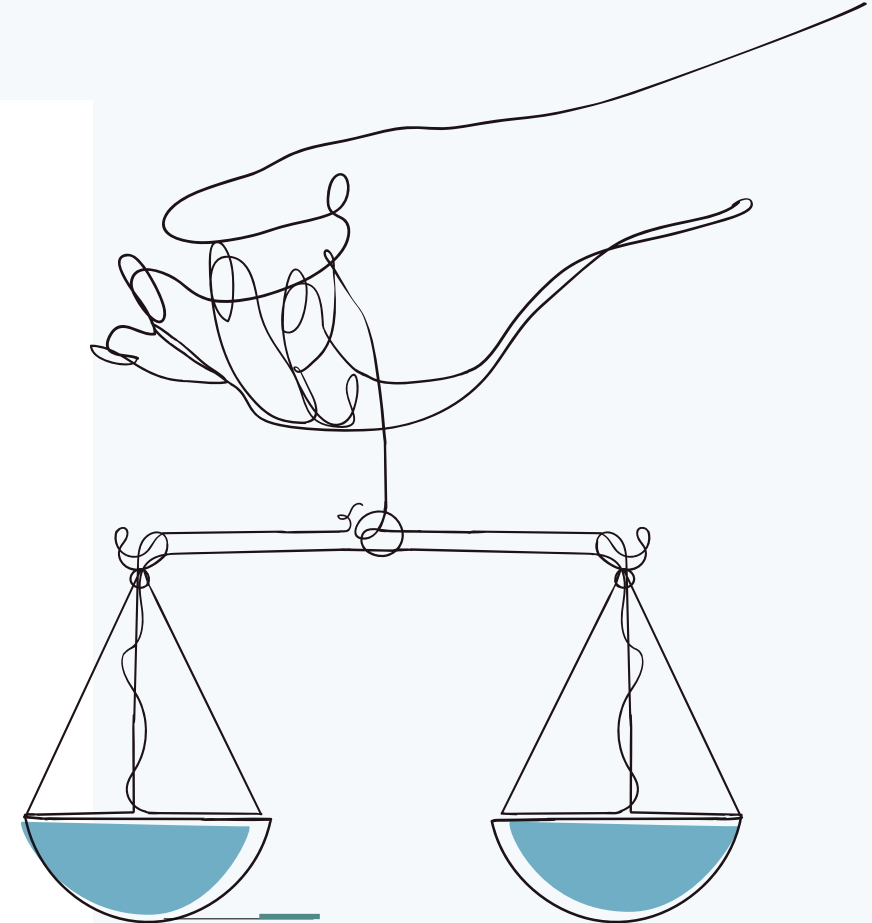
**Our company is committed to conducting its business with the highest level of integrity and in compliance with all relevant laws, regulations and standards. To guarantee this, we have established a comprehensive Compliance Policy.**

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 distributors 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, two and four reports respectively have been received, responded to and dealt with within the deadlines set by the EU Whistleblower Directive.



## Compliance Policy

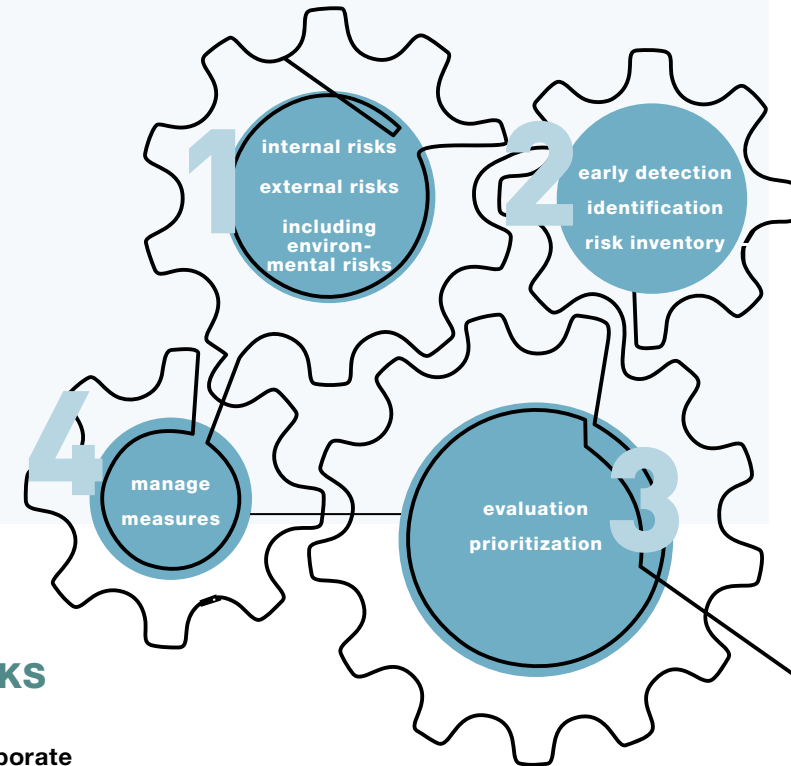
**Helps the company to operate the business with the highest level of integrity and in compliance with all relevant laws, regulations and standards.**



## 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 risks<sup>1</sup>.**

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 CO<sub>2</sub> 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.

<sup>1</sup>A detailed description of the key risks can be found in the Management Report in the LR Group Annual Report 2024. This can be found at [ir.lrworl.com](https://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.**

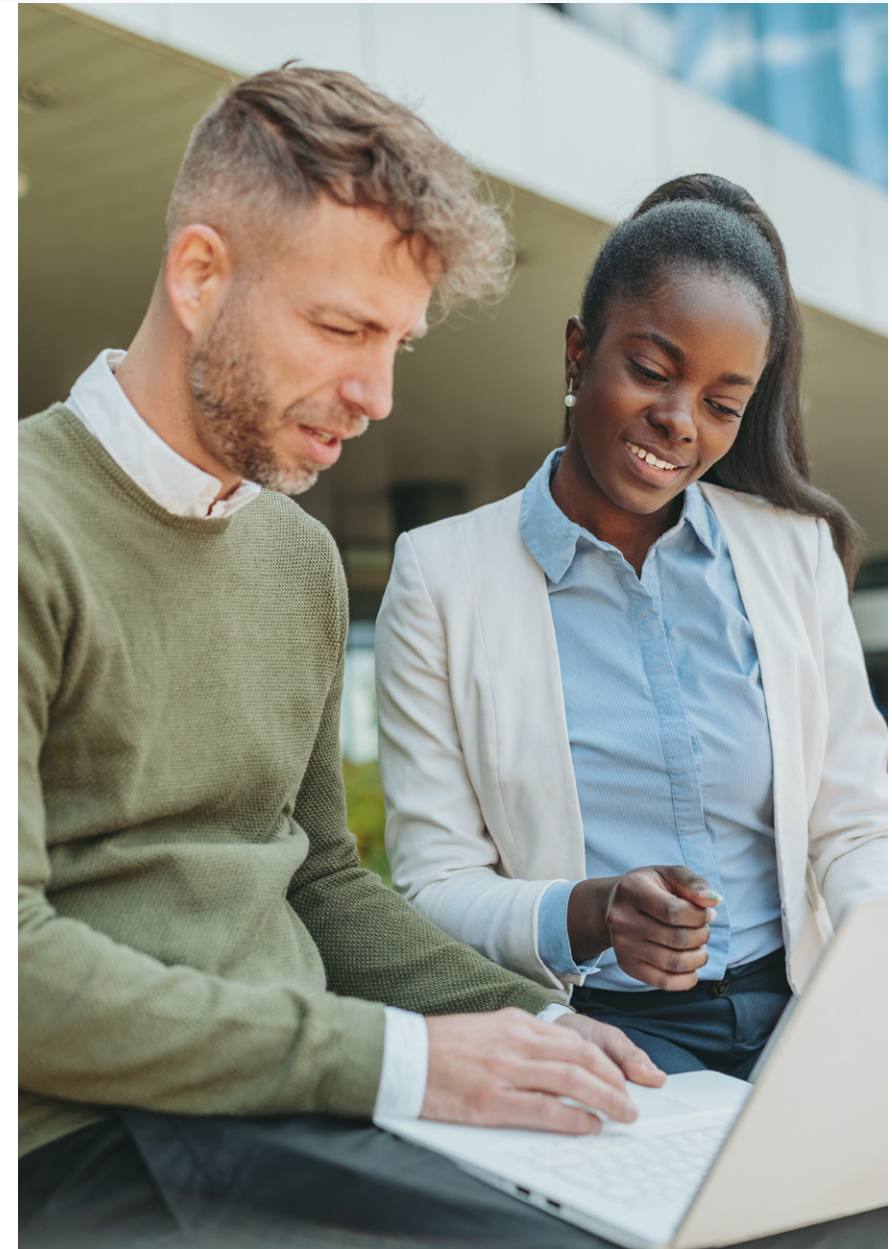
In this respect, we are continuing to develop our comprehensive Sustainability Strategy to guide our efforts and activities in an even more targeted manner. Previously, the issue of sustainability was anchored in the various departments of our company. This means that sustainability had already been taken into consideration in all decisions, developments and innovations. The many advances and individual measures implemented by LR were monitored through an annual internal Sustainability Reporting. In addition, we began creating and publishing comprehensive sustainability reports a few years ago in order to present our activities transparently.

In order to further improve and better coordinate our commitment to sustainability, we have expanded the organizational structure in the area of sustainability. A sustainability officer has been appointed, who works with his team to steer our sustainability activities in the desired direction in an even more targeted manner and to identify and focus on individual topics of particular importance.

The sustainability team is also responsible for implementing the requirements of the European Union in the area of sustainability. A particular focus here is on the requirements of the Corporate Sustainability Reporting Directive, which is intended to enable even more transparent and comparable sustainability reporting throughout the EU in future.

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 & COMMITMENT

SDG	TOPIC	GOAL & COMMITMENT	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 previous years and in the past financial year, 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 two tip-offs in 2023 and four in 2024, 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 all employees in 32 countries and more than 40 different nationalities, for example via the social intranet, various cross-national meetings or onboarding and exchange programs. This is a major factor in preventing prejudice and discrimination.



# 04

## ESG IN NUMBERS





## KPI'S ENVIRONMENTAL

	Unit	2023	2024
<b>WATER</b>			
<b>TOTAL WATER WITHDRAWN</b>	in m³	<b>20.736</b>	<b>24.080</b>
thereof total water consumed in production process	in m³	4.724	4.531
thereof total water discharged	in m³	16.011	19.549
<b>PAPER</b>			
<b>TOTAL PAPER USAGE</b>	in kg	<b>1.564.947</b>	<b>1.365.745</b>
<b>Paper product packaging</b>	in kg	<b>1.006.872</b>	<b>836.824</b>
thereof from certified sources (FSC™ / PEFC)	in kg	850.553	678.776
thereof from recycled materials	in kg	39.204	41.538
thereof from non-certified sources	in kg	117.114	116.510
<b>Catalogue and magazine paper</b>	in kg	<b>524.259</b>	<b>496.909</b>
thereof from certified sources (FSC™ / PEFC)	in kg	494.152	412.563
thereof from recycled materials	in kg	18.245	25.000
thereof from non-certified sources	in kg	11.862	59.346
<b>Other paper, e.g. copy paper</b>	in kg	<b>33.817</b>	<b>32.012</b>
thereof from certified sources (FSC™ / PEFC)	in kg	13.879	11.312
thereof from recycled materials	in kg	6.791	7.444
thereof from non-certified sources	in kg	13.147	13.257





## KPI'S ENVIRONMENTAL

	Unit	2023	2024
<b>ENERGY</b>			
<b>TOTAL CONSUMPTION OF ELECTRICITY</b>	<b>in kWh</b>	<b>3.590.554</b>	<b>3.268.201</b>
<b>Consumption of general electricity w/o charging electric cars</b>	<b>in kWh</b>	<b>3.502.796</b>	<b>3.157.548</b>
thereof from renewable sources	in kWh	2.696.764	2.404.085
thereof from non-renewable sources	in kWh	806.033	753.463
<b>Charged electricity of LR owned vehicles</b>	<b>in kWh</b>	<b>87.758</b>	<b>110.653</b>
thereof at LR owned charging stations	<b>in kWh</b>	68.699	72.950
thereof at public charging stations	in kWh	19.059	37.703
<b>TOTAL ENERGY PRODUCTION FROM PHOTOVOLTAIC</b>	<b>in kWh</b>	<b>121.280</b>	<b>810.090</b>
thereof self consumed	in kWh	-	507.756
<b>TOTAL CONSUMPTION OF FUELS IN STATIONARY SOURCES (MAINLY GAS)</b>	<b>in kWh</b>	<b>4.144.717</b>	<b>4.225.526</b>
thereof heating	in kWh	3.251.243	3.416.034
thereof for production process	in kWh	893.474	809.492
<b>WASTE</b>			
<b>TOTAL WASTE PRODUCED<sup>1</sup></b>	<b>in tons</b>	<b>2.019</b>	<b>2.124</b>
thereof organic / bio waste	in tons	-	1.449
thereof paper waste	in tons	-	478
thereof plastic waste	in tons	-	70
thereof residual waste	in tons	-	127
thereof recycled	in tons	502	-
thereof composted	in tons	1.382	-
thereof incinerated or landfilled	in tons	135	-

<sup>1</sup> The categories were changed due to the changed requirements for carbon footprint calculation in 2024.

## KPI'S ENVIRONMENTAL

	Unit	2023	2024
<b>TRAVELLING</b>			
<b>E-Bikes leased by employees</b>	<b>in numbers</b>	<b>127</b>	<b>140</b>
<b>Cars in fleet</b>	<b>in numbers</b>	<b>139</b>	<b>129</b>
thereof BEV (electric cars)	in numbers	24	29
thereof PHEV (hybrid cars)	in numbers	39	30
thereof combustion cars (Diesel / Petrol)	in numbers	76	70
<b>Fuel combustion of LR owned vehicles</b>	<b>in litres</b>	<b>206.176</b>	<b>195.242</b>
thereof Petrol	in litres	141.997	131.373
thereof Diesel	in litres	64.179	63.869
<b>Employee business travel</b>	<b>in km</b>	<b>2.052.342</b>	<b>2.170.801</b>
thereof by car (not company cars)	in km	44.843	82.789
thereof by train	in km	139.239	131.785
thereof by airplane	in km	1.868.260	1.956.226
<b>Hotel nights</b>	<b>in overnight stays</b>	<b>1.562</b>	<b>4.588</b>
thereof LR employees	in overnight stays	1.562	1.807
thereof LR distributors <sup>2</sup>	in overnight stays	-	2.781
<b>Partner air travel to international conferences</b>	<b>in km</b>	<b>1.488.991</b>	<b>1.339.670</b>
<b>CARBON FOOTPRINT<sup>3</sup></b>			
<b>TOTAL CO<sub>2</sub> EMISSIONS (IN ACCORDANCE WITH THE GHG PROTOCOL)</b>	<b>in tons CO<sub>2</sub></b>	<b>-</b>	<b>24.608</b>
thereof Scope 1 (in accordance with the GHG protocol)	in tons CO <sub>2</sub>	-	1.602
thereof Scope 2 (in accordance with the GHG protocol)	in tons CO <sub>2</sub>	-	284
thereof Scope 3 (in accordance with the GHG protocol)	in tons CO <sub>2</sub>	-	22.721
<b>TOTAL CO<sub>2</sub> EMISSIONS (FORMER CALCULATION METHOD)<sup>3</sup></b>	<b>in tons CO<sub>2</sub></b>	<b>7.828</b>	<b>-</b>
thereof Scope 1 (former calculation method)	in tons CO <sub>2</sub>	667	-
thereof Scope 2 (former calculation method)	in tons CO <sub>2</sub>	1.255	-
thereof Scope 3 (former calculation method) <sup>3</sup>	in tons CO <sub>2</sub>	5.906	-

<sup>2</sup>For 2023, no data on hotel overnight stays by distributors was collected. For 2024, the data was collected.

<sup>3</sup>For 2023, the carbon footprint / Scope 3 was still calculated without taking into account the upstream and downstream supply chains. For 2024, new data could be collected for these areas.



Environmental

Social

Governance

**KPI'S SOCIAL**

	Unit	2023	2024
<b>EMPLOYEES<sup>4</sup></b>			
<b>TOTAL EMPLOYEES (HEADCOUNT)</b>	<b>in HC</b>	<b>1.222</b>	<b>1.204</b>
thereof male	in HC	499	490
thereof female	in HC	723	714
thereof diverse	in HC	0	0
<b>thereof permanent</b>	<b>in HC</b>	<b>-</b>	<b>1.100</b>
thereof male	in HC	-	449
thereof female	in HC	-	651
thereof diverse	in HC	-	0
<b>thereof temporary</b>	<b>in HC</b>	<b>-</b>	<b>104</b>
thereof male	in HC	-	40
thereof female	in HC	-	64
thereof diverse	in HC	-	0
<b>thereof full-time</b>	<b>in HC</b>	<b>1.049</b>	<b>1.026</b>
thereof male	in HC	-	462
thereof female	in HC	-	564
thereof diverse	in HC	-	0
<b>thereof part-time</b>	<b>in HC</b>	<b>173</b>	<b>178</b>
thereof male	in HC	-	27
thereof female	in HC	-	151
thereof diverse	in HC	-	0
<b>TOTAL EMPLOYEES (FTE)</b>	<b>in FTE</b>	<b>1.104,7</b>	<b>1.084,2</b>
thereof male	in FTE	477,5	464,6
thereof female	in FTE	627,2	619,6
thereof diverse	in FTE	0,0	0,0

<sup>4</sup>Figures as of reporting date December 31, 2023 and December 31, 2024.





Environmental

Social

Governance

**KPI'S SOCIAL**

	Unit	2023	2024
<b>Age group: &lt;30 years</b>	in HC	217	205
<b>Age group: 30-39 years</b>	in HC	364	345
<b>Age group: 40-49 years</b>	in HC	321	317
<b>Age group: 50-59 years</b>	in HC	213	228
<b>Age group: &gt; 59 years</b>	in HC	107	109
<b>Global average age of employees</b>	in years	41,9	42,5
<b>Job position: Managing Directors</b>	in HC	4	4
thereof male	in HC	4	4
thereof female	in HC	0	0
thereof diverse	in HC	0	0
<b>Job position: VPs</b>	in HC	9	9
thereof male	in HC	6	6
thereof female	in HC	3	3
thereof diverse	in HC	0	0
<b>Job position: Head-Ofs / Manager and other executives</b>	in HC	224	239
thereof male	in HC	122	129
thereof female	in HC	102	110
thereof diverse	in HC	0	0
<b>Departments: Administration</b>	in FTE	257,0	243,5
thereof male	in FTE	133,8	125,1
thereof female	in FTE	123,2	118,4
thereof diverse	in FTE	0,0	0,0
<b>Departments: Sales</b>	in FTE	233,8	242,0
thereof male	in FTE	60,6	65,5
thereof female	in FTE	173,2	176,6
thereof diverse	in FTE	0,0	0,0



## KPI'S SOCIAL

	Unit	2023	2024
<b>Departments: Marketing</b>	<b>in FTE</b>	<b>75,5</b>	<b>81,7</b>
thereof male	in FTE	18,8	20,8
thereof female	in FTE	56,7	60,9
thereof diverse	in FTE	0,0	0,0
<b>Departments: Operations</b>	<b>in FTE</b>	<b>538,4</b>	<b>517,0</b>
thereof male	in FTE	264,4	253,2
thereof female	in FTE	274,1	263,8
thereof diverse	in FTE	0,0	0,0
<b>Global avg. Tendure of employees</b>	<b>in years</b>	<b>8,6</b>	<b>9,1</b>
<b>Number of nationalities represented in our global workforce</b>	<b>in numbers</b>	<b>45</b>	<b>47</b>
<b>Number of apprentices</b>	<b>in HC</b>	<b>19</b>	<b>23</b>
<b>Number dual students</b>	<b>in HC</b>	<b>6</b>	<b>9</b>
<b>Number of trainees</b>	<b>in HC</b>	<b>2</b>	<b>1</b>
<b>OCCUPATIONAL HEALTH AND SAFETY</b>			
<b>Recordable work-related injuries</b>	<b>in numbers</b>	<b>21</b>	<b>7</b>
thereof Operations	in numbers	16	6
thereof Non-Operations	in numbers	5	1
<b>Illness time of employees</b>	<b>in hours</b>	<b>145.157</b>	<b>155.762</b>
thereof Operations	in hours	92.595	98.277
thereof Non-Operations	in hours	52.562	57.486
<b>Occupational injuries time</b>	<b>in hours</b>	<b>3.686</b>	<b>744</b>
thereof Operations	in hours	3.310	656
thereof Non-Operations	in hours	377	88



KPI'S SOCIAL

	Unit	2023	2024
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

AMOUNT RAISED FOR CHARITY PROJECTS (LRGKF <sup>5</sup> )	in EUR	576.193	526.822
Number of LRGKF members	in HC	1.206	1.121
Number of supported projects by LRGKF <sup>5</sup>	in numbers	21	45

<sup>5</sup> LR Global Kids Fund e.V.





KPI'S GOVERNANCE

	Unit	2023	2024
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	140	147
WORKS COUNCIL			
Number of works councils	in numbers	4	3
Members of works councils	in numbers	27	25
COMPLIANCE			
Number of employees who received the compliance training survey	in numbers	168	550
Number of whistleblower notices	in numbers	2	4

