



2022 SUSTAINABILITY REPORT

ZWILLING BEAUTY –  
FOREVER YOURS



# FOREWORD

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## Dear Reader,

Forever Yours – the title of Zwilling Beauty Group’s first Sustainability Report reflects our company’s purpose of manufacturing long-lasting, high-quality products that accentuate the personality and beauty of the user. Yet it is also an expression of our responsibility to preserve the planet for current and future generations.

Scientific findings highlight the urgent need to protect our climate and resources and work to create a fairer world. We are committed to consistently reducing the greenhouse gas emissions generated by our business operations and using resources in a sustainable manner. We want to be a responsible employer and a good neighbor to the communities in which we operate. With this in mind, our sustainability strategy is based on four action fields:

- Sustainable products and packaging
- Fair and attractive working conditions
- Eco-friendly business practices
- Responsible supply chain

In this report, we clearly set out the targets and initiatives we have defined for each of these four action fields. We show how we align our business strategy with sustainable principles and enshrine environmental and social aspects into our core business. We use key performance indicators to demonstrate the progress we have already made, where we stand today and the challenges we want to overcome in the future. In doing so, we are aware that sustainability is a continuous process.

We are determined to step up our efforts over the coming years to achieve our ultimate goal: to create a livable world for all.

THOMAS E. WENZEL

JÜRGEN BOSSE

Zwilling Beauty Group Executive Management

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## ZWILLING BEAUTY GROUP

Zwilling Beauty Group specializes in the development, manufacturing and global distribution of high-quality beauty tools for the hands, feet and face, such as tweezers, nail scissors and clippers, and eyelash curlers. The Group offers a strong international brand portfolio centered around its core ZWILLING, TWEEZERMANN and TRUYU brands and also supports distribution customers around the world with their own-brand strategies.

Since 2017, Zwilling Beauty Group has acted as an independent company headquartered in Düsseldorf. The company has a global presence, with five additional locations in Solingen, the United Kingdom and the USA as well as production sites in India and China. Apart from the USA and Germany, its most important sales markets are the United Kingdom and China. Since 2020, the business unit has becoming increasingly active in Australia, Canada, Mexico and the Netherlands.

Zwilling Beauty Group is led by a two-person management team which is supported by an Advisory Board consisting of the Management Board of Wilh. Werhahn KG as well as external managers from the consumer goods and beauty sector. The Advisory Board meets three times a year to play a consultative role on strategic issues and is responsible for adopting the annual financial statements and formally approving the actions of management.

→ Zwilling Beauty Group is a wholly-owned subsidiary of family-run Wilh. Werhahn KG and part of Werhahn's Consumer Goods division.

→ In 2022, Zwilling Beauty Group generated sales of more than 100 million euros with more than 700 employees.

→ Zwilling Beauty Group pursues its mission of accentuating the consumer's individual beauty and, as part of the Werhahn Group, embraces the values of the Group.



## SUSTAINABLE CORPORATE GOVERNANCE

Sustainability is at the heart of Zwilling Beauty Group's corporate strategy. Our aim is to offer long-lasting, high-quality products with significant benefits that accentuate the consumer's individual beauty. As an international Group, we are committed to acting in an environmentally, socially and ethically responsible way.

### Our strategy is to be climate-neutral by 2030

We have one mission: to enrich the everyday lives of consumers and contribute to a sustainable lifestyle with high-quality, long-lasting beauty tools. We take responsibility for our employees, the environment and people in the communities near our sites as well as those in our supply chain.

In 2020, we developed a Group-wide sustainability strategy to base this commitment on measurable indicators and parameters while at the same time meeting the increasing needs of our stakeholders. Our first step was to define the sustainability topics that are important for us based on industry data and relevant frameworks such as the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB).

As a second step, we submitted this catalog of issues to stakeholders such as consumers, employees and trading partners for evaluation. The impact of our business activities on various sustainability aspects (inside-out) and the effect of external drivers on Zwilling Beauty Group (outside-in) were assessed as part of the double materiality analysis. The results of this analysis were combined in a materiality matrix and confirmed by the executive management.

### Main action fields and targets

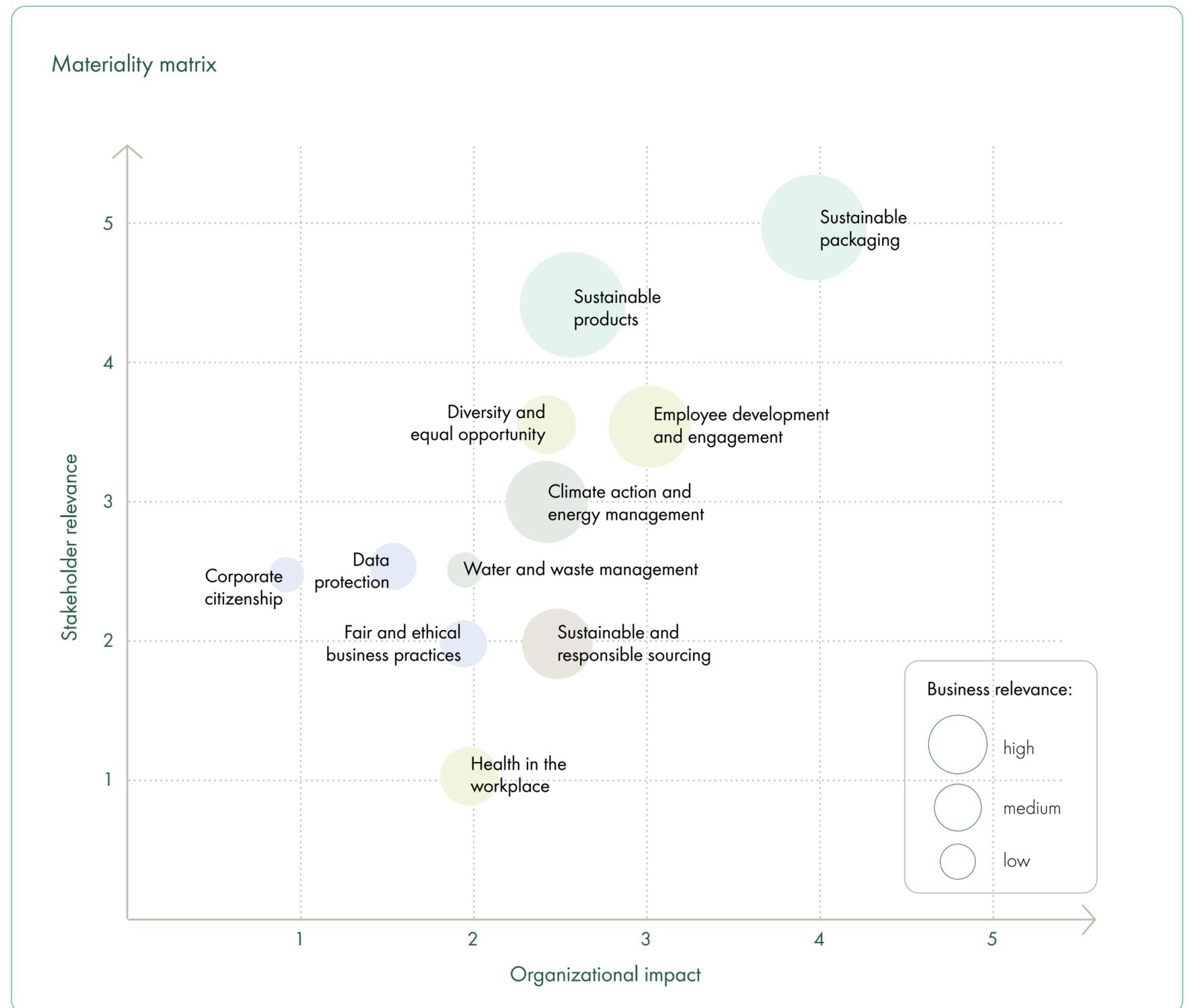
We used the materiality matrix to derive the main action fields for Zwilling Beauty Group. These form the strategic basis of our sustainability program:

- Sustainable products and packaging
- Fair and attractive working conditions
- Eco-friendly business practices
- Responsible supply chain

At present, our main priority is the action field of sustainable products and packaging. Our aim is to be climate-neutral along our entire supply chain by 2030 at the latest; we currently expect to achieve this objective by 2026. To steadily reduce our carbon footprint, we avoid unnecessary packaging and rely on recycled materials and plastic-free packaging. At the same time, we are pushing ahead with the switch from fossil fuels to renewable energy sources, and use certified climate change mitigation projects to offset unavoidable emissions.

The Zwilling Beauty Group's executive management team is ultimately responsible for implementing and developing the sustainability strategy. Specific initiatives and programs in individual action fields are implemented by specialist departments and working groups.

### Our sustainability strategy



## Corporate governance and compliance

An entrepreneurial spirit, integrity, respect, social responsibility and the pursuit of excellence as part of a corporate culture that encourages learning and tolerates mistakes – these are the values that underpin all of our corporate strategies and decisions. These values are consistent with the Code of Conduct of our parent company, Wilh. Werhahn KG. The Code of Conduct is implemented on a mandatory basis across all of Zwilling Beauty Group's business units and subsidiaries. It is available in multiple languages and is conveyed to employees around the world as part of training sessions.

### The core principles of the Werhahn Code of Conduct

→ We comply with all legislation and Werhahn Group regulations, particularly applicable occupational safety and environmental regulations.

→ We take responsibility for our actions.

→ We act in a way that is sustainable, conserve resources and protect health and the environment.

→ We behave with compassion and respect and are honest and loyal. We respect the dignity and personality of each individual and do not tolerate any form of discrimination, harassment or abuse.

→ We do not tolerate any form of corruption – we do not bribe others or allow ourselves to be bribed.

→ We compete fairly and comply with the provisions of competition law.

## Compliance system in consultation with Wilh. Werhahn KG

Zwilling Beauty Group's compliance system ensures compliance with statutory provisions as well as internal company rules and principles. Our Compliance Officer works with those responsible for compliance at our major subsidiaries to coordinate and manage the flow of information across the Group as well as the implementation of effective control mechanisms. The system is integrated into the Werhahn Group's compliance network and is managed in close cooperation with Wilh. Werhahn KG

Regular training sessions with real-world case studies help our employees to see the benefit of our compliance regulations and prevent conflicts of interest in their day-to-day work. In 2022, we were able to provide e-learning sessions on the Code of Conduct when onboarding new employees as well as a refresher course on antitrust law for relevant departments and management. Employees can report potential violations of the Code of Conduct via an external helpline and can do so anonymously if they wish.

Our Compliance Officer provides quarterly reports to our parent company on the status of compliance within Zwilling Beauty Group in relation to specific incidents and planned projects. We pursue a zero-tolerance approach and follow up on every single suspected case. No significant violations of laws, policies, codes or standards were reported in 2022.

### Data protection is a priority

Increasing digitalization means data processing has become faster, easier and more global. To ensure that we can maintain a trust-based relationship with our customers and partners and comply with applicable regulations for the processing of personal data, we adjusted our data protection organization in 2022. We expanded our expertise in this area with the help of external specialist David Oberbeck from renowned data protection firm Datenschutzkanzlei. An internal data protection coordinator acts as the interface to the company. In order to manage and process data protection-related tasks, we use the DataDesk tool, which enables us to record and process all data protection measures, procedures and incidents.

In addition to onboarding Datenschutzkanzlei and restructuring the management systems, we focused on the following tasks during the year under review:

- Rollout of new data protection training on SoSafe
- Review of existing data protection procedures
- Review of data protection-related agreements
- Implementation of reporting processes
- Review of web service/online shop systems used

No complaints or customer inquiries were processed in 2022. Among other things, the web tools we use allowed us to adjust our online marketing tools to avoid violating applicable law and prevent potential warnings. There were two requests for information by private individuals during the year under review, both of which were conclusively answered. We had no contact with regulatory authorities during the reporting period.

### Risk management: focus on financial and ESG risks

Zwilling Beauty Group GmbH has established a Group-wide risk management system based on the requirements of Wilh. Werhahn KG that addresses both financial risks and ESG (Environmental, Social, Governance) criteria. Its early warning

system enables us to identify and assess relevant risks according to their probability of occurrence and potential loss amount. At the same time, we take appropriate steps to prevent damage to the company and exploit existing opportunities. The risk management system is monitored by the Group Controlling team within Zwilling Beauty Group, who keep management and Wilh. Werhahn KG regularly informed about the status of opportunities and risks.

### Internal control system

The internal control system (ICS) enables us to identify, document and continuously monitor operational risks in the processes of local units. These checks are carried out by the process owners within the subsidiaries. They are supported in this by the ICS representative within each business unit as well as by the audit department at Wilh. Werhahn KG. The process owners and respective management are responsible for the final documentation, completeness and effectiveness of the controls. Bwise ICS software is used to draft the ICS documentation within each company. The relevant organizational units and ICS representatives within the local companies are responsible for quality assurance. Zwilling Beauty Group formally confirms the effectiveness of the system as part of the auditor's review of the annual financial statements.





## Responsibility for employees and society

At Zwilling Beauty Group, we are united by our enthusiasm and passion for beauty. We are committed to creating a working environment characterized by diversity, respect and appreciation. Our distribution and production company's sites are also part of our efforts to help create an inclusive and equitable society.



## A CULTURE OF APPRECIATION AND TOGETHERNESS

More than 700 employees in Germany, the United Kingdom, the USA, India and China contribute their ideas, expertise and dedication to drive the sustainable business development of Zwilling Beauty Group. Our aim is to create an open and motivating environment and an atmosphere of trust in which employees can realize their potential and work together to develop pioneering solutions. We offer fair remuneration, good opportunities for advancement, and social standards that go beyond minimum

legal requirements. Flexible working hours and family-friendly working arrangements enable our employees to reconcile their individual lifestyles with their working lives. This also includes the entitlement to remote working set out in Zwilling Beauty Group's works agreement. Flat hierarchies with short decision-making paths and agile working methods create scope for creativity and innovation and enable us to shape the working world of tomorrow in a constructive way.

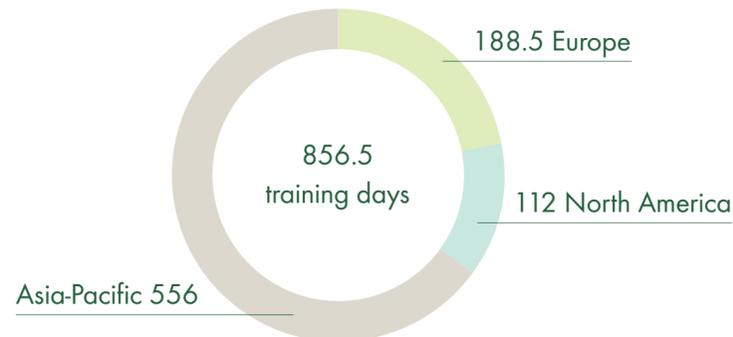
Zwilling Beauty Group employees worldwide - as at 31 December 2022

	Total	Europe	North America	Asia-Pacific
Women	412	57	78	283
Men	312	39	40	227
of which trainees	20	2	4	14
<b>Total employees</b>	<b>724</b>	<b>96</b>	<b>118</b>	<b>510</b>

### Training and education

We help our employees to meet the challenges of digitalization in a number of ways and encourage their continuing professional, personal and methodological development. Each employee is given a training allocation each year. We expand the range of key skills and qualifications within the company by offering targeted training. At several sites, including our Düsseldorf headquarters, we also make an important investment in our future by training specialists in logistics and wholesale and export management.

Training at Zwilling Beauty Group in 2022



13 Employees from different countries work together at the company's German sites

### Enriched by diversity

At Zwilling Beauty Group, we are committed to tolerance, fairness and equal opportunity. We appreciate the uniqueness of each of our employees, regardless of background, ethnic origin, gender, religion, sexual orientation or age. We promote a culture of diversity in which people can contribute different world views, experiences and perspectives, with employees from 13 different countries working together at our German sites in Düsseldorf and Solingen alone.

Equal opportunities for women and men is an important issue. Our performance-based remuneration models do not differentiate according to gender. For us, paying the same salary for equal work or work of equal value is a matter of course. We make sure that all of our employees have the same opportunities to use their talents and achieve their career goals. This is also reflected in the proportion of women in leadership positions, which is above average at almost 57 percent.



For the second time since 2020, employees named TWEEZERMAN on Long Island as one of the region's best employers in 2022. They cited good benefits, fair remuneration, the respectful corporate culture and flexible working hours as the main reasons for the company's impressive ranking on the Top Workplaces rating platform. For example, hybrid working is part and parcel of everyday working life in the administrative team, with staff working two days a week in the office and the remaining three days either at home or on the move.



## Employees by gender – in percent

	Total	Europe	North America	Asia-Pacific
Women	56.9	59.6	66.1	55.5
Men	43.1	40.4	33.9	44.5

## New hires

	2021		2022	
	Female	Male	Female	Male
Europe	6	6	8	6
North America	18	9	11	9
Asia-Pacific	28	18	10	9
Total	52	33	29	24

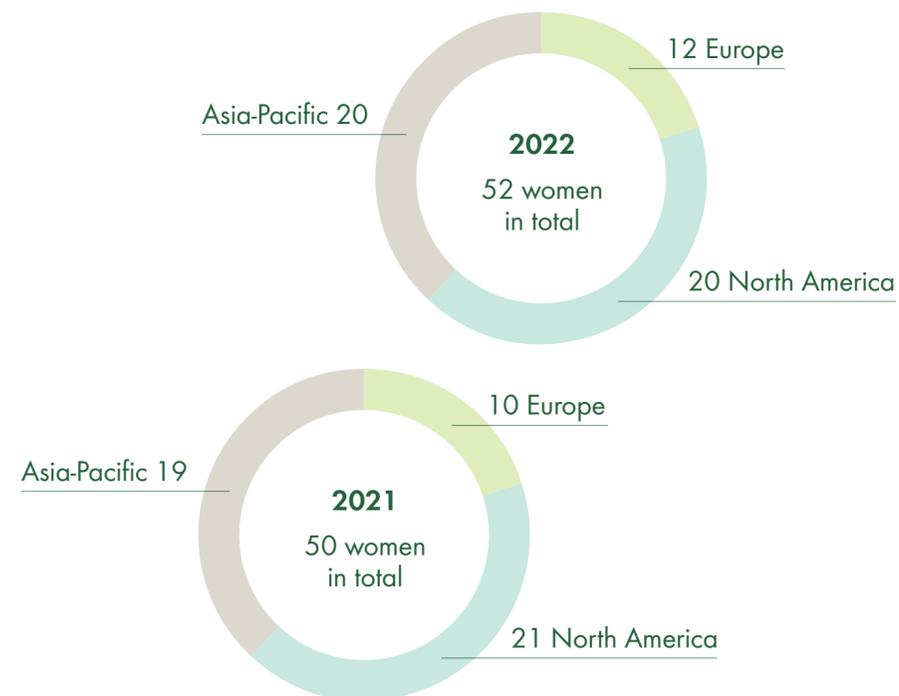
## Occupational safety key figures

	2021	2022
Number of employees covered by an occupational health and safety management system	245	253
Number of reportable accidents	2	1

## Occupational health and safety

The physical and mental wellbeing and safety of our employees is important to us. We have implemented occupational health and safety management systems at our production sites to minimize risks and ensure high safety standards. Our aim is to continually improve and expand our occupational health and safety efforts at all of our sites across the globe.

## Number of women in leadership positions



## Community engagement: making a positive contribution to society

Community engagement is common practice at Zwilling Beauty Group, which means we play an active role in the lives of those living near our sites. Each year, we donate part of the profit we generate to charitable causes to strengthen local communities and help those in need. These donations have exceeded 900,000 euros over the last ten years.

Our teams support a wide range of projects, launch social and environmental initiatives and build partnerships in the communities in which we operate. Since 2017, for example, the team at TWEEZERMAN on Long Island has participated in the annual charity run for St. Jude Children's Research Hospital, a clinic that conducts research into treatments and cures for childhood cancers. Once a year, we present the Hero's Environmental Grant Award to local organizations that support environmental initiatives. At the TWEEZERMAN site in Pondicherry, South India, we also support the ZWILLING Foundation India's sponsorship program, which provides financial assistance to children with disabilities or those in precarious living conditions until they become adults.



## Sustainable products and packaging

Our long-lasting products help people to maintain sustainable beauty routines and create less waste. Yet our ambition goes even further than this. We want our entire product portfolio to be climate-neutral by 2030 at the latest, and probably by as early as 2026.

## PRODUCTS THAT LAST A LIFETIME

The longer a product is used, the better it is for the climate and environment, as every new purchase consumes raw materials and energy and generates carbon emissions that damage the environment. Zwilling Beauty Group has always been synonymous with high-quality materials and workmanship as well as contemporary product design. Both of these aspects help to ensure durability – an important factor in sustainability. TWEEZERMAN, for example, offers a ten-year quality guarantee and a free regrinding service, which significantly extends the lifecycle of its beauty tools even further.

### Our path to a climate-neutral product portfolio

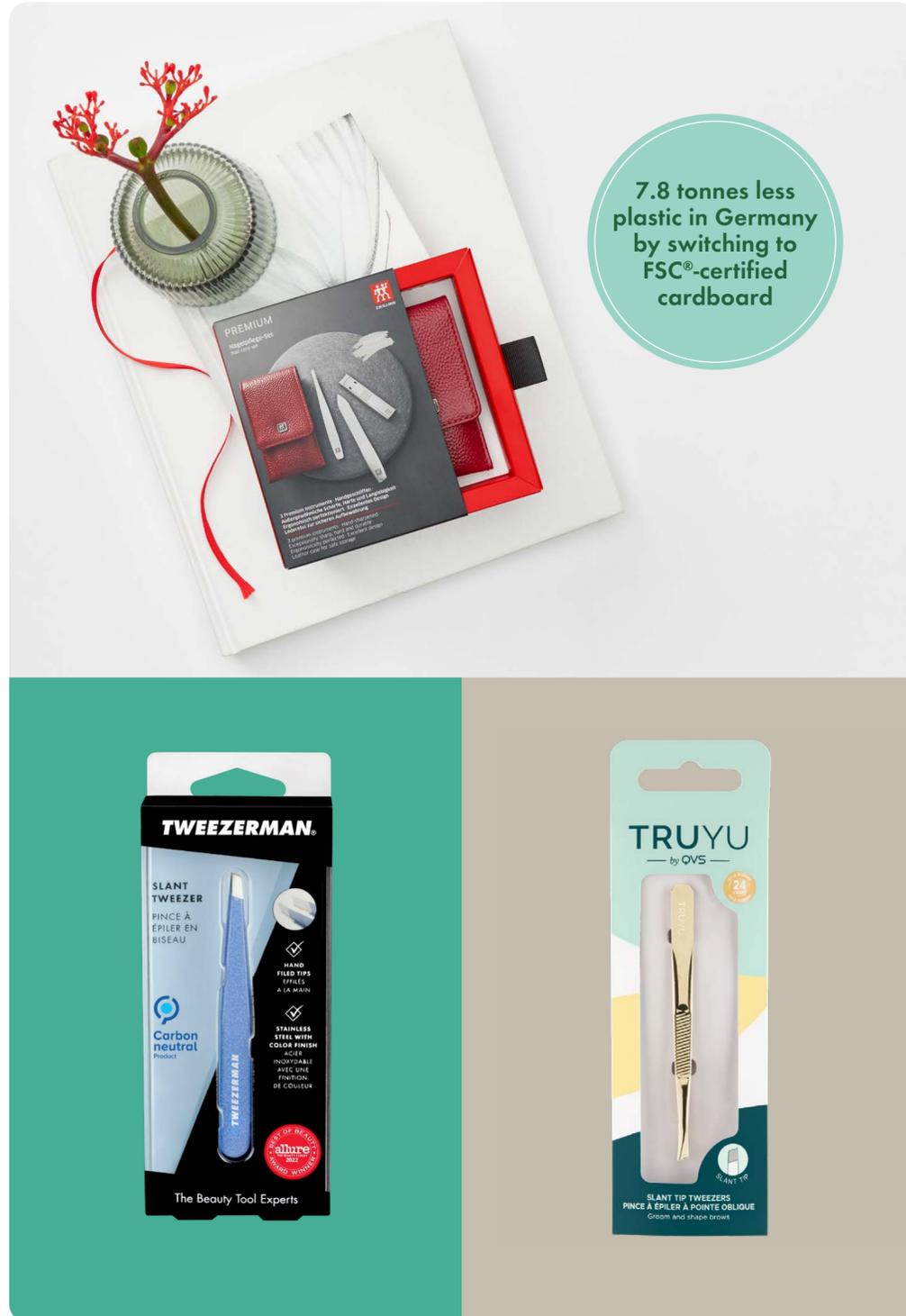
As long-lasting and high-quality as they are, our products also generate carbon emissions during their lifecycle. We are aiming to continually minimize our environmental impact and ensure that all our products are completely climate-neutral by 2030

100%

of our packaging will be plastic-free or made from recycled materials by 2024

at the latest, but in all likelihood as early as 2026. We plan to do this by using scientific analysis to calculate the carbon footprint of our products, reduce our emissions as far as possible and use certified climate change mitigation projects to offset the remaining unavoidable emissions. At the same time, we are creating transparency for consumers who want to make climate-conscious purchasing decisions.



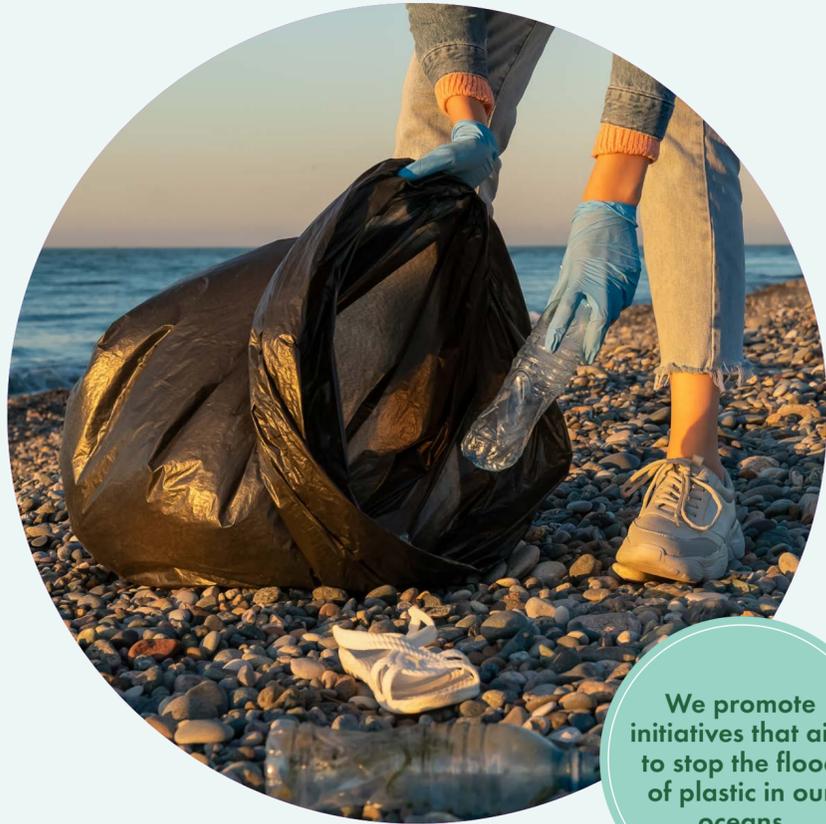


### Our packaging model: reduce, replace, recycle

We have redesigned all of our product and transport packaging over the last few months. Wherever possible, we now avoid packaging wherever possible or switch to packaging made from recycled plastic or FSC®-certified cardboard from sustainably managed forests. Our aim is to ensure that all the packaging we use is climate friendly and resource efficient by 2024.

- At **TWEEZERMAN**, we removed plastic packaging with a large carbon footprint from our range and replaced it completely with recycled plastic made from post-consumer waste (PCR) or FSC®-certified cardboard. This enabled us to significantly reduce our greenhouse gas emissions. We now save 116,000 kilograms of carbon emissions per year just by removing more than 3.2 million plastic bags from our shipping boxes.
- At **ZWILLING**, we switched the packaging design from plastic-based blister packaging to folding boxes made from FSC®-certified cardboard that can be fully recycled and used again. We have set ourselves the target of packaging 95 percent of our range without plastic in 2023. This change in packaging in Germany alone will avoid 7.8 tonnes of plastic.
- At **TRUYU**, we stopped using PVC packaging in early 2022 and have replaced it with FSC®-certified cardboard boxes.





We promote initiatives that aim to stop the flood of plastic in our oceans

By purchasing compensation certificates, we have supported causes such as environmental protection organization Plastic Bank, which aims to stop the flood of plastic in our oceans by collecting and recycling plastic waste in especially polluted coastal regions. These recycled materials are then used as raw materials for items such as packaging, thus closing the loop.

### 7.5 million climate-neutral beauty tools from India

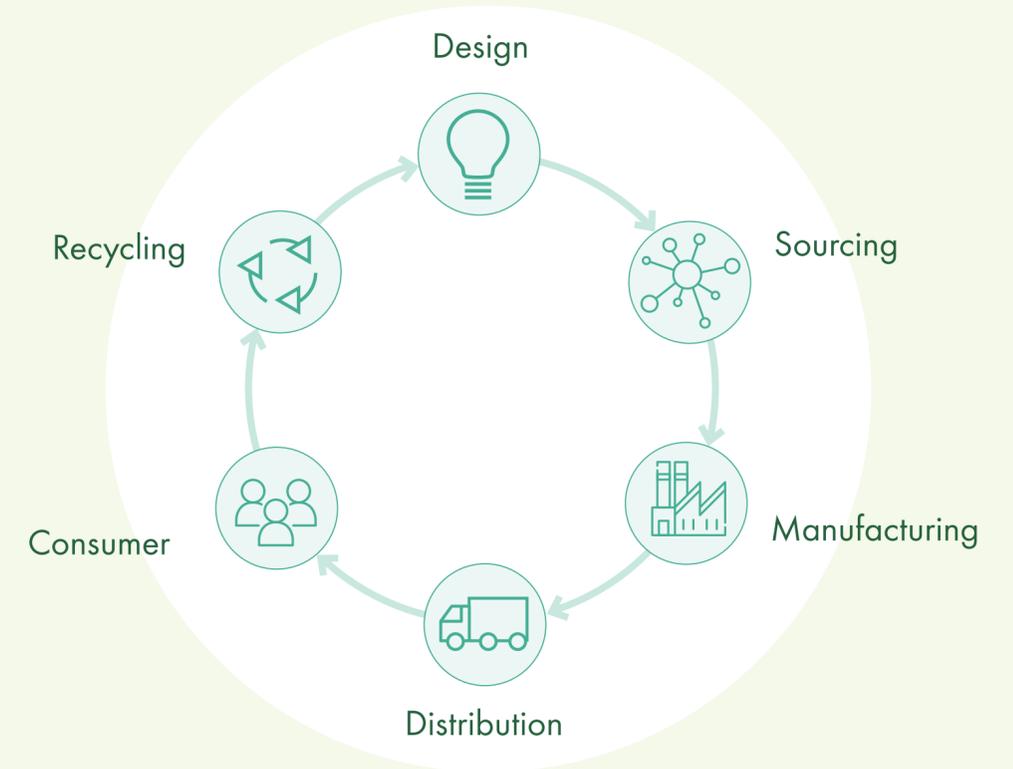
We have already significantly reduced the carbon footprint of our products with the help of our sustainable packaging model, and are determined to fully offset our remaining emissions. During the year under review, we initially focused on items created by TWEEZERMAN production in India, where around 7.5 million beauty tools are manufactured for the global market each year. We offset unavoidable emissions totaling 1,300 tonnes of CO<sub>2</sub> equivalents with two certified

climate change mitigation projects in cooperation with ClimatePartner. One of these projects supports our recycling model, while the other relates to our production site in India.

One of the first climate change mitigation projects we have committed to is a reforestation initiative in the Indian state of Karnataka, where we worked with 1,300 farming families from 155 villages to plant trees on unproductive agricultural land, protecting valuable ecosystems and thus saving around 92,000 tonnes of carbon emissions each year.

### Lifecycle assessment along the value chain

From raw materials extraction via production to usage and eventual disposal, we have used lifecycle analyses to calculate the most damaging phases of the supply chain for 80 percent of our product range. The results show that packaging is the largest driver of carbon emissions. We tackled this issue by introducing a variety of packaging initiatives for our ZWILLING, TWEEZERMAN and TRUYU brands.





## Energy efficiency and resource conservation

Thinking and acting holistically – this is the approach we take when considering the environmental impact of our entire supply chain. We have drafted a master plan based on our corporate carbon footprint to improve energy and resource efficiency at our production plants, warehouses and sales company sites and steadily reduce greenhouse gas emissions to net zero.

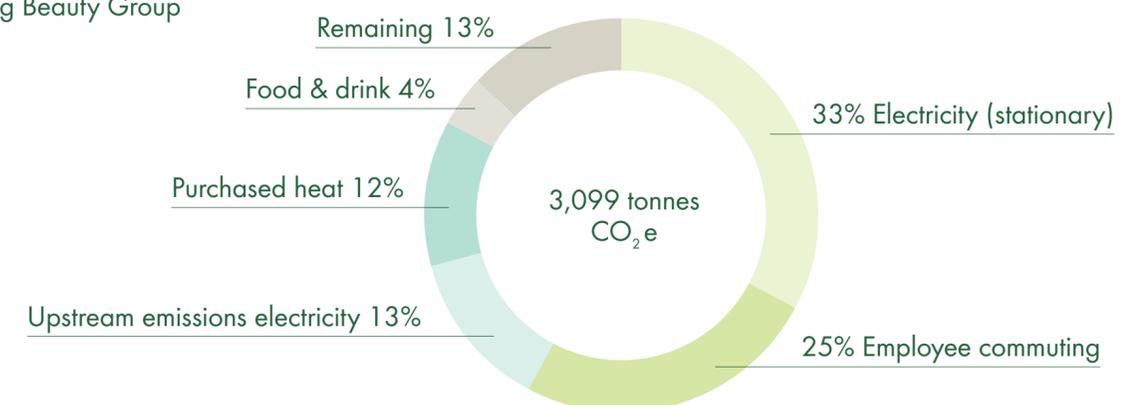
## A FOCUS ON CARBON REDUCTION

As part of our decarbonization strategy, we calculated not only our product carbon footprint but also the climate impact of all operating activities and processes along our entire supply chain in line with the Greenhouse Gas Protocol (GHG). This gives us an accurate picture of how different business processes affect our overall footprint and where there is the greatest potential for reduction measures. It also gives us a reliable foundation of data that we can use to prioritize initiatives and set reduction targets. Our ambition is to steadily reduce direct and indirect greenhouse gas emissions and bring them to net zero by 2030 at the latest, but in all likelihood by 2026.

### A footprint that meets international standards

We calculated the corporate carbon footprint of our sites in Germany, the USA, the United Kingdom, India and China for the first time in cooperation with ClimatePartner for the 2021 base year. This calculation included the emissions generated directly by our business activities (Scope 1), emissions from purchased energy (Scope 2) and indirect emissions generated within our upstream and downstream supply chain (Scope 3). It resulted in a total figure of 3,408 tonnes of CO<sub>2</sub> equivalents for Zwilling Beauty Group in 2021 – including an additional 10 percent to take into account any uncertainty in the collected data.

The carbon footprint of Zwilling Beauty Group





430,000 kWh of our own solar power is generated each year at TWEEZERMAN's headquarters in Port Washington

### CO<sub>2</sub> hotspots

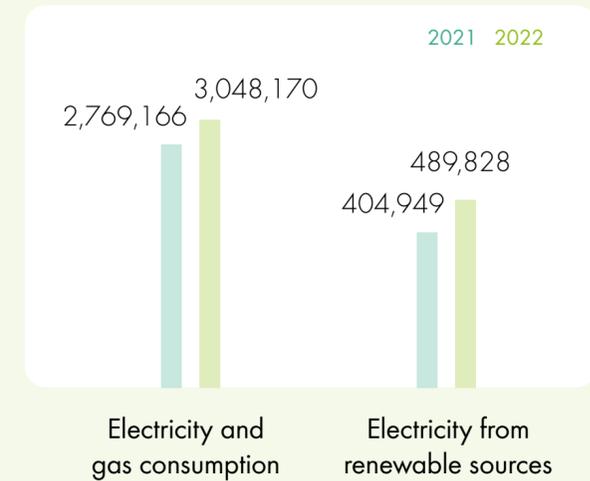
One look at the distribution of greenhouse gas emissions clearly shows where our climate-related hotspots are. The biggest source of emissions is the consumption of externally-procured electricity for our sites, which makes up 33 percent of our overall CO<sub>2</sub> output. The distance traveled by our employees when commuting to and from work comprises 25 percent of our corporate carbon footprint, while 12 percent of our carbon emissions are attributable to the purchase of heat energy.

### Making progress on the path to carbon reduction

We have already made measurable progress in our efforts to reach net zero in our business operations.

- TWEEZERMAN's headquarters at Port Washington now make it one of the most energy-efficient businesses in the US state of New York. As far back as 2015, the site switched all of the lighting in its 5,700 sqm of office and warehouse space to LED lights that use 90 percent less electricity than traditional lighting. Around 1,000 solar panels were also installed on the warehouse roof, generating roughly 430,000 kWh of electricity annually – enough to power 37 million smartphones for a year. This means that approximately 82 percent of overall electricity demand at the Group's largest site is now covered by renewable energy from our own photovoltaic systems.
- Since then, we have also made the switch to LED lighting at ZWILLING's logistics site in Solingen, saving around 11,000 kWh a year in the process. These initiatives have reduced our carbon emissions by around 4,600 kg per year. Since 2022, we have also been using certified green electricity from wind, hydroelectric and solar sources as well as biomass processing.

Electricity and gas consumption in kWh

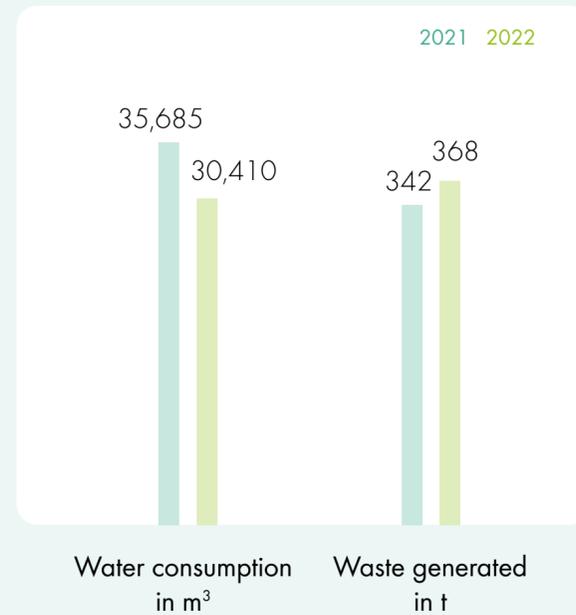


Greenhouse gas emissions in tonnes of CO<sub>2</sub>-e



\*Figure excluding Scope 3; data to be collected in 2023  
Basis of calculation: Scope 1 based on fuel, coke and natural gas consumption, Scope 2 based on electricity mix; 2021 data based on exact measurements, 2022 estimated

Resource consumption at Zwilling Beauty Group



### Our net zero agenda

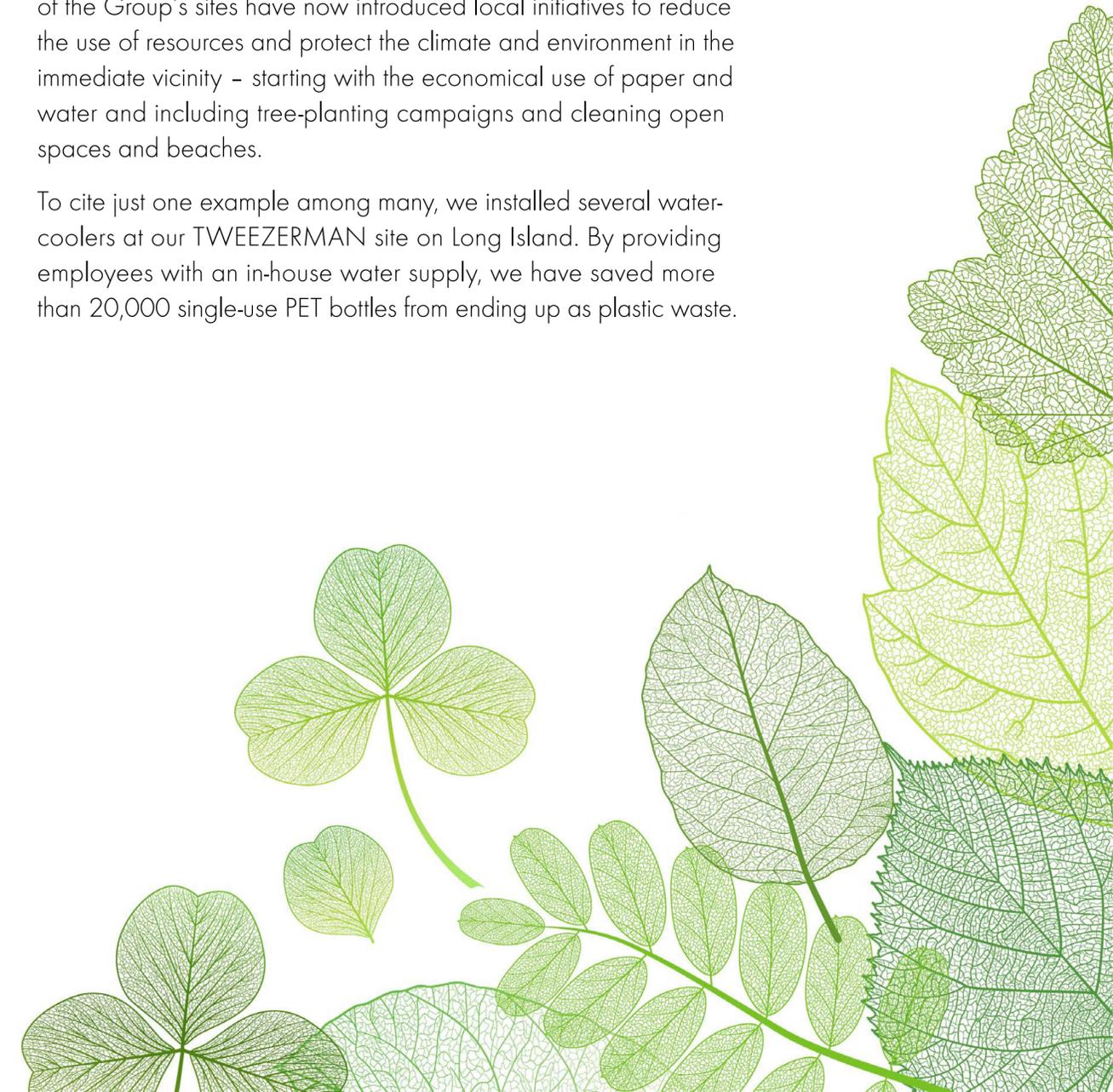
We are taking various steps to reduce our emissions even further and become a climate-neutral company by 2030 or earlier:

- We are pushing ahead with the switch from fossil fuels to renewable energies by generating our own solar power and purchasing certified green electricity.
- We are improving the energy efficiency of our sites by introducing climate-friendly and resource-efficient production and logistics processes and using water-based heat pumps.
- We are raising awareness among our employees of how to conserve energy and resources in the workplace. Lowering the temperature of a room by as little as 1 degree Celsius can result in significant savings on carbon emissions. We also encourage our employees to use public transport or electric bikes, make car sharing arrangements and create conditions for remote working, and have calculated that these efforts alone can reduce carbon emissions by around 770 tonnes per year.
- We are gradually converting our vehicle fleet to electric, starting with our TWEEZERMAN USA and ZWILLING Düsseldorf sites.
- We have offset our remaining, as-yet-unreduced carbon emissions of around 3,408 tonnes by purchasing climate protection certificates, which means that all five of our sites were carbon-neutral at the start of 2023. We are investing in a certified climate change mitigation project in the Central Indian state of Madhya Pradesh and supporting the expansion of a solar farm.

### Taking action on recycling

We are particularly focused on conserving finite resources and avoiding waste. Wherever possible, we ensure that waste is separated and that recyclable materials such as paper, glass and plastic are collected and processed back into recycled raw materials. All of the Group's sites have now introduced local initiatives to reduce the use of resources and protect the climate and environment in the immediate vicinity - starting with the economical use of paper and water and including tree-planting campaigns and cleaning open spaces and beaches.

To cite just one example among many, we installed several water-coolers at our TWEEZERMAN site on Long Island. By providing employees with an in-house water supply, we have saved more than 20,000 single-use PET bottles from ending up as plastic waste.





## Responsible supply chain

We take responsibility for the environment in which we operate, and in particular the people involved in manufacturing our products. We promote the eco-friendly and resource-efficient extraction and production of materials along our supply chain.

# HUMAN RIGHTS AND ENVIRONMENTAL DUE DILIGENCE

We firmly believe that creating a stable and sustainable supply chain is a key factor in long-term business success. Our supplier relationships are governed by the Code of Conduct of our parent company Wilh. Werhahn KG. The ethical and social principles laid down here underpin all of our business relationships.

To ensure that we meet our human rights and environmental due diligence obligations along our supply chain and meet the requirements of the new German Supply Chain Due Diligence Act (LkSG), we adjusted our processes and responsibilities and carried out our first risk analysis in accordance with LkSG during the year under review.

We also applied for membership of amfori BSCI and amfori BEPI, and our application was accepted in February 2023. In addition, we expanded our LkSG and sustainable supplier management expertise via training sessions in the purchasing and quality assurance teams in particular.

### We are committed to

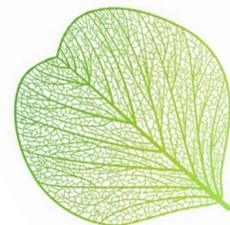
- the Universal Declaration of Human Rights of the United Nations
- the Guiding Principles on Business and Human Rights of the United Nations
- the Principles of the International Labour Organization (ILO)
- the Principles of the United Nations Global Compact
- the UN Convention on the Rights of the Child



### Risk analysis in accordance with LkSG

Zwilling Beauty Group is committed to the responsible sourcing of raw materials and merchandise. We regularly visit suppliers with whom we have had trust-based relationships for many years to ensure that they comply with occupational health and safety and social standards. In 2022, under the leadership of Wilh. Werhahn KG, we also conducted our first risk analysis of our direct suppliers with a purchasing volume in the 2021 database of more than 10,000 euros in accordance with LkSG.

This analysis enabled us to create transparency within our supply chain and assess the sustainability risks associated with particular procurement arrangements. We began by evaluating our suppliers based on recognized country risk indices. As a next step, we also considered the potential risks of various procurement categories and sectors. Mapping our suppliers by country and business unit highlights various significant abstract risks relating to human rights and the environment. The next stage of our analysis involved calculating, weighting and prioritizing the specific risks of breaching the LkSG beyond hypothetical risks. We will carry out a detailed investigation of any suppliers identified on this basis during the current year while at the same time developing a catalog of measures to gradually minimize risks and introduce a continuous improvement process within our supply chain.



### The supplier network of Zwilling Beauty Group

Zwilling Beauty Group, consisting of the ZWILLING, TWEEZERMAN and TRUYU by QVS brands, maintains business relationships with 383 suppliers, primarily in Asia (135), North America (184) and Europe (64). In 2021, the total volume of goods and materials procured by the Group consisted of around 44.5 million euros from 161 direct suppliers and approximately 20 million euros from 222 indirect suppliers. Around 69 percent of these were direct materials such as merchandise, raw materials and packaging, while approximately 31 percent were indirect materials and services.

Percentage of suppliers by region





### Levels of supplier assessment



### Systematic supplier management

To ensure we can assess higher-risk suppliers in a verifiable way, keep track of any corrective measures and create transparency about the objectives we have achieved, we joined the international amfori BSCI and amfori BEPI networks in early 2023. The amfori Business Social Compliance Initiative (amfori BSCI) is a program to improve social standards in the value chain. The organization has also developed a Code of Conduct based on the UN's Universal Declaration of Human Rights, the UN Global Compact, OECD guidelines and the conventions of the International Labour Organization (ILO). An independent BSCI audit enables us to conduct on-site reviews of suppliers, identify problems, create individual action plans and regularly monitor improvements.

Our membership of the amfori Business Environmental Performance Initiative (amfori BEPI) will also allow us to address environmental sustainability and actively approach suppliers in order to substantially improve environmental protection within our supply chain.

During the current year, we will revise our purchase terms and conditions and expand them to include essential requirements in line with the Werhahn Declaration of Principles on Corporate Due Diligence. This will enable us to apply even more stringent human rights and environmental standards when selecting suppliers in future.





# GRI CONTENT INDEX

## About this report

This report is the first sustainability report of Zwilling Beauty Group. It has been prepared in accordance with the Global Reporting Initiative's (GRI) Standards. Unless otherwise indicated, the statements made in this report apply to Zwilling Beauty Group GmbH including its affiliated subsidiaries from the Zwilling Beauty Group

division. This report covers the 2022 financial year, which comprises the period from 1 January to 31 December 2022. The editorial deadline was 30 April 2023. The content of this report has not yet been externally audited. This is planned for the next Sustainability Report. This report is available in both German and English.

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	The Werhahn management remuneration system is based on forms of remuneration that are customary for medium-sized family-run companies. Management remuneration consists of a basic salary and a variable remuneration component. The more direct a manager's influence on the company's success, the larger their proportion of variable remuneration. In addition to financial targets, the remuneration system also defines personal performance targets derived from the current strategy that correspond to the individual's responsibility towards the company's stakeholders.	
GRI 2-20	Process to determine remuneration	
	Salaries not covered by collective wage agreements are set globally in a collaboration between local management and Zwilling Beauty Group management. No remuneration consultants are involved in setting remuneration.	



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