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#### DEAR READERS,

The effects of COVID-19 were still present when the Russia/Ukraine war began in February 2022.

From the very beginning, our sympathies were with all the people who were directly affected by the war and had to fear for their lives.

However, the consequences of the war and the sanctions have also been felt here in Germany in the form of exploding energy costs.

As in the two previous years, we again faced a number of major challenges in 2022, but these did not deter us from continuing to pursue our course of action with determination. We always kept in mind our major goals of continuing to grow as a company and becoming even more sustainable in the process.

I am especially pleased that we have been able to establish solid cosmetics on the market – a new, particularly sustainable product type.

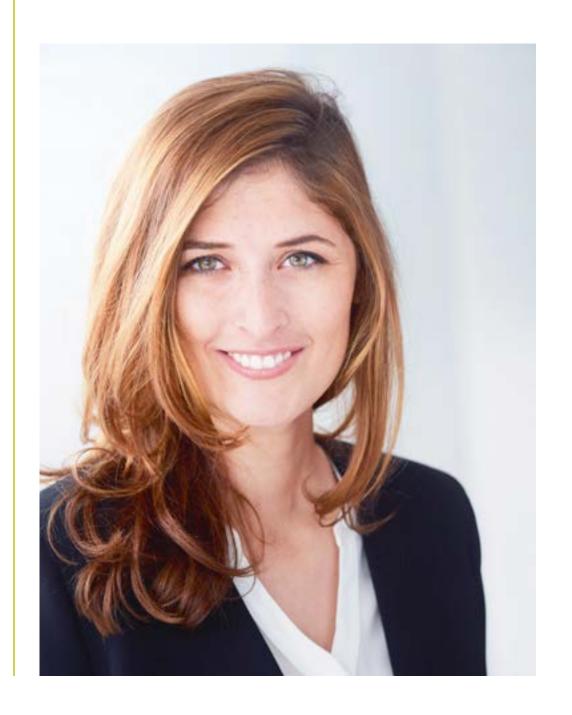
Thanks to the concentrated form of the items, large amounts of water, packaging and trans-

port emissions can be saved. The completely new formulations and manufacturing processes for solid shower bars, soaps and shampoos were all developed in-house by our Research & Development and Process Development teams. In the area of packaging, our team of experts for sustainable packaging continues to focus fully on developing our own materials and has already been able to determine the optimum recyclate quality for the various material sources.

We have let no time pass by and have continued to work on all the projects that are part of our 2030 Strategy and the sustainability targets defined therein.

Despite a number of hurdles relating to the economic crisis, we are well on the way to achieving a 30 % reduction in CO<sub>2</sub> emissions per output by 2030 – based on the 2018 figure.

"IN SPITE OF THE ECO-NOMIC CRISIS, WE HAVE CONTINUED TO PURSUE OUR COURSE OF ACTION IN ORDER TO CONTINUE TO GROW AS A COMPA-NY AND BECOME EVEN MORE SUSTAINABLE."



We are committed to the careful use of resources and have firmly established this in our goals and values. Every day, we work to fulfil our responsibility towards the environment and future generations.

This sustainability report is intended to give you, our business partners and employees, an overview of our activities across the entire value chain.

Yours

Christine Steger,

CEO MANN & SCHRÖDER COSMETICS

#### REPORT PROFILE

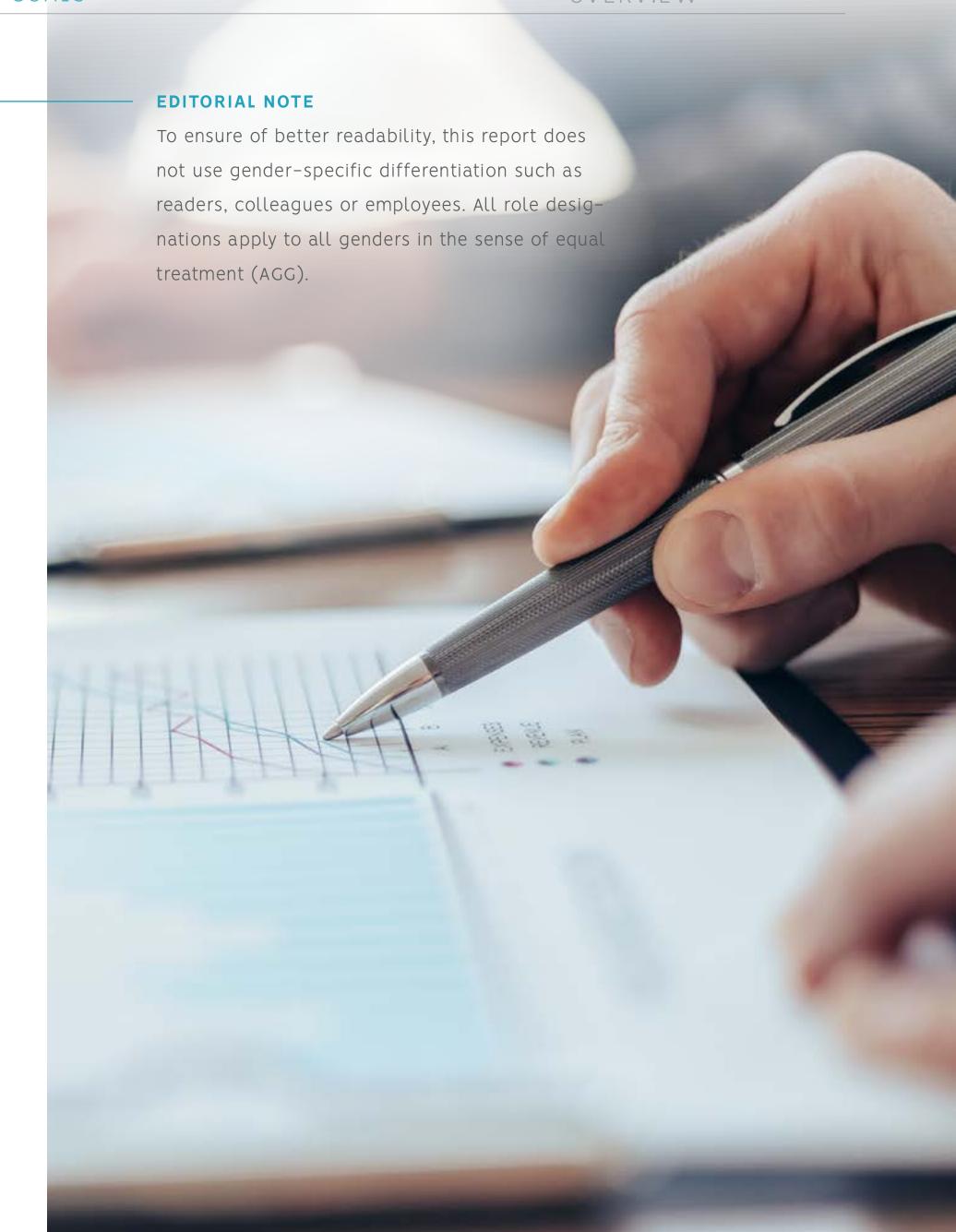
## REPORTING BOUNDARIES AND DATA COLLECTION

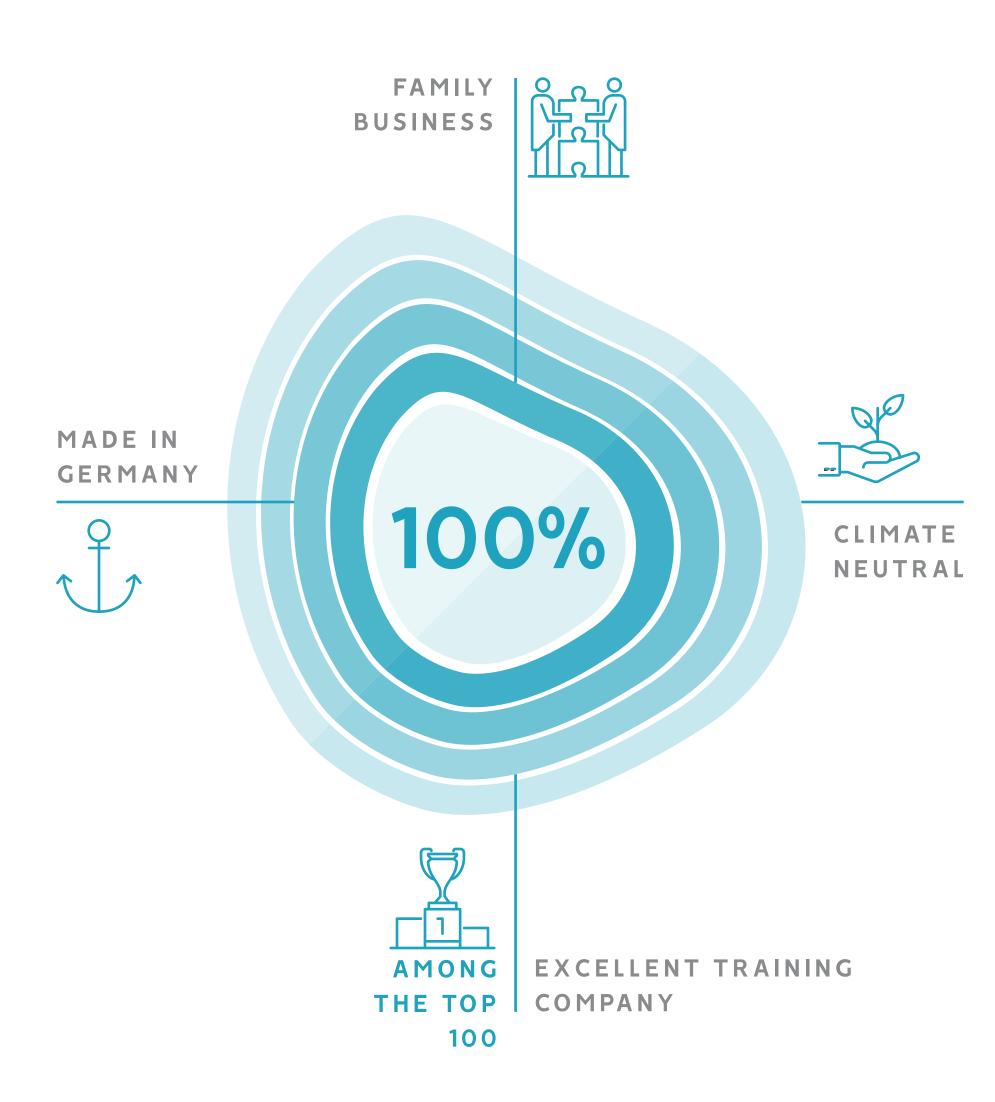
All information in this report relates to the business activities relevant to sustainability of MANN & SCHRÖDER COSMETICS and it's locations in Germany. These include the sites in Siegelsbach, Hüffenhardt, Gundelsheim and Mannheim.

This MANN & SCHRÖDER COSMETICS sustainability report covers developments in 2022 (1 January to 31 December 2022). We have also included significant events and achievements up to the editorial deadline in July 2023 to ensure that the information contained in the report is up to date. Additional content is also available online on the company website www. mann-schroeder.de. The report is published in German and English. The next sustainability report is expected to be published in the second half of 2024 and will cover the 2023 financial year.

#### APPLICATION OF THE GRI STANDARD

This sustainability report is based on the guidelines of the Global Reporting Initiative (GRI) as a globally recognised basis for comparability and transparency. We already prepared the sustainability report in accordance with the GRI standards in 2018. This year, however, the reporting has been further specified and now even corresponds to what is known as the core option. In this report, we are focusing more than in the previous year on our key topics and particularly significant indicators. We also report on other indicators that relate to the sustainability priorities of MANN & SCHRÖDER COSMETICS (see Stakeholder involvement and materiality).





# MANN & SCHRÖDER COSMETICS AT A GLANCE

MANN & SCHRÖDER COSMETICS has had its headquarters in Siegeslbach since it was founded in 1951. The German family business specialises in the manufacture of personal care products and produces at two locations in Baden-Württemberg. Over the decades, a small business that began with the production of window putty and floor polish has developed into an innovative company in the hair and body care sector. Christine Steger has been managing the business in its third generation since 2015.

#### TWO BUSINESS AREAS

According to the motto "True beauty knows no age, only good care", we want to inspire people of all ages with our product portfolio for optimal body care.

MANN & SCHRÖDER COSMETICS is a byword for for high-quality hair and body care products made in Germany.

Our core business consists of two divisions: on the one hand, we have been developing our own creative brand concepts for 70 years and, on the other, we produce body care products for the private labels of drugstores and food retailers. We do this exclusively in Germany at our two main sites in Siegelsbach and Hüffenhardt. Our own brand portfolio includes cosmetics for the whole family – for young and old and from head to toe. From shampoo and facial care to sun protection, we produce almost all body care categories.

#### **STRONG PARTNER**

Our two business areas – own brands and private label - form a solid foundation on which our success is built. This has always been based on our strong innovative capacity and the consistent further development of our products and brands. Customers value our high quality standards and also benefit from the comprehensive advice we offer them: Our Research & Development, Marketing, Production, Quality Assurance, Sales and Logistics departments work hand in hand to develop and manufacture high-quality, well-tolerated and environmentally-friendly personal care products. Since 2014, MANN & SCHRÖDER COSMETICS has been increasingly using energy-saving production processes and systems and has been climateneutral as a company since 2017. Our power supply is 100% green electricity and since 2019, we have been developing and pursuing ambitious sustainability goals with our own project team.







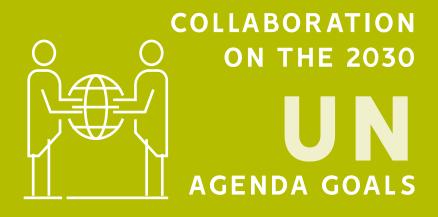


SUSTAINABILITY MANAGEMENT

# OUR SUSTAINABILITY STRATEGY

REPORTING ACCORDING TO





CO<sub>2</sub>
EMISSIONS





#### SUSTAINABILITY MANAGEMENT

# WE CARE<sup>2</sup>

We believe that we can only be successful in the long term with a well-founded and transparent sustainability strategy. For us, sustainable action is now inextricably linked to our innovative strength.

in accordance with ecological, economic and social aspects, while we implement our high standards of product quality and safety in all areas of the company on a daily basis. As a company, we have been climate-neutral since 2017 and have defined the further reduction of CO<sub>2</sub> emissions as an overarching sustainability goal.

As a family business, we also think about future generations and organise our business activities in order to we inspire today's consumers with great products without burdening the world of tomorrow. Our credo is: "What's good for the skin should not harm the environment".





SUSTAINABILITY MANAGEMENT

# ORGANISATION AND MANAGEMENT

At MANN & SCHRÖDER COSMETICS, the overall responsibility for sustainability lies with the management.

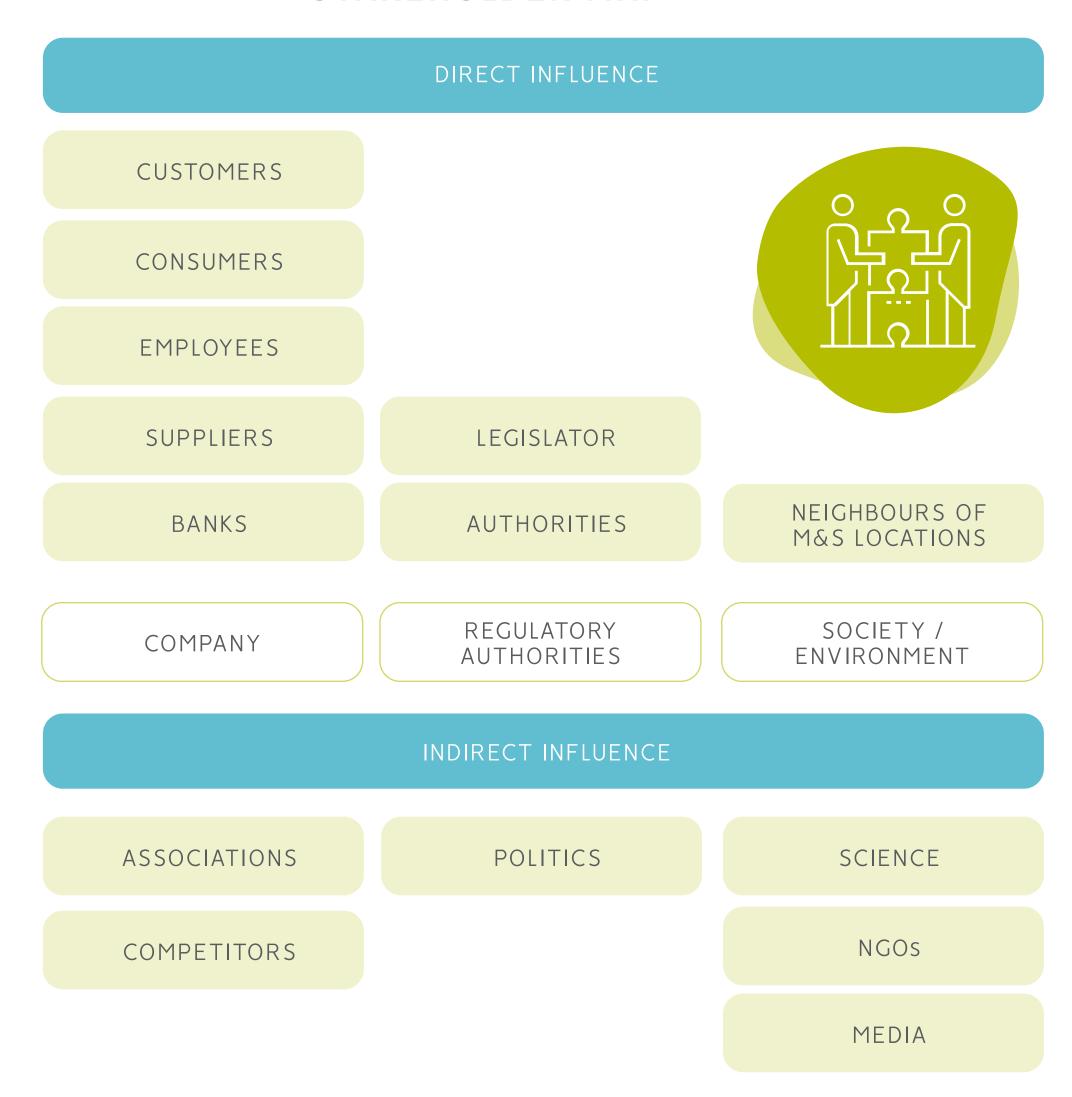
n the course of regular sustainability meetings, the Sustainability Team defines the key sustainability projects, analyses progress and makes further decisions. Members of the Sustainability Team are representatives of various departments within our company with have a direct connection to the defined projects. Together with an extended team of experts, they are also responsible for the operational organisation and monitoring of sustainability issues within the company.

#### STAKEHOLDER DIALOGUE

# STAKEHOLDER GROUPS AND THEIR INFLUENCE

of our corporate processes in the long term, it is important to take into account the different expectations and interests of our most important internal and external stakeholders (stakeholder groups). Hence, we are in regular dialogue with the individual stakeholder groups and use the feedback we receive to continuously improve our own sustainability strategy and the measures derived from it, as well as to further develop sustainable concepts. The key stakeholders are visualised using the stakeholder map (right).

#### STAKEHOLDER MAP



As a manufacturer of personal care products, we take the interests of our stakeholders into account when making decisions and, conversely, consider the impact of our decisions on others. Stakeholders include customers, consumers, employees, suppliers, journalists, scientists, neighbours, authorities and associations. Contact and dialogue with stakeholders usually takes place on a decentralised basis and is the responsibility of the respective departments and employees.



In the

#### **COSMETICS INDUSTRY**

we are a reliable manufacturing partner and engage in dialogue with organisations and associations to promote sustainable products. We have helped establish initiatives and long-term partnerships.



Our

#### **EMPLOYEES**

are actively involved in our app and are also in dialogue via annual employee appraisals, employee surveys and workshops.



As a member of various associations, we play a key role in the development and establishment of

# INDUSTRY STANDARDS AND GUIDELINES.



We are in dialogue with

#### CONSUMERS via

telephone, e-mail and social media platforms.



We have established a global key account management system for our **CUSTOMER RELATIONSHIPS** and also liaise directly with our customers in cross-functional teams.



#### BUSINESS-RELEVANT UN SUSTAINABLE DEVELOPMENT GOALS

# GLOBAL GOALS FOR SUSTAINABLE DEVELOPMENT

MANN & SCHRÖDER COSMETICS takes into account and supports through concrete measures the implementation of the 17 Sustainable Development Goals (SDGs), which were adopted by the 193 member states of the United Nations in September 2015.





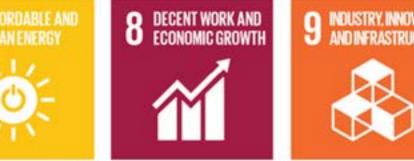








12 RESPONSIBLE CONSUMPTION

























he United Nations' 17 Sustainable Development Goals (SDGs) serve as a guiding framework for companies to align their business activities with sustainable development. In 2018, we began to identify the SDGs relevant to our company. An SDG is relevant for us if there is a significant positive or negative impact from or on MANN & SCHRÖDER COSMETICS. With our products and solutions, we make a positive contribution to achieving the respective SDGs. We are always aware that our business activities may also have critical impacts in some cases. To determine the impact of MANN & SCHRÖDER COSMETICS, we have used the assessments of external stakeholders and the results of our materiality analysis (see page 14).

The following page provides examples of how our commitment to sustainability contributes to the realisation of global development goals.



#### PROTECTION OF THE ENVIRONMENT AND LIFE

Life on land influences life in water.

Hence, as a 100% climate-neutral company, we want to reduce our CO<sub>2</sub> emissions at our production sites as well as contributing to the protection of life under water. Thus, we already formulated solid microplastics out of all our products in 2019 and offer solutions without synthetic polymers for 100% of our products.

This is because only ecologically intact marine and coastal ecosystems ensure the preservation of biodiversity and therewith global food security. They are vital for the global climate system.



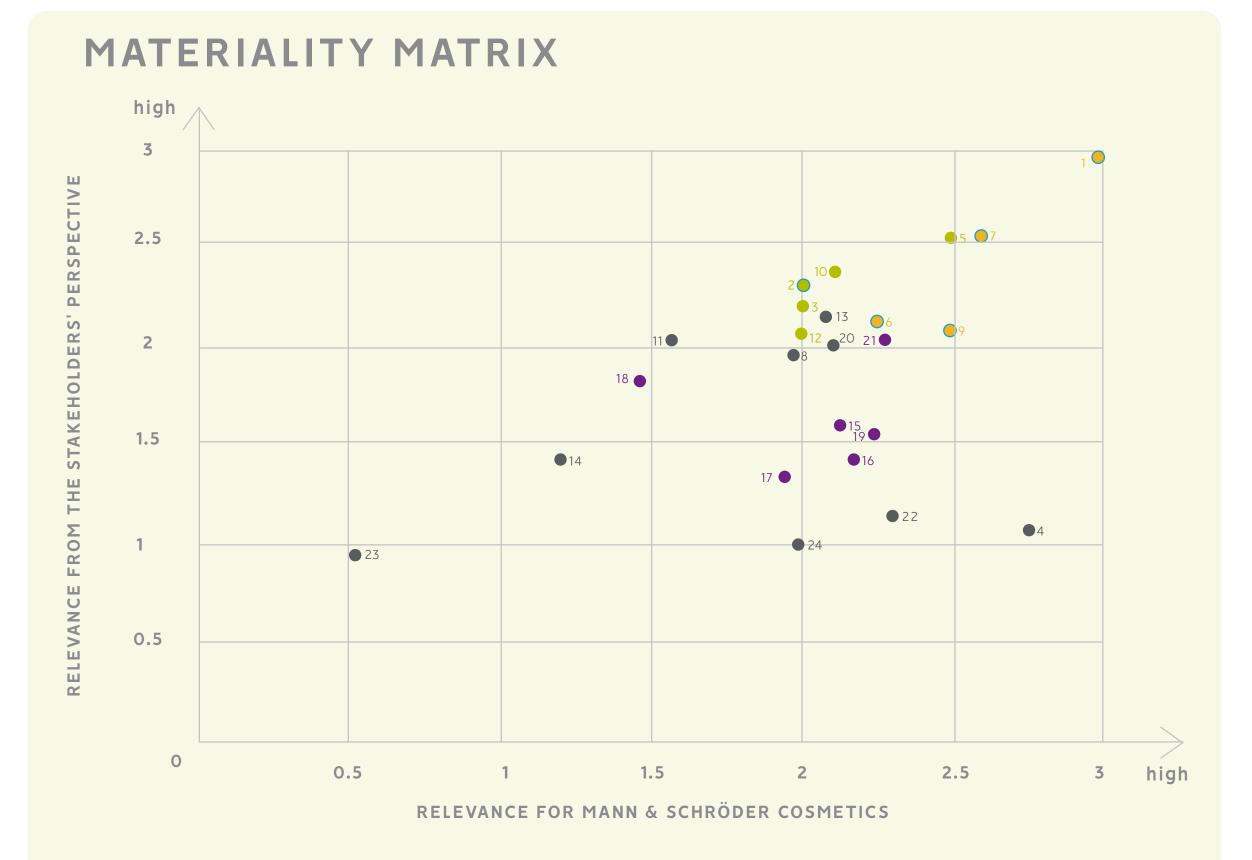
#### SUSTAINABLE PROCUREMENT OF WATER

Water scarcity, poor water quality and inadequate sanitation affect the food security, livelihoods and educational opportunities of poor families around the world. By supporting a certified climate protection project, we as a company are helping to treat drinking water without boiling it. This avoids harmful emissions and at the same time protects human health and the climate. Based on our values and priorities, we have also committed ourselves to the responsible use of water, an elementary resource, within our company and use state-of-the-art technologies for water treatment and conservation.



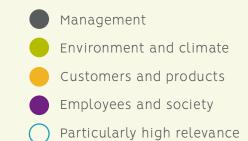
# RAISING AWARENESS OF SUSTAINABLE CONSUMPTION

We support the goal of promoting sustainable and resource-conserving consumption. On our product packaging, we inform end customers about environmentally friendly disposal of bottles and tubes and specifically use secondary packaging with a high recycled content. As a member of the Forum Rezyklat, we are committed to a stronger circular economy and, together with other partner companies, support the sensitisation of consumers to recycling.



- 1 Highest quality & product safety
- 2 Sustainable products/solutions
- 3 Environmentally-friendly packaging & cycles
- 4 Digitalisation (infrastructure, processes...)
- 5 Climate change/reduction of emissions
- 6 R&D/innovation
- 7 Competitiveness
- 8 Governance & compliance
- 9 Customer relationship
- 10 Sustainable use of materials and raw materials
- 11 Responsibility in supplier relationships
- 12 Water/energy management

- 13 Environmental and social standards in the supply chain
- 14 Transport safety/sustainable logistics
- 15 Employee development (training and further education)
- 16 Occupational health & safety
- 17 Diversity & equal opportunities
- 18 Social commitment
- 19 Compatibility of family & career
- 20 Environmental management
- 21 Transparency & dialogue
- 22 Leadership quality
- 23 Noise protection
- 24 Operational changes



for business success

#### DETERMINING THE KEY REPORTING TOPICS

# MATERIALITY ANALYSIS

The basis for our reporting is our materiality analysis, which includes all relevant topics from our stakeholders.

e have also added topics that were identified as material with regard to the business development of MANN & SCHRÖDER COSMETICS and its impact on employees, the environment and society, but which are not covered by the GRI Standards.

In order to identify the material topics, a survey of all internal experts was conducted again in 2022, which also included the perspective of

stakeholders. The topics already defined in previous years were again allocated points by each expert in 2022 and assessed in terms of their business relevance, existing stakeholder expectations and possible serious – particularly negative – impacts. The graphic of the materiality matrix (left) shows the most important sustainability topics for MANN & SCHRÖDER COSMETICS according to stakeholders and internal experts.

#### VALUE AWARENESS

## FAIR & SOCIAL

High social standards are derived from our value-based sense of responsibility. To make this measurable, we were certified in accordance with the SMETA social standard for the first time in 2022.

sed on clearly defined values that we have integrated as a core part of our day-to-day work. We believe that this solid foundation of values is inextricably linked to our responsibility towards our customers and employees. As an employer of more than 800 people, we see it as our duty to ensure the well-being of the entire workforce and to guarantee fair wages and working conditions. Our value-based sense of responsibility is also

reflected in our commitment to active climate protection, sustainable products and packaging.

#### **DIVERSITY & EQUALITY**

We embrace diversity and equality and believe that new ways of working can only be achieved through different perspectives, experiences and skills. Hence, we employ people from over 39 different nations in our company and promote

diversity in every form. Gender equality is essential for us as an innovation-oriented company and over over 50% of our workforce are women. In 2022, we were certified via the SMETA social audit. This makes our high social standards and fair working conditions transparent and measurable.

We value a trusting, open and inclusive working environment and treat each other with respect. There were no cases of discrimination in the workplace in the reporting year. We expect our suppliers, customers and other business partners to ensure fair working conditions for their employees and temporary workers.

#### TRAINING COURSES FOR EMPLOYEES

We train and sensitise all employees to behave with integrity and in compliance with the law. The fact that this is so well received and implemented is thanks to our solid and practised foundation of values.



#### WE SET STORE BY VALUES

Our family business is run on a solid foundation of values. With reliability, high quality and motivated, qualified employees, we achieve our ultimate goal: the satisfaction of our customers. We enjoy our work and have learnt that respectful cooperation strengthens our system and opens us up to new ideas. When selecting our raw materials, we set great store by high, pollutant-free quality. We invest a lot of time and energy in researching and implementing sustainable product solutions and use resources responsibly.

We defined our three core values many years ago and have not lost sight of their relevance to this day:



#### **ENTREPRENEURSHIP**

We act and think entrepreneurially because we take responsibility and think outside the box. We have the courage to seek out and explore new paths. In everything we do, we focus on the needs of our customers.

#### **PARTNERSHIP**

Trust, respect, openness and reliability form the basis of our daily co-operation. We see ourselves as a team, even across departmental boundaries. Everyone works hand in hand to achieve the best possible result together. We maintain long-term relationships with our customers and suppliers, characterised by partnership, reliability and fairness.





#### **EXCELLENCE**

High quality, continuous innovation and the responsible use of resources are our top priorities. We are constantly adapting our closely interlinked work processes to the changing requirements of the markets. This enables us to work efficiently and in a service-orientated manner in order to always achieve outstanding results.

#### OUR

# VISION

"At home in every bathroom."

brands and private labels – we are giving this vision more vigour every day. In the long term, we want to become the most competitive medium-sized company in Europe in our sector. We will achieve this through high-quality products, innovation, customer-orientation and sustainable growth.

Our goal:

300 million in turnover and a

CO<sub>2</sub> reduction of 30% by 2030.

OUR

# MISSION

We Care<sup>2</sup>

We want to inspire our customers every day with innovative and high-quality products. With passion and responsibility, we represent quality and sustainable care for every individual and our planet.

We Care<sup>2</sup> means:

We always care in two ways:

Brands - Private labels

Passion - Responsibility

Quality - Sustainability

Every individual - Our planet

OUR

# STRATEGY

In our 2030 Strategy, we have set out our ambitions with regard to growth and sustainability in concrete targets.

Our values-based approach to resources, employees and partners is the ethical compass on the way to achieving these goals. We develop and produce all our products according to the criterion of sustainability and continuously work on the expertise of our employees in order to further strengthen our innovation potential. We take advantage of the opportunities offered by globalisation and digitalisation and think ahead in terms of sustainability.

#### **COMPLIANCE CULTURE**

Our compliance culture is firmly integrated into our everyday life and is based on our values and social responsibility.

Our employees are sensitised to these values and treat each other and business partners with respect and fairness.

In addition, our corporate principle applies: "We comply with applicable law and internal guidelines". This is binding for all employees. In regular training sessions and through broad internal communication, all instructions and rules are communicated transparently so that they can be implemented at all levels.

#### ALL SPECIFICATIONS IN ONE SYSTEM

In 2022, we established a centralised compliance management system to firmly establish and monitor legal regulations and occupational health and safety measures. The compliance system gives us an overview of the hierarchy of responsibilities, reminds us to obtain all necessary authorisations and regulates important requirements in the operational areas, occupational health and safety (hazard prevention) and data protection. The tasks are distributed across the respective division and team managers. Our compliance officers check potential business

partners with an additional compliance programme and support the management with a wide range of compliance issues.

#### OCCUPATIONAL SAFETY

In order to maintain our high quality standards and to continuously develop ourselves further, we promote further training programmes and conduct internal training courses. The occupational safety department provides training on occupational safety, hygiene and data security at regular intervals. It also chairs the three-monthly meetings of the "Occupational Safety Committee". The meetings are attended by a member of the management and the works council, as well as safety officers from all departments and the company doctor. The company doctor also carries out work-related examinations and advises on all health issues.

Safety and accident prevention are given the highest priority in our company. We not only take responsibility for products of impeccable quality, but also for the health and safety of our employees.

#### **CODE OF CONDUCT**

Based on our values of entrepreneurship, partnership and excellence, our Code of Conduct is intended to serve as a guideline for all employees. At the same time, it is a binding minimum standard that defines and specifies the key requirements with regard to our social, ecological and economic responsibility within the company, both in our dealings with colleagues and in relation to our role as a business partner in the supply chain. Last but not least, the Code of Conduct is based on international guidelines and principles, which are supplemented by all local and national laws as well as all other applicable laws, international standards and norms and other applicable regulations.



#### ANNUAL AUDITS

# EXTERNAL CHECK-UPS

rust is good – control is better. In line with this motto, we work according to various internationally recognised management systems, which are audited at regular intervals by independent auditors. Certificates, which we receive from the testing institute after a one-day or multi-day audit, testify to the requirements of the respective standard being implemented. In this way, we make our quality, safety and sustainability standards measurable and transparent in all areas of the company.

As in previous years, we were able to impress with the flawless implementation of all audits carried out.



In addition to the usual industry and sector-specific standards, we have voluntarily committed to complying with high energy and environmental standards (ISO 50001, ISO 14001).

We also source RSPO-certified palm and palm kernel oil derivatives and are audited annually by RSPO auditors to ensure compliance with the standard. In 2022, we were certified according to the SMETA audit (social standard) for the first time. This ensures that our ethical and fair labour practices and values-based collaboration with our employees are monitored by independent auditors.

Since 2017, we have been offsetting 100% of our CO<sub>2</sub> emissions through climate protection projects in Africa. The compensation

is calculated and certified by our cooperation partner Climate– Partner.

#### **GOLD MEDAL FOR SUSTAINABILITY**

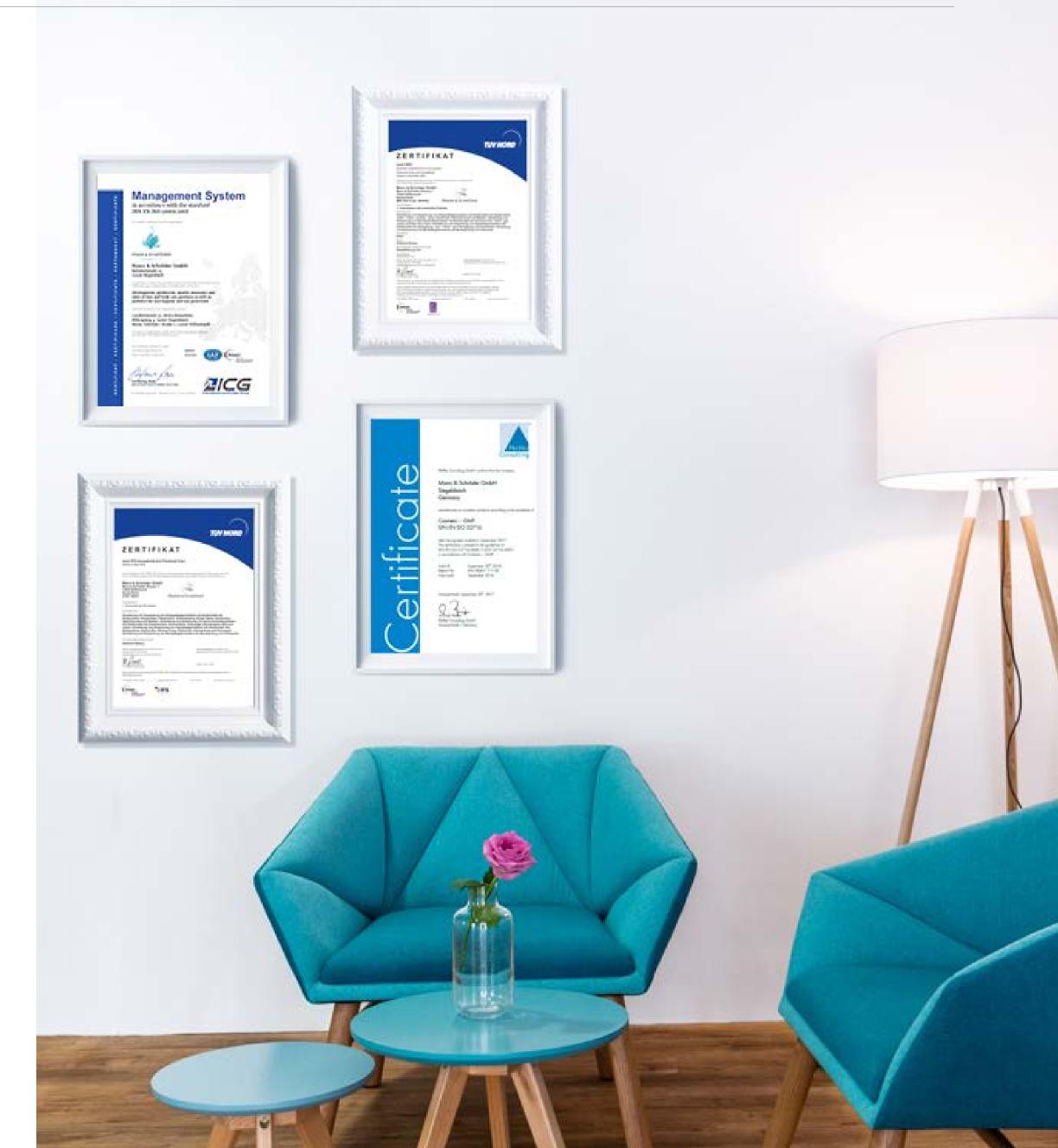
In 2020, we registered as a company on the EcoVadis sustainability rating platform to provide evidence and certification of our activities in the various areas of corporate responsibility. We achieved the silver level straight away and were awarded the gold standard – the second-highest award – in 2022 for our measures regarding of the environment, sustainable procurement, ethics, labour and human rights.

MANN & SCHRÖDER COSMETICS
IS AMONG THE TOP

5% OF ALL
COMPANIES RATED BY
ECOVADIS.



Name of the certification	Purpose	Rhythm check
DIN EN ISO 9001	QM standard for all branches of industry	Annually
COSMETIC GMP DIN EN ISO 22716	Cosmetics standard	Annually
BRC-CP	Global standard for consumer goods	Annually
IFS HPC	International Featured Standard Household and Personal Care Products	Annually
DIN EN ISO 50001	Energy management system	Annually For the first time in 2019
DIN EN ISO 14001	Environmental management system	Annually For the first time in 2020
RSPO (Mass Balance)	Roundtable for sustainable palm oil	Annually
NATRUE	Natural cosmetics	Audit at least every two years
SMETA	Social standard	_





PROTECT THE ENVIRONMENT & SAVE RESOURCES

# PRODUCTS AND INNOVATIONS

95%

OF THE RAW
MATERIALS USED

ARE HIGHLY
BIODEGRADABLE

RECYCLING
EXPERTS



#### SOLID COSMETICS

# PROTECT THE ENVIRON-MENT & SAVE RESOURCES

As part of our sustainable product development programme, we are establishing solid cosmetics as a new segment in our product portfolio. A major advantage of this product type is that no water needs to be transported to the customer, which reduces the environmental impact of packaging in particular.



ur aim is to create products that are manufactured to the highest quality and safety standards, as well as being as sustainable as possible. This is why we have included solid cosmetics in our product portfolio.

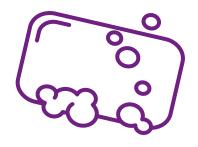
#### **NEW PRODUCT TYPE INTRODUCED**

At the end of 2020, we acquired a pilot plant for the development of formulas and production of small batches in the solid cosmetics segment. The formulas for solid shampoos and showers were developed by our experts from Research & Development, while our Process Development department created the technial production requirements.

We were then able to produce the first orders in 2022 and supply our customers with cleansing and care products. An expansion of the plant is planned for early 2023 to create additional capacity for the production of solid cosmetics.

#### SYNDETS AND SOAPS

Modelled on the good old bar of soap, solid cosmetics are a particularly environmentally friendly solution. Our production plant can be used to produce classic soaps as well as shampoos and shower gels made from synthetic surfactants, known as syndets. These are considered to be particularly skin-friendly, as they can be adjusted to a skin-neutral pH value (4–5.5) by adding citric acid, for example. The production of solid cosmetics is completely independent of the rest of the production process thanks to the company's own plant.



#### HANDY AND POPULAR

Solid cosmetics are becoming increasingly popular with consumers. They are considered very sustainable and economical, are light in weight and do not require plastic packaging. Solid cosmetics offer many advantages. The most important are:

- · Higher yield
- Less plastic packaging
- Less demand for transport space
- Fewer preservatives
- · High ease of travelling

#### **CAN DO WITHOUT**

Awareness of the environment and sustainability has risen sharply among the population in recent years. As soon as one of the ingredients we use is criticised, our Research & Development experts do everything they can to formulate these substances and look for alternatives.

For example, we have not used the preservative group parabens for several years now. 98% of

our products are silicone–free, over 99% contain no mineral oils and 91% contain no PEGs. Our research and development team has invested a great deal of energy in the formulation of microplastics. Since 2019, we have no longer used solid microplastics – these are water–insoluble polymers that are smaller than 5 millimetres. We have replaced them in scrubs with natural substances such as peach pits or walnut shells. In the case of synthetic soluble polymers, also known as liquid microplastics, we provide our customers with microplastic–free solutions for all our products. As a one–to–one replacement is usually not readily possible, completely new formulation approaches are often created.



## VEGETABLE OILS ESSENTIAL IN BODY CARE

Vegetable oils are an indispensable ingredient in good body care products. We use raw materials containing palm and palm kernel oil in many of our products: they serve as emulsifiers, nourishing ingredients, consistency agents or cleansinge substances. The reason for this is the excellent physical properties of these oils and the high yield of the fruits. Of all oil-bearing fruits, the palm fruit is the most productive with an average yield of 3.5 tonnes per hectare.

MANN & SCHRÖDER COSMETICS promotes sustainable cultivation methods with 100% certified raw materials made from palm/palm kernel oil. Since 2013, we have been sourcing derivatives with Green Palm certificates to promote sustainable cultivation in the countries of origin. In 2017, our company was certified in accordance with the RSPO Mass Balance\*\* supply chain standard and we already procured half of our requirements from sustainable sources. Within just one year, we succeeded in making the complete switch: by 2018, all of the items we sold contained 100% certified palm oil and palm kernel oil in accordance with RSPO Mass Balance.

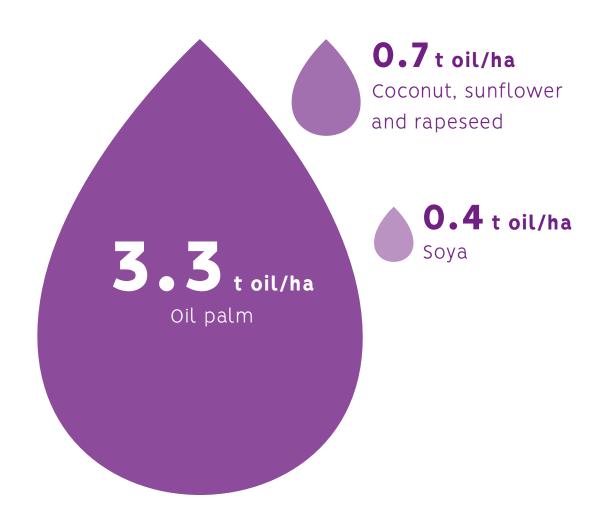
"For us, sourcing certified raw materials from palm and palm kernel oil is still the most sustainable solution. In this way, we not only promote sustainable cultivation in the countries of origin, but also use oils from the highest-yielding oil-producing plant – the oil palm. If we were to switch to other vegetable oils such as coconut or rapeseed oil, many times more acreage would be required as the yields are much lower".

Dr. Klaus Hempel
 Head of Research & Development



#### OIL FRUITS COMPARISON

Average global yields from 2012 to 2014 (source: WWF Magazine)



The success of the oil palm can be explained by its high yield with low land requirements. With an average yield of 3.3 tonnes of oil per hectare, the oil palm is the highest-yielding and therefore the most economical in terms of land use compared to all other oil crops. By comparison, the yield of soya is only 0.4 tonnes of oil/ha, whilst the yield of coconut and sunflower seeds is slightly less than 0.7 tonnes/ha and the yield of rapeseed is slightly more than 0.7 tonnes/ha.

#### CO<sub>2</sub> FOOTPRINT OF RAW MATERIALS

MANN & SCHRÖDER COSMETICS has set itself the goal of reducing CO<sub>2</sub> emissions by 30% by 2030. As most emissions in Scope 3 are caused by the raw materials we purchase, we have been taking a closer look at our raw materials since 2020. It has become apparent that carbon footprints from different suppliers are difficult to compare, as many different basic parameters and calculation methods are possible. Thus, MANN & SCHRÖDER COSMETICS has itself been calculating the carbon footprints of its most frequently purchased raw materials using scientific guidelines and databases since 2022.

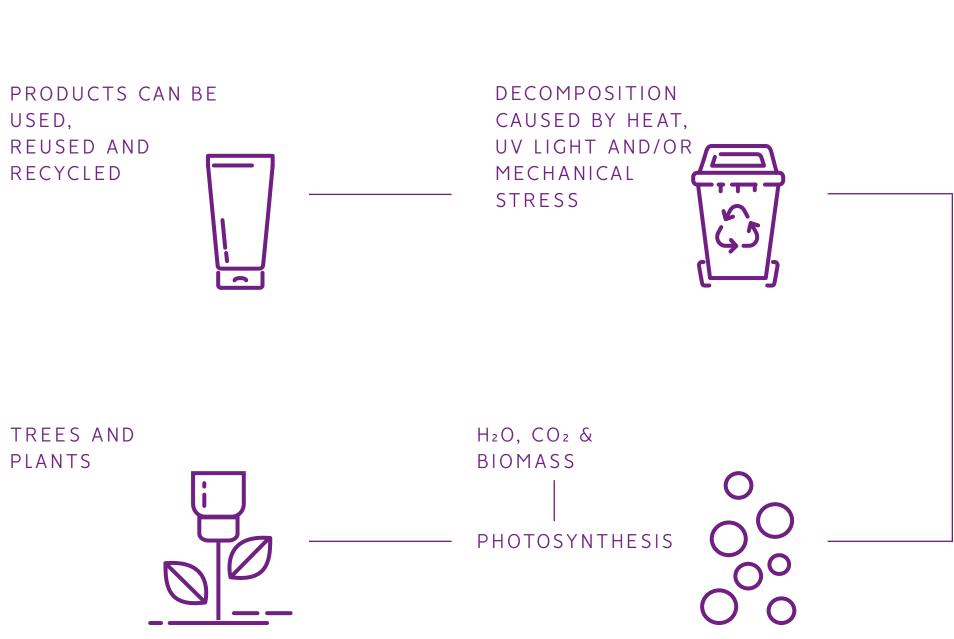


#### **EASILY BIODEGRADABLE**

Another factor in the context of more sustainable product development is biodegradability. This involves investigating the extent to which the organic raw materials contained in the products can be broken down biologically, i.e. by living organisms, into the building blocks carbon dioxide, oxygen and ammonia. These building blocks can then be converted again by plants, for instance, to produce new raw materials.

By law, the detergent substances used must be readily biodegradable. The raw materials we purchased in 2022 and used in our products are 95% readily biodegradable.





#### POSITIONED FOR THE FUTURE

# ANALYSIS & DEVELOPMENT IN OUR OWN LABORATORY

Our own modern laboratory centre for research & development and quality assurance gives us every opportunity for future-oriented product development.

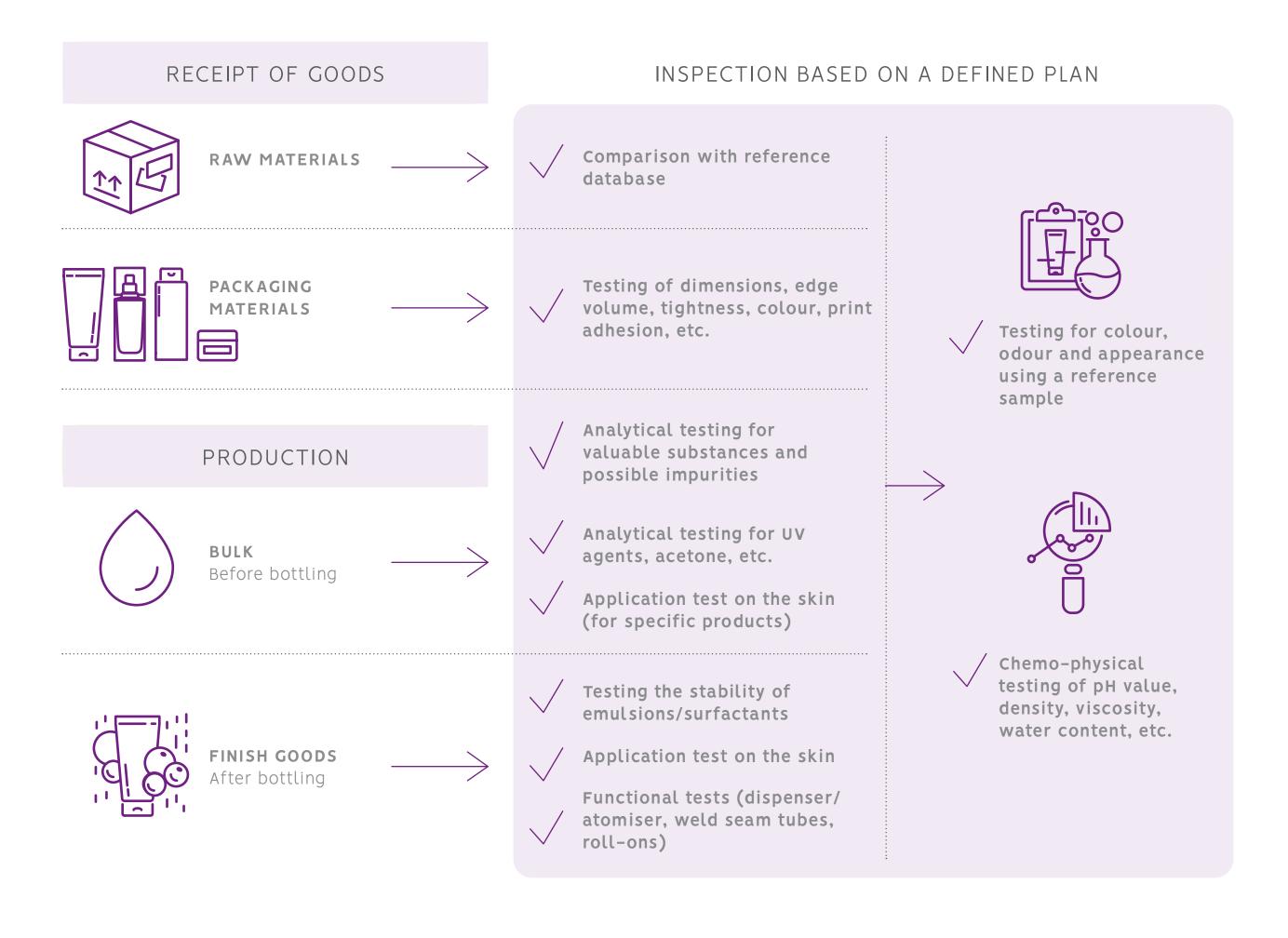
Development and Quality Assurance departments come together in our modern laboratories. The teams can utilise synergies, support each other and work across teams. At over 700 square metres, the centre enablesus to conduct strong and competitive research and analysis. Included are two laboratories each for research & development and microbiology, one each for analytics, routine

and packaging materials, as well as our own application laboratory.

In the application laboratory, we carry out application tests such as moisture content measurements with test subjects. All laboratories are technically state-of-the-art and equipped with high-quality equipment.



#### OUR QUALITY ASSURANCE AND QUALITY CONTROL PROCESS



The quality and safety of our products is our top priority, therefore all of our products undergo a clearly defined inspection process: from the receipt of raw materials to the bulk in production through to the end product. We carry out quality assurance and quality control in our modern laboratories at our Hüffenhardt site.





#### ALTERNATIVE MATERIAL SOURCES

# PACKAGING WITH WITH A CLEAR CONSCIENCE

Product packaging fulfils a variety of tasks. It is used for application, protects the contents and provides important information. As we cannot do without any of these functions, we do everything we can to make packaging as environmentally friendly as possible.

ur endeavours to develop sustainable packaging concepts go hand in hand with the continuous further development of our products. Our three main approaches here are less material, the use of recyclate and materials that are easy to recycle. To advance these topics, we set up our own team of recycling experts in 2020. The team

members come from the Quality Assurance, Purchasing and Project Management departments. Their expertise enables us to inspire our customers time and again with sustainable ideas and creative solutions and to make our branded products even more sustainable.

#### **RECYCLATE - WHAT IS IT?**

Recyclate is created when old plastic is processed in such a way that it can be turned into new, high-quality packaging. For example, when a PET plastic bottle collected from a deposit machine is turned into a new plastic bottle. Recyclate is, so to speak, the recycled raw material for new plastic products. It can

be used to prevent the need to produce more and more plastic from fresh crude oil. Packaging that contains up to 100% recyclate has a significantly lower CO<sub>2</sub> footprint, as no new crude oil is required for production. This conserves resources and protects the environment.

# PRODUCTION OF NEW PACKAGING & PRODUCTS PRODUCTION OF RECYCLATE SORTING, SHREDDING AND CLEANING TRANSPORT TO THE RECYCLING PLANT

#### **RUN ON RECYCLATE**

The demand for recyclate is increasing world-wide as more and more customers are looking for sustainable products. There is already a sufficient and high-quality supply of PET recyclate for cosmetic applications. The situation is different for recycled HDPE\* or HDPE recyclate, which is collected in the Yellow Bag. The supply is not yet sufficient, so we have started to develop our own material sources.

#### **KNOW WHAT'S INSIDE**

Anika Brett, Quality Assurance (QA) Team Leader, is one of the people at our company who deals with plastics from the Yellow Bag: "In 2020, we started extracting plastic from the Yellow Bag (HDPE) for our product packaging. We have developed various analysis methods to find out which impurities are contained in plastics from open loops and how we can identify materials of suitable quality ourselves. By collaborating with renowned institutes, we have been able to

gradually expand our expertise."

In 2020, we initially started with the analyses for washable rinse-off products, such as shower bars and soaps.

In 2021, the material analyses and assessments were then expanded to include leave-on products. These are products that remain on the skin, such as body lotions and creams, but also nail polish remover. In 2022, we were able to further expand this area.



\*High Density Polyethylene



"WE TESTED THE PACKAGING IN DETAIL WITH THE TESTING IN-STITUTES FOR THE RESPECTIVE AREAS OF APPLICATION. THIS ENABLED US TO DETERMINE THE OPTIMUM RECYCLATE QUALITY FOR THE RESPECTIVE PRODUCT

# ONLY TESTED MATERIAL IS USED FOR BOTTLES

On this basis, we have our own product packaging produced for the first brands. For this purpose, we receive samples of the current recycled batches from our recycling partner, which we analyse for harmful substances. If the measured values meet the requirements, we have our bottle supplier produce recycled bottles for our products.

Fortunately, many suppliers now also use recycled materials, which we also use after thoroughly checking the accompanying documents. Alternatively, the recycling companies test their plastic material themselves and provide us with the reports. Only when everything has been thoroughly checked and any unanswered questions have been clarified is our safety assessment released.

In addition to the bottles, we have also used the first labels made from recycled plastic after we have analysed the material in advance.



SENSORY
INSPECTION OF THE
MATERIAL
(ODOUR, APPEARANCE)



SCREENING FOR POSSIBLE IMPURITIES



CHECK FOR POSSIBLE
TRANSFER OF IMPURITIES
TO THE COSMETIC
PRODUCT



4

SAFETY ASSESSMENT
OF THE RESULTS
OBTAINED





#### SUSTAINABLE PACKAGING

Jan Englert spends a lot of time on the topic of sustainable packaging, which has become increasingly important in recent years. Liaising with specialist departments, participating in cross-industry forums and observing the market are important parts of his work. Thanks to the expertise gained, we are always up to date and can provide our customers with comprehensive advice.

— Jan Englert —

Process and Project Manager

# WHAT DO YOU CONSIDER TO BE TRULY SUSTAINABLE PACKAGING?

When it comes to sustainability, it is very important to me that we consider the packaging concept right from the start of product development – based on reliable findings and industry standards. This also includes rethinking packaging, e.g. with refill solutions or solid cosmetics. The best packaging is the one that can be saved.

#### YOU MONITOR THE MARKET CLOSELY.

#### WHAT DO CONSUMERS EXPECT

#### FROM PRODUCT PACKAGING?

More and more consumers are demanding sustainable packaging that can be easily recycled or is made from recycled material itself. The product promises should also be credible. Unfortunately, the willingness to spend more on sustainable packaging is still quite low. There are also some misconceptions that we want to dispel through good communication and

fact-based packaging design. Paper and card-board packaging is perceived as very sustainable, even though this is unfortunately not always true in practice. For example, when paper packaging is coated with plastic and therefore not recyclable.

#### WHICH MATERIALS ARE EASY TO RECYCLE?

Glass and metals are of course very easy to recycle – but there are a few other factors that argue against their use in our products, such as the risk of breakage or the high use of resources. Plastics are very suitable for personal care products, which is why we mostly use packaging made of HDPE and PET – these are highly recyclable, widely used and very versatile. By using single-origin plastics, known as monomaterials, we ensure the best possible reuse.

#### WHICH COMPONENTS HINDER

#### RECYCLABILITY AND SHOULD BE

#### BE AVOIDED?

As a general rule, the more different materials are used, the more difficult it is to recycle packaging. The recyclability of dispensers, pumps or overcaps in particular decreases very quickly. Compatible materials should also be used for labels or closures. However, we now have very good solutions for this.

Colouring or finishing actually always impairs recyclability – especially very dark colours with carbon black content make recycling almost impossible.



# PACKAGING HAS TO FULFIL VARIOUS FUNCTIONS. DOES THE CLAIM TO BE SUSTAINABLE ALSO REACH ITS LIMITS?

This is definitely an important point that we often have to make to customers. Packaging is only truly sustainable if it protects the contents properly and is easy to use. This is why we test intensively, particularly in the field of analytics and technology, which packaging fulfils the key sustainability criteria and at the same time meets all requirements for product safety and protection, machinability and logistics.

#### WHAT CAN MANN & SCHRÖDER COSMETICS ACHIE-VE AS A MEMBER OF THE RECYCLATE FORUM?

In the Forum Rezyklat, we come together with companies from all areas of the circular economy: Industry, trade and recycling companies. Together, we develop strategies and measures to promote the use of secondary raw materials as well as the reduced use of materials and the recyclability of new packaging.

We are involved in various specialist groups to develop practical and consumer-oriented solutions with all stakeholders. In 2022, we were represented in the specialist packages "Packaging reduction", "Technology and recyclability" and in the outsourced consortium CosPaTox. A positive side effect of this collaboration is that we are constantly expanding our own expertise through professional exchange.

# WHAT GOALS IS MANN & SCHRÖDER COSMETICS PURSUING WITH REGARD TO SUSTAINABLE PACKAGING?

It is important for us to support our retail partners in implementing sustainable packaging. Thanks to our expertise and experience with a wide range of products, we naturally always look for the most sustainable solution that meets all of our customers' requirements, as well as being affordable. Our aim is to get the best out of every packaging from product to product and from relaunch to relaunch.

The following diagram shows the approaches we use to achieve this:



#### **DESIGNED FOR THE CIRCULAR ECONOMY**

Our aim is to ensure that the packaging of all the products we put into circulation is reusable. As described in the previous chapter, we use various approaches to achieve this. Another tool is the use of washable labels on PET packaging. The advantage is that the labels can simply be removed with hot water and the pure PET material can be further processed. In this way, the cycle from production to disposal is complete.

The four "R" - Refuse, Reduce, Recycle, Rethink - can be seen as a guideline for the sustainable use of resources. These R-rules are reflected in our packaging concepts: refuse, reduce, use recycled material or material that can be easily recycled.







JEOPARDISING PRODUCT SAFETY

REDUCE



**RECYCLE** 

ARE EASY TO RECYCLE



RETHINK

USE OF RECYCLED MATERIAL

#### AS LITTLE AS POSSIBLE

When it comes to sustainability, the following principle applies: the most sustainable packaging is the one that can be saved.

Weight reduction and material savings are therefore equally important components of sustainable packaging solutions. Our experts have been working on this topic for many years. Reducing the weight of a product has the advantage of easing the burden on transport and reducing the associated CO<sub>2</sub> emissions, because less material requires fewer resources. "We scrutinise every new product during development with regard to weight and material savings. This is as standard for us as marketability or stability. However, there are certain limits to the reduction of packaging material, as the functionality and safety of a product must not suffer as a result of the reduction. Our credo is to save as much as possible without losing quality," explains Marco Stottmeier, Packaging Material Development Sustainability.

#### **REFILL BAGS ON THE RISE**

Refill bags are particularly material-efficient, as they require significantly less material than bottles and tubes. We see great

potential in this area and have significantly expanded it in 2022. With the acquisition of a new system, we will also be able to produce refill pouches from mono-material in the future, which was not technically possible until now. Refill bags made from mono-material have the additional advantage of being very easy to recycle, which means we are taking another big step towards a circular economy.

#### **FOOTPRINT PACKAGING**

In order to further optimise the carbon footprint when purchasing our packaging components in the future, we have set up our own Scope 3 team, which analyses packaging types in terms of their CO<sub>2</sub> emissions. We work together with various experts, universities and colleges on this objective.

In practice, we source around half of all bottles from Germany, and the trend is rising. The shorter the transport routes, the lower the associated CO<sub>2</sub> emissions.

READ MORE ABOUT PRODUCTS & INNOVATIONS



#### **ALKMENE®: NATURAL INGREDIENTS** SUSTAINABLY PACKAGED

In 2022, the alkmene® segment with tea tree oil was relaunched on the market with a new look. The formulas for MY TEA TREE OIL have been improved and packaging has also been made more sustainable. For example, alkmene® MY TEA TREE OIL uses both recyclable materials and materials with a high recycled content. The brand segment with the power of medicinal plants has long been a pioneer when it comes to sustainable packaging: the brown apothecary-style bottles are made from 100% recycled material and the tubes - depending on the application - from 60% recycled material.







WE GO GREEN

# ENERGY





CERTIFIED
ACCORDING TO DIN EN ISO 50001

### SUSTAINABLE SOLUTIONS

## ENERGY-EFFICIENT SYSTEMS AND MACHINES

In order to protect the environment and its resources, we see it as our duty to minimise energy consumption with special measures.

ready utilises a wide range of different efficiency technologies: from energy-saving LED lighting in the production halls, operating rooms and outdoor areas to heat recovery in the manufacture of care products. This makes it possible to utilise the waste heat from our machines.

#### SUSTAINABLE LIGHTING TECHNOLOGY

At our plants in Siegelsbach and Hüffenhardt, we use modern light sources such as LEDs and efficient lighting control. This reduces energy consumption and protects the environment. By adapting our lighting, we save up to 60% of our lighting energy.



### DEVELOPMENT OF TOTAL ENERGY CONSUMPTION IN THE COMPANY

The total energy consumption – electricity, gas and other energy sources – of MANN & SCHRÖDER COSMETICS totalled 15,794 mega—watt hours, 4.6% higher than the previous ye—ar's figure (15,104). With a production volume of +13.6% (compared to the previous year), energy consumption was reduced by –9%.

### 100% GREEN ELECTRICITY

Compared to grey electricity, which is largely generated from fossil and nuclear energy sources, green electricity produces fewer CO<sub>2</sub> emissions and therefore supports climate and environmental protection. MANN & SCHRÖDER COSMETICS has therefore been using 100%t green electricity at both production sites since January 2014. With an annual consumption of around 15,700 MWh, green electricity saves us 3,796 tonnes of carbon dioxide – every year.

### 2021

	From non-renewable sources	From renewable sources	Total energy consumption
MWh	8,378	6,726	1F 10 /
Share	55%	45%	15,104

### 2022

	From non-renewable sources	From renewable sources	Total energy consumption
MWh	8,499	7,295	1F 70/
Share	54 %	46%	15,794



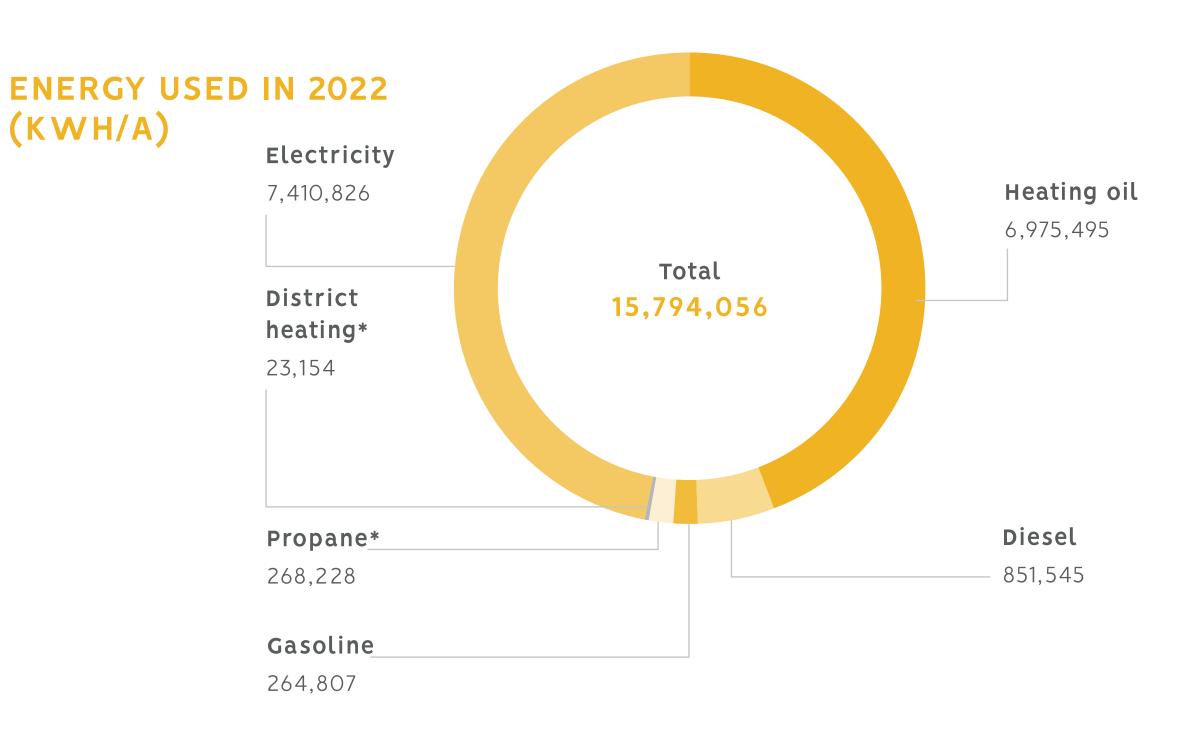


(KWH/A)

	Heating oil	Diesel	Gasoline	Electricity	Propane	District heating	Total
Siegelsbach	1,881,451	425,773	132,404	1,736,841	0	0	4,176,468
Hüffenhardt	5,094,044	425,773	132,404	5,558,115	0	0	11,210,335

The company's energy consumption or energy use is calculated from the energy quantities shown above: energy procurement and own generation minus feed-ins.

The graph on the right summarises the energy sources and quantities.



<sup>\*</sup> Caused at the other Mann & Schröder Cosmetics sites (MUNA & Gundelsheim)



When calculating CO<sub>2</sub> emissions in 2022, the main sources are once again the manufacture of purchased raw materials and packaging materials, as well as the combustion of fossil fuels to generate heat in production (see table DIRECT AND INDIRECT GREENHOUSE GAS EMISSIONS).

### DIRECT AND INDIRECT GREENHOUSE GAS EMISSIONS

	Emission source	t CO <sub>2</sub>   2021	t CO <sub>2</sub>   2022
Scope 1 (Direct Emissions)	including process and building heat	2,446.28	2,312.28
Scope 2 (Emissions from purchased energy)	Green electricity	0	0
Scope 3 (Indirect emissions from upstream and downstream value chain)	including raw materials, packaging materials, trans- port, business travel	90,071.90	100,295
Total		92,518.18	102,607.47

### SCOPE 1

The table shows that CO<sub>2</sub> emissions in Scope 1 were reduced by 5.73% (compared to 2021). This is mainly due to the fact that emissions in the heating category have fallen slightly, which is attributable to lower consumption of fossil fuels, especially heating oil.

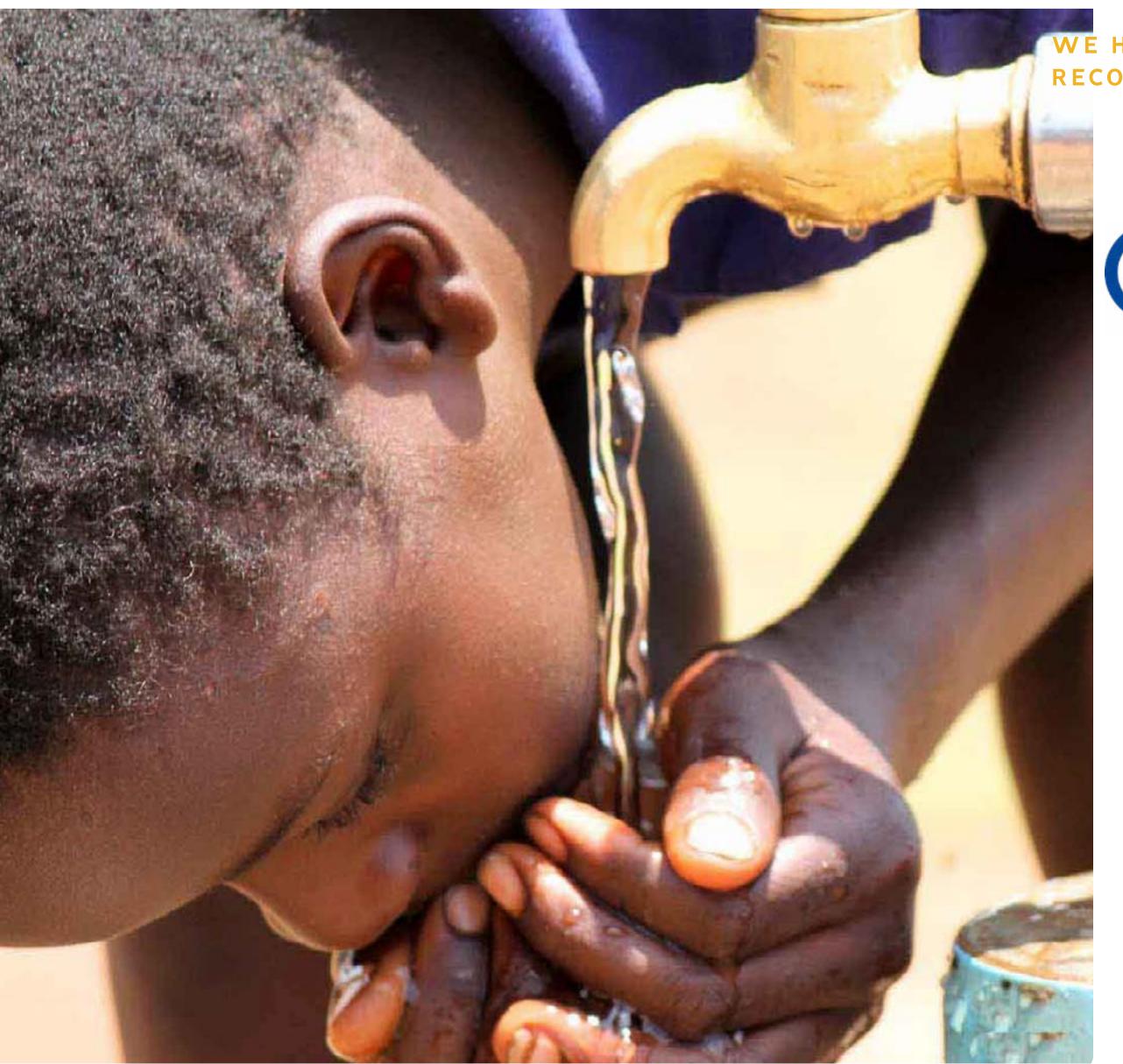
### SCOPE 2

The emissions from the Scope 2 category also amount to 0 tonnes of CO<sub>2</sub> in 2022, as green electricity is purchased and an emission factor of 0 is estimated. Looking at the total electricity consumption at both locations in 2022, this results in a saving of around 3,796 tonnes of CO<sub>2</sub> compared to the use of the conventional

German electricity mix.

### SCOPE 3

In Scope 3, there was a 10.69% increase in CO<sub>2</sub> emissions in 2022, which is mainly due to a higher use of packaging materials.





Wann & Schröder GmbH
Klimaneutrales Unternehmen
Diese Unkunde besteligt die Kompensation von Treibhausgesemissionen durch zudartiche Klimachutzprojekt.
CO-Augniverter
14.083.821 kg
Unterstütztes Klimachutzprojekt
Sauberes Trinkwasser
Landesweit
Kenia
ClimatePortner-ID
53671-1802-1003

### M&S COSMETICS IS CLIMATE NEUTRAL

**SINCE 2017** 

Together with ClimatePartner, we determine our company's CO<sub>2</sub> emissions every year and calculate a comprehensive corporate carbon footprint (CCF) based on the Greenhouse Gas Protocol. This includes all greenhouse gas emissions from Scope 1 to 3, including the supply chain of raw materials and packaging materials. The total amount of emissions in 2022 was 102,607 tonnes of CO<sub>2</sub>.

As a manufacturing company, MANN & SCHRÖDER COSMETICS cannot completely avoid CO2 emissions.

However, we endeavour to take a holistic approach to climate protection by avoiding unnecessary emissions, reducing existing emissions and offseting unavoidable emissions. We do this be avoided by purchasing emission certificates and thus support a climate protection project for water treatment in Uganda. You can also find more information about the project here:

#### CLIMATE NEUTRAL PROJECT

"AT MANN & SCHRÖDER COSMETICS,
PHOTOVOLTAIC TECHNOLOGY CONVERTS
SUNLIGHT ENERGY DIRECTLY INTO
ELECTRICITY."

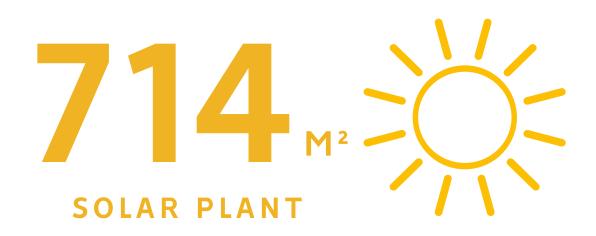
Stefan Martin, Head of Technology





### **USING SOLAR ENERGY**

At our site in Hüffenhardt, we also use solar power on a total of 714 square metres. Our solar system converts the radiant energy of sunlight directly into electrical energy using photovoltaics. The energy generated in this way flows directly into our power grid and is used where it is needed – quickly and in an environmentally friendly way.





"THE WASTE HEAT GENERATED DURING COM-PRESSED AIR PRODUCTION IS NOTHING MORE THAN A BY-PRODUCT THAT WE UTILISE IN A COST-NEUTRAL WAY."

### Stefan Martin

Head of Technology

#### UTILISATION OF WASTE HEAT

We utilise the heat generated during the movement of our machines by means of heat recovery. This requires a water-cooled compressor. At our Hüffenhardt site, three compressors generate the required compressed air.

The hot water is pumped through the compressor units, where a heat exchanger is connected to the heating network, into the radiators throughout the building and released as room heat. "At normal outside temperatures, we don't need any additional heating oil the waste heat from the compressors is

enough to heat the entire building. Only in winter does the heating system need to provide support," explains Head of Technology Stefan Martin. The environmentally friendly and resource-saving solution has two benefits: firstly,, thousands of litres of heating oil can be saved each year, and secondly, thanks to the built-in water cooling system, no additional energy is required to cool the compressors.

### NEW BLOCK HEATING POWER PLANT

### Mr Wörner, what is a combined heat and power plant and how is it constructed?

"A combined heat and power unit, or CHP for short, is a system for generating electrical energy and heat. The CHP unit consists of an engine that drives a generator to produce electricity. This generates 258 KW of electricity. The engine is cooled via a water circuit that is connected to the heating network. This allows another 258 KW of heat output to be transferred to the heating network."

### What increase in performance does this mean for the Hüffenhardt site?

"How much electricity or heat is generated depends on how much heat can be dissipated.

If, for example, there is no need for heating or cooling in spring or autumn, the full output cannot be called up. We only know the actual amount of heat transferred after a year."

### So that means we generate both electricity and heat?

"That's right. We use the electricity all year round for our own needs and the heat in winter for heating."

### And what happens in summer when there is no heating?

"In summer, we use the waste heat from the engine to air-condition the building. We can use the waste heat to operate the cooling systems. The absorption chillers prod-uce cold water, which we then use for air conditioning."

### Is the same amount of electricity generated in summer as in winter?

"Yes, only in the transitional periods will it not be possible to fully utilise the capacity."

### heat and power plant?

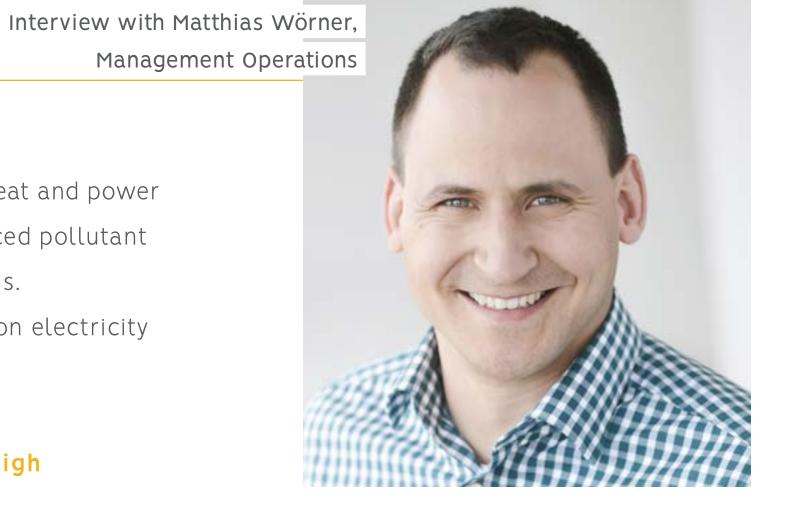
"The advantages of a combined heat and power plant are its high efficiency, reduced pollutant emissions and energy cost savings.

It also makes us less dependent on electricity suppliers."

### What exactly do you mean by high efficiency?

"The efficiency of a CHP unit shows what percentage of the energy used is converted from fuel into electricity and heat. The overall efficiency of a CHP unit is 80–90%.

The efficiency results from the addition of electrical efficiency and thermal efficiency. Electrical efficiency indicates what percentage of the energy used is converted into electricity, while thermal efficiency indicates how much is converted into heat."



### CERTIFICATION ACCORDING TO ISO 50001

MANN & SCHRÖDER COSMETICS has been certified in accordance with the internationally recognised standards for energy management (DIN EN ISO 50001) since 2019. As part of the energy audit, energy targets were defined and, but a comprehensive action plan was also drawn up for the coming years.

READ MORE ABOUT ENERGY USE

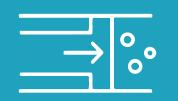


TAKING RESPONSIBILITY SERIOUSLY

### USE OF WATER



PIGGING SYSTEM



CLEAN PIPES, SAVE CONTENTS



### ESSENTIAL

## WATER SOURCE OF LIFE

One of the most precious and important resources for our lives is water. Humans need water just as much as animals and plants to survive. Water is a building block of life and cannot be replaced by anything else.

t MANN & SCHRÖDER COSMETICS, we recognise the preciousness of water as a resource and use it responsibly. We cannot do without water in our production: it is an important component of our body care products and is needed to clean systems.

In recent years, we have established various measures in the company to save water in addition to various technologies.





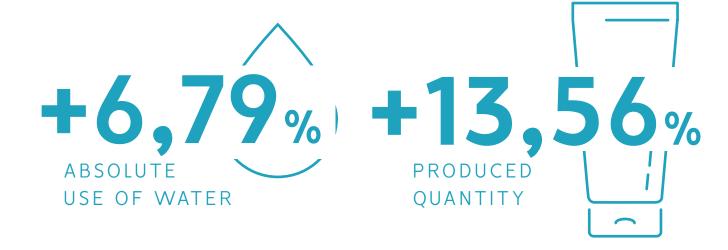
### USE OF WATER MANN & SCHRÖDER COSMETICS

	2021	2022	Change 2021–2022	
	absolute	absolute	absolute	in %
Absolute water consumption	88,343 m³	94,339 m³	+5,996 m³	+6.79 %

The table shows that water consumption in 2022 (compared to 2021) is 6.8% higher. At the same time, however, the number of units produced (2022) has also increased by 13.56%. This shows that our modern water technologies are having an impact and that the amount of water (in relation to the number of units produced) has been reduced by 6.77%.

The higher water consumption at the Hüffenhardt site is due to the relocation of production facilities (from the Siegelsbach site to Hüffenhardt).

**CHANGE 2021 - 2022:** 



#### ONLY AS MUCH AS NECESSARY

The motto "only as much as necessary" accompanies our careful use of water and is reflected in declining consumption. We can use a variety of approaches to reduce water consumption in a targeted manner.

#### **RESOURCE-SAVING CLEANING**

We have been working with Ecobulks since 2020. Compared to the IBC containers that were used until then, steel Ecobulks have the advantage of being bevelled, therefore less filling material sticks to them after emptying. This makes cleaning easier, saves water and helps to utilise the quantity produced more efficiently. The containers are cleaned at dedicated cleaning stations. The surface jet, which has been in use since 2020, is very efficient in terms of water consumption and can be cleaned in 15 minutes.

#### **FULL BOILER UTILISATION**

We also save cleaning time and water in production by making full use of the boiler capacity (10 tonnes per batch). This allows us to optimise the ratio of batching in the boiler to cleaning. Whether a production boiler works with a large or small capacity, it has to be cleaned after every use regardless. This measure also has a favourable effect on the water consumption of each individual product.



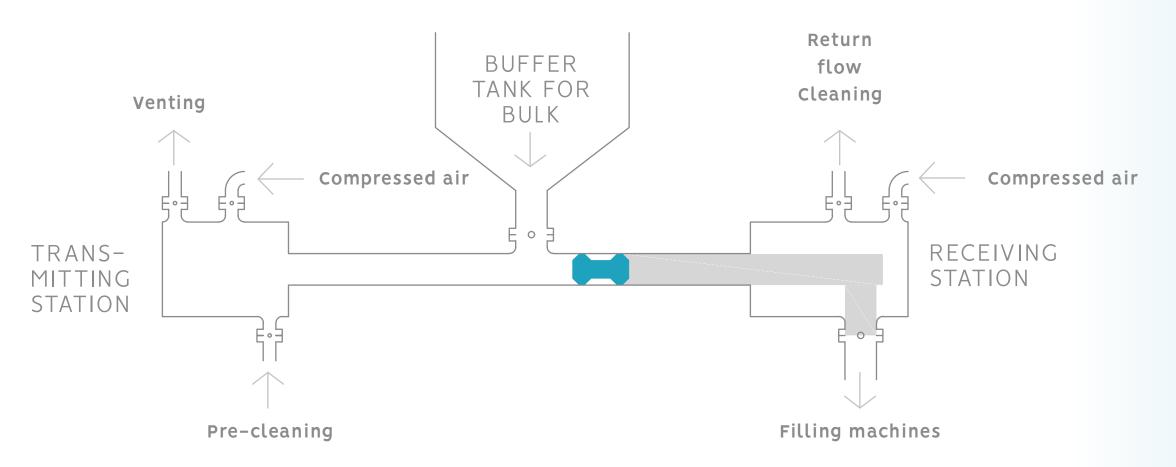


### PIGGING SYSTEM – OPTIMUM FILLING MATERIAL UTILISATION

After the care products have been filled, a large residual quantity of filling material (bulk) usually remains in the supply lines to the filling line. With the help of an electronically controlled rubber stopper (pig), this residual quantity can be completely pushed forward through the pipework with compressed air and utilised. Without a pigging system, these production residues would have to be rinsed out using abundant water and cleaning agents and disposed of as hazardous waste. "This system has nothing but

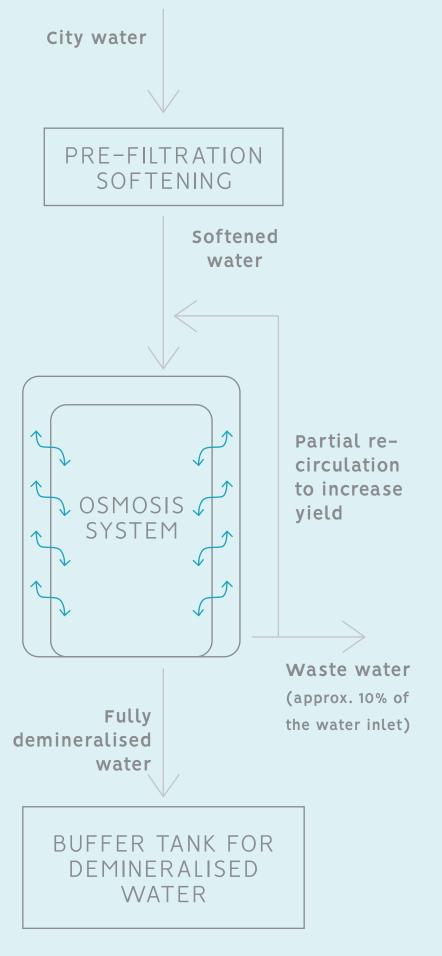
advantages," says Stefan Martin, Head of Technology at MANN & SCHRÖDER COSMETICS. "The software in a piggable line is quite complex and enables efficient utilisation of the filling material. Added to this are the enormous savings in water, energy and cleaning agents. This reduces the impact on the environment and conserves valuable resources."

### PIGGING SYSTEM: MORE PRODUCT, LESS WATER



OF DEMINERALISED
WATER FROM 100
LITRES OF TAP
WATER

### OSMOSIS SYSTEM: EFFICIENT AND ECOLOGICAL



### DESALINATION WITH OSMOSIS

Purified, demineralised water is an ingredient in almost all of the products we manufacture. To remove salt and other substances from tap water, we have been working with an osmosis system of the highest configuration for almost 20 years. This process enables us to produce 90 litres of purified, desalinated water from 100 litres of tap water.

The remaining 10 litres are fed back into the wastewater as salt concentrate (retentate). After the filtration process, the demineralised water is fed into a buffer tank for storage. Thanks to the purchase of additional buffer tanks in 2017, we no longer need to start up the osmosis plant as often, which offers considerable advantages. "The additional storage options have the benefit of allowing us to cut our call-out cycles by a third," says Stefan Martin, Head of Technology at MANN & SCHRÖDER COSMETICS. "This saves us large amounts of water and waste water. With each new start-up, the system with all membranes and pipework is thoroughly rinsed with water for three minutes and water ultimately ends up in the sewer."

The osmosis system desalinates water in a very effective, ecological way and is far superior to other methods. Together with the large storage capacities of the buffer tanks, water desalination at MANN & SCHRÖDER COSMETICS is highly efficient.

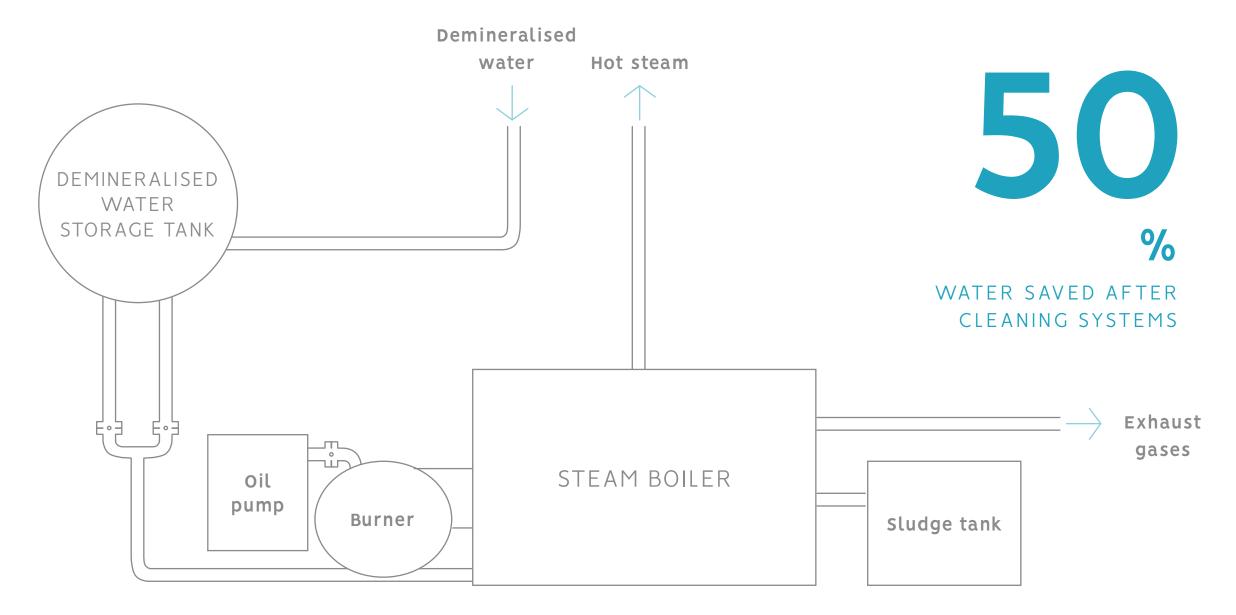
OVER

15,000

LITRES
OF WATER SAVED PER DAY



### STEAM CLEANING: WATER-SAVING GROWTH



### **EFFECTIVE CLEANING WITH STEAM**

Steam cleaning is an environmentally friendly and ecologically sensible process that saves time, cleaning agents and precious water. As emulsions, i.e. fatty mixtures, play a major role in the manufacture of personal care products, the cleaning effort for mixing vessels and pipework is very high. With the steam cleaning method we have been using since 2018, we can clean the systems very effectively. Compared to conventional cleaning with

water and cleaning agents, steam cleaning uses around 50% less water and takes only half the time. In addition, only a fraction of the cleaning agents are used, which has a positive effect on the consumption of chemical agents and also significantly reduces the amount of contaminated waste water.

READ MORE ABOUT THE USE OF WATER



REDUCE, REUSE, RECYCLE

### WASTE MANAGEMENT





### WASTE MANAGEMENT

### CONSCIOUS DISPOSAL

### Closing the loop through recycling and reuse

ackaging protects the product that is close to our hearts. It provides information, helps with transport and is often a decisive purchasing factor.. But from our point of view, packaging must also be envirnmentally friendly. Whether paper, cardboard, plastic or glass – a conscious approach

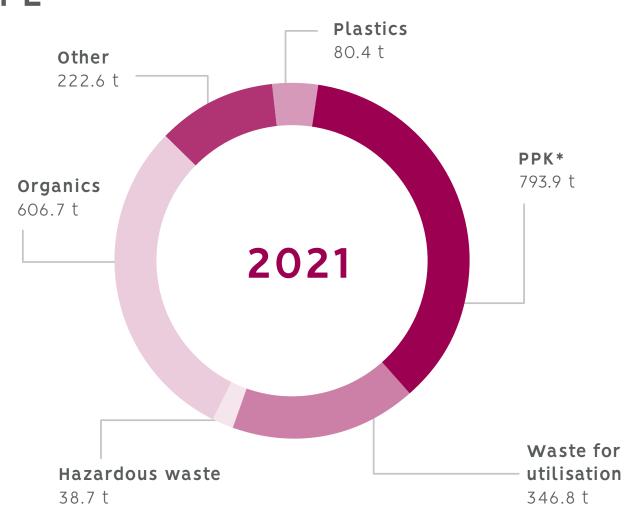
to raw materials runs through our entire value chain and does not stop when materials become waste and have to be disposed of. Together with our waste disposal partners, we consistently pursue the goal of recycling and think in terms of the circular economy. The basis of our waste management is clean waste separation. Waste is largely generated in logistics when raw materials and goods are delivered in disposable packaging for further processing. We collect recyclable materials like paper and plastic type, allowing us to optimise their recycling.

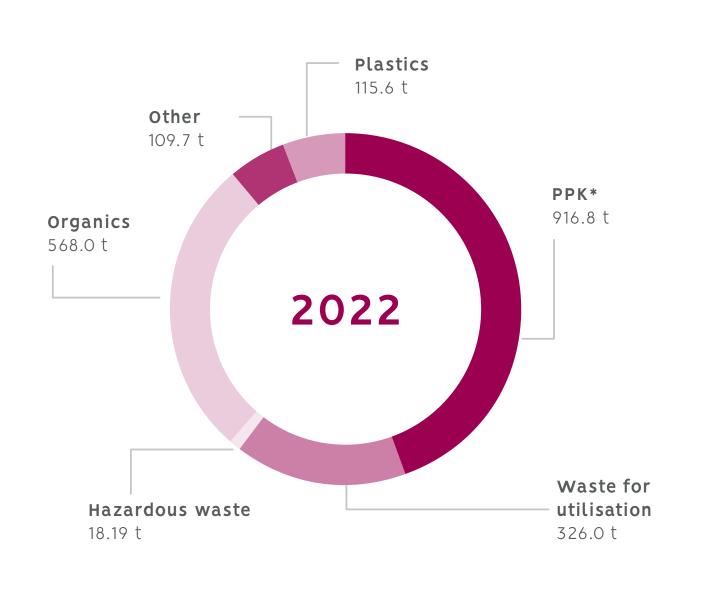
#### **WASTE VOLUMES BY WASTE TYPE**

The amount of non-hazardous waste in 2022 was around 2,232 tonnes. This is almost 2.6% lower than in the previous year (around 2,290 tonnes in 2021). The amount produced increased by 13.6% compared to 2021. This represents an 11% reduction in the volume of waste. Hazardous waste amounted to 18.2 tonnes in 2021. Hazardous waste, which primarily includes raw material waste and highly flammable liquids, only accounted for a very small proportion of total

waste this year at less than 1% (0.7%). A significant increase in the volume of hazardous waste is not expected. Due to the high collection effort involved, it was therefore no longer reported separately in the sustainability report. In addition, sludge from our wastewater treatment was not included as waste in the calculation.

### VOLUME BY TYPE OF WASTE





-11%
LESS WASTE\*

\*IN RELATION TO THE QUANTITY PRODUCED IN 2022

#### PLASTIC - NOT ALWAYS BAD

When using plastics, we make sure that they can either be reused (recycled) or are already made from recycled material (recyclate). This is the only way to complete cycles and conserve resources (see the section on packaging). What is known as PCR material prevents the need to produce more and more plastic from fresh crude oil, which can save large amounts of energy and CO<sub>2</sub>.

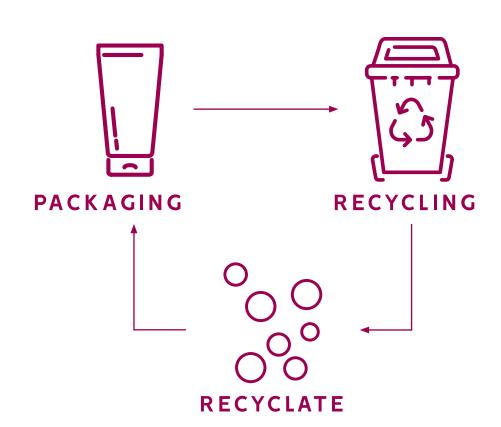
### **RECYCLABILITY**

In the reporting year, the proportion of recyclable waste was just under 94%. Almost all paper and cardboard was recycled, which, along with film and plastics, make up the majority of the materials we recycle.

All of our residual waste and recyclables con-

All of our residual waste and recyclables containers are equipped with waste compactors to compress the volume of waste. This means that the containers can be filled for longer and need to be emptied less frequently. This saves the waste disposal companies travelling to the site and therefore saves a lot of CO<sub>2</sub>.

94%
RECYCLING
QUOTE



CO<sub>2</sub>

SAVINGS THROUGH
WASTE COMPRESSION



#### BENEFITS IN OTHER PLACES

The manufacture of personal care products generates specific waste. For example, we collect waste containing solvents and have it collected for a fee by a certified waste disposal company. This company can deliver the substances to sewage treatment plants, which can use the solvent-containing substances as a food source for certain bacteria. The situation is similar with fats. We have been

working with a flotation plant for over ten years to separate the fat from the water. We have the separated fat collected by specialised disposal companies, where it is used elsewhere for the growth of certain bacteria. In this way, residues that are no longer used in our production are utilised elsewhere.



### REUSABLE INSTEAD OF SINGLE-USE

Every employee receives their own personal Titan drinking bottle when they start at MANN & SCHRÖDER COSMETICS.

This can be used to fill up with water at the water dispensers in the canteens, preventing the use of disposable cups and avoiding plastic waste.





OUR MOST IMPORTANT RESOURCE

### EMPLOYEES

DEUTSCHLANDS
BESTE
AUSBILDUNGSBETRIEBE
TESTSEGER FOCUS 14/18
www.gleutschlandtest\_de

TRAINING COMPANY IN GERMANY IN THE CARE/COSMETICS PRODUCT SECTOR

804 EMPLOYEES





### HAPPY EMPLOYEES

### WORK-LIFE BALANCE

All employees should feel comfortable in our company and be able to develop well, because success is only possible together.

hen we say that our employees are our most important asset, we do not mean this in purely economic terms. The well-being of every employee is important to us; after all, we have entered into a partnership that should last as long as possible. We want everyone to feel comfortable at work and be able to claim that they have a good work-life balance. We therefore endeavour to offer attractive working conditions in order to retain and attract staff.

This is reason enough for us to invest in our workforce in 2022 despite the difficult economic situation and to introduce a 37.5 hour week from 1 July. This was accompanied by wage and salary adjustments, which resulted in a significant increase in many people's monthly pay slips. For us, every euro spent in this way is well invested. We want our employees to be satisfied – and to remain satisfied.

#### MOBILE WORKING

A lot of work is now carried out from home and meetings are held via video conference or in hybrid form. The changes originally intended as a protective measure in 2020 have also proven to be useful at other levels.

We have therefore further expanded this trend and created a generally applicable "Mobile working" company agreement. This allows all

employees who do not necessarily have to be on site to work on a laptop or PC outside the office. For colleagues who can make use of this, the days spent working from home or in a mobile office represent a significant improvement in their work-life balance. Sometimes many hours of travelling time can be saved. The associated reduction in CO2 emissions is a welcome side effect and contributes to our

ambitious sustainability goals.

### **PRO FAMILY**

As a family-owned company, we understand the needs of working parents and support them in balancing family and career, for example, by enabling part-time work and mobile working. Our aim is to offer employees a pleasant working environment. This includes fair pay, additional company benefits and flexible working time models. We make returning from parental leave as easy and attractive as possible, offering attractive part-time models for this purpose. In 2022, 28 of our employees took parental leave. As in previous years, more women (55%) than men (45%) were among the 804 employees (as of 31 December 2022). The age group between 30 and 50 is the most strongly represented at MANN & SCHRÖDER COSMETICS with a share of almost 50%, followed by the age group over 50 (27%) and under 30 (23%).



"A GOOD WORK-LIFE BALANCE AND A PLEASANT WORKING **ENVIRONMENT ARE VERY IMPORTANT TO** US."

#### Alexandra Fischer

Human Resources Management, MANN & SCHRÖDER COSMETICS



#### **COMMUNICATE DIGITALLY**

Our employee app introduced in 2021 has proven to be a successful model. With a user rate of almost 90%, it confirms that communication via smartphone is also becoming increasingly important in working life.

All important company news is published in the app, as well as articles on leisure and health topics. The Monday Information and Thursday Insight formats summarise important strategic topics every month.

A comment function allows users to give feedback on articles or ask questions. They can also ask questions to the management in a separate section. This means that internal communication is not a one-way street, but a lively exchange.

### **DIGITAL INSTEAD OF PRINT**

Health and leisure

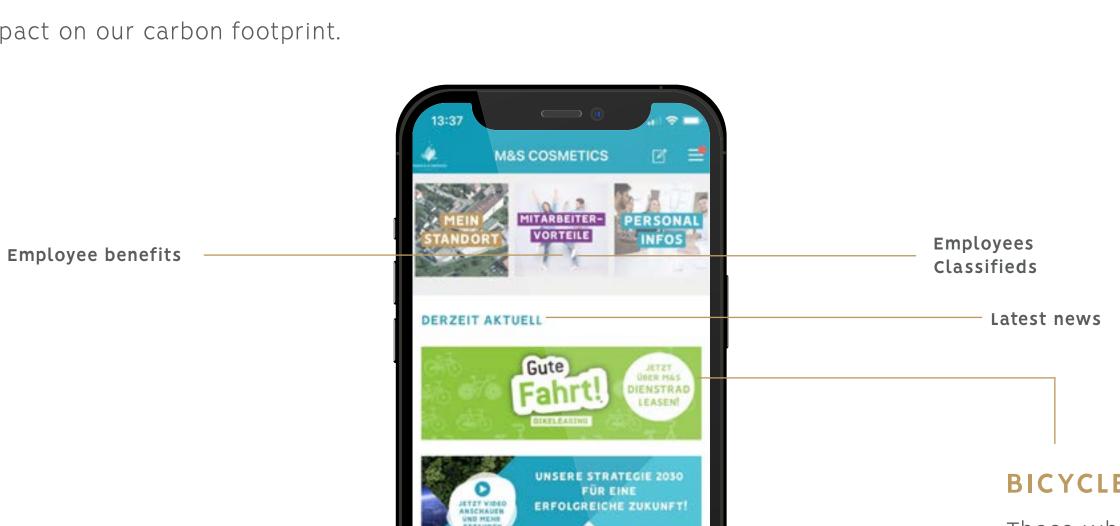
List of employees

tips

Employees have been receiving their payslips digitally since July 2022.

This eliminates the need to print and send hundreds of letters every month, several thousand a year, which has a favourable impact on our carbon footprint.

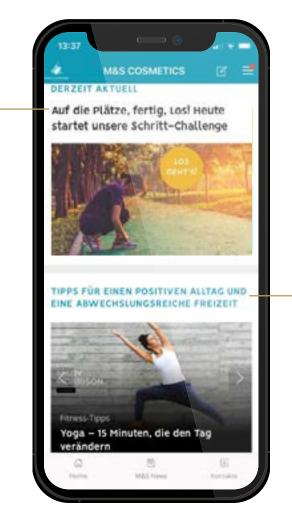
CYCLING BOTH SAVES AND ALSO PROMOTES HEALTH.





### **BICYCLE FOR EMPLOYEES**

Those who cycle to work are rewarded. MANN & SCHRÖDER COS-METICS has been a cooperation partner of a bike leasing company since September 2021 and employees can lease a bicycle or e-bike at a reduced rate. Cycling both saves CO2, and also promotes health - both aspects that we very much welcome.







### **HEALTH-FOCUSED WORKPLACE**

As an employer of over 800 people, we see it as our responsibility to create working and general conditions that promote the health and wellbeing of our workforce. On the one hand, we ensure ergonomics and safety in the workplace, and on the other, we offer exercise and sports programmes.

Fortunately, the latter were possible again in 2022 after a two-year break due to the pandemic. In February, for example, we started the sports programme with weekly strength and endurance training, resumed tennis lessons on Monday evenings, organised joint bike tours and took part in four company runs. Dozens of employees took part for MANN & SCHRÖDER COSMETICS and some actually made it onto the winners' podium at the company run.



#### FREE EYE TESTS

Through our company doctor, we offer all employees regular examinations, including eye tests, for example. If the need for computer glasses is identified, MANN & SCHRÖDER COSMETICS will contribute to the costs. Safety glasses in your own prescription are also subsidised.



#### PROMOTE YOUNG TALENT

Training young people is very important to our company. We attach great importance to promoting the well-being of future generations. It is therefore important to us to offer school

### **ACCLAIMED**

### TRAINING WITH QUALITY

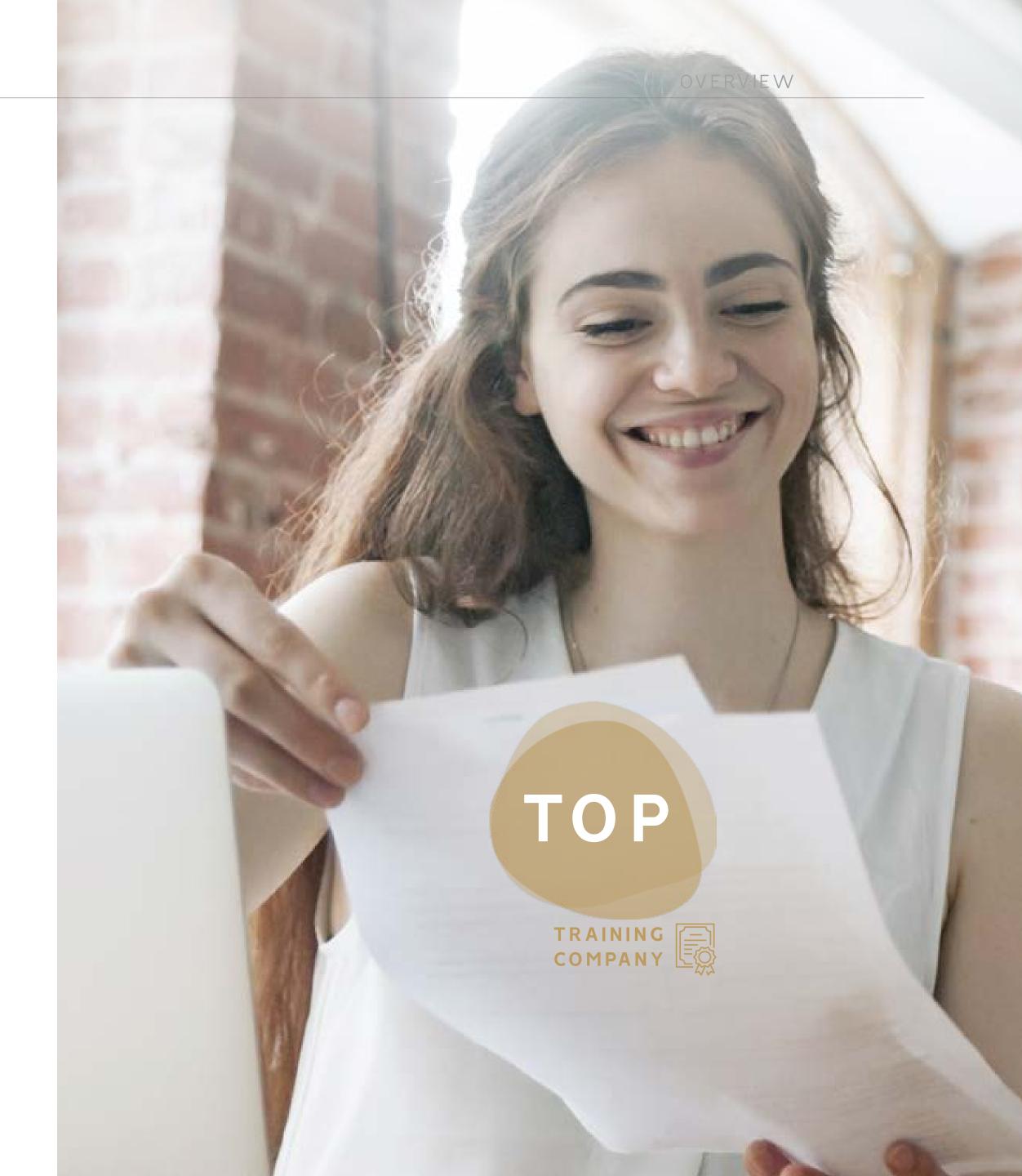
According to the business magazine Capital, MANN & SCHRÖDER COSMETICS is once again one of the best training companies in Germany. MANN & SCHRÖDER COSMETICS is also at the forefront as a training organisation in evaluations by Focus Money, WELT, F.A.Z and Handelsblatt.

> READ MORE ON TRAINING AND STUDY

leavers and students sound vocational training and subsequent career prospects. "We do everything we can to ensure that young talent can develop in our company in the best possible way," says Head of Human Resources Alexandra Fischer. In the reporting year, we employed 36 trainees and students from the dual study system in a total of 18 different apprenticeships and dual study programmes.

### **GOLDPARTNER**

As a Gold Partner of the Baden-Württemberg Cooperative State University, we offer targeted training programmes in addition to initial and further training. Practical training includes in-company lessons and accompanying seminars such as project and time management. Trainees from three specialisations can practise under real conditions in our own training workshop.



#### TRAINING CONCEPT

As part of an HR initiative, we developed a training concept in 2021 in which processes were standardised and procedures were adapted to a uniform level. New trainers and mentors were trained and educated within our organisation, who took over the respective



specialist areas according to their qualifications. All content was revised in line with the relevant specifications (e.g. IHK training framework plan and DHBW specifications) and tightened up where necessary. This project has made training and the dual study programme at MANN & SCHRÖDER COSMETICS more comparable and transparent within the various professions. In 2022, we introduced the digital report booklet. Our trainees can use the app to log their weekly training records online and send them directly to their trainers. This saves time, money and paper. Thanks to the simple operation of the app, which is used to maintain training records, trainees can also complete their report booklet on the move. All instructions and tasks are documented in the report booket in digital form, it is available on all end devices at any time.





It's not just apprentices and students who learn at MANN & SCHRÖDER COSMETICS; all employees receive regular training. In addition to mandatory training in occupational safety and data protection, we offer hygiene and GMP training, driver training, learning units on sustainable packaging and awareness, as well as courses on mobile working and managing virtual teams on our own online learning platform. Employees also have the opportunity to take part in customised training courses at external institutes.

TRAINING FOR ALL



#### **SAFETY & PREVENTION**

MANN & SCHRÖDER COSMETICS goes beyond the applicable standards and laws to ensure a safe and hygienic working environment. With this in mind, we analyse and monitor relevant work processes for potential health and safety risks and take appropriate measures to reduce hazards. A further objective is to avoid accidents at work and to protect our employees through preventive health measures. The aim is to prevent employees from being absent from work for long periods of time.

We work closely with an external occupational safety company and hold joint meetings of the Occupational Safety Committee every three months. Topics relating to accident prevention and protection in the workplace are discussed here. The participants from MANN & SCHRÖDER COSMETICS include representatives from various departments of our company and the works council, as well as the company doctor. The meeting is chaired by the occupational safety department and a member of the

management.

In 2022, the number of accidents at work resulting in more than three days' absence from work was 23.

There is no group of employees in our company that is exposed to such a high risk due to their work that a particularly high rate of illness is recorded. If risks are discovered during the risk assessment, we immediately establish measures to reduce exposure.



DIFFERENT NATIONS

25
PERSONS WITH

DISABILITIES

85%
OF EMPLOYEES WILL BE WORKING FULL-TIME IN 2022

#### **HETEROGENEOUS STAFF**

We value diversity and want all employees to feel comfortable in our company. People from different age groups and 39 different nations work in our company, as well as 25 people with disabilities. There is no room for discrimination based on gender, age or skin colour at MANN & SCHRÖDER COSMETICS. In 2022, we were certified in accordance with the SMETA social standard in order to communicate this important aspect even more clearly to the outside world.

Over 90% of employees are employed fulltime, while 42% were on fixed-term contracts in the 2022 reporting year. They receive the same company benefits as employees with permanent contracts.

We want to attract committed and qualified employees to MANN & SCHRÖDER COSMETICS, keep them with us and motivate them to perform at their best by offering fair pay and an attractive overall package that also includes individual development opportunities and a good working environment.

#### **CO-DETERMINATION**

In our opinion, trusting cooperation between employers and employees can only bear fruit if employees have a say. We promote this codetermination by conducting surveys – for example, on satisfaction in the home office.

The company's own app also promotes internal

communication, as it gives all employees the opportunity to share their opinions and ask questions. We are happy to take on board suggestions for improvement and implement them where possible.



### **OPERATING COUNCIL**

The works council is the most important link between employees and the employer. It represents the interests of all employees, both in administration and production, and is in constant dialogue with the company management in a spirit of trust. HR management and the works council meet on a weekly basis.

Information on significant operational changes is provided in a timely and comprehensive manner in accordance with legal requirements – negotiations are possible at any time.

READ MORE ABOUT EMPLOYEES



CLOSE TO OUR HEARTS

### SOCIAL COMMITMENT

SUPPORTING THE

REGION





## FOR PEOPLE, NATURE AND ANIMALS

By producing innovative and sustainable hair and body care products, we want to contribute to the well-being of consumers. We are also committed to the well-being of society by supporting social projects for people, nature and animals.





n crises and disasters, we are there to help people in need with donations in kind. Our company supports regional associations and organisations in particular, but also helps abroad.

#### UKRAINE

After the outbreak of war at the end of February 2022, we were quick to act and put together a large donation of hygiene and personal care items together with the "Rucksack im Bunker" campaign. We brought a total of seven full pallets to a central collection centre in Giessen, from where the supplies were transported on to Ukraine. Our sympathy continues to go out to all people directly affected by the war and to all relatives who are very worried about their families.

TAFELN BADEN-WÜRTTEMBERG E.V.

Tafel Baden-Württemberg e.V. works as an umbrella organisation for the local food banks in Baden-Württemberg; together they support socially and economically disadvantaged people in the region. MANN & SCHRÖDER COSMETICS has been supporting this important organisation for many years. In 2022, more than 100,000 personal care products from Siegelsbach went to the food banks, reaching many thousands of people in need in the region.



#### REGIONAL AID

Due to rising prices and dwindling membership, many aid organisations are reaching their financial limits. We at MANN & SCHRÖDER COSMETICS are convinced that organisations and associations that look after children and young people as well as providing a home and care for animals are indispensable for a strong community.

Hence, we once again supported a number of these organisations in 2022. These include, for example, the Samenkorn nursery in Siegelsbach, the 1921 Siegelsbach sports club and the Heilbronn animal shelter.



### WASTE COLLECTION CAMPAIGN

As a member of the Recyclate Forum, MANN & SCHRÖDER COSMETICS once again took part in the "Less waste, more nature" waste collection campaign initiated by the Forum in 2022. During the campaign week from 10-17 September 2022, employees collected waste at the Siegelsbach and Hüffenhardt sites or in the vicinity of their own homes and sent it for recycling.

The aim of the campaign was to set an example for more environmental protection and a circular economy. MANN & SCHRÖDER COSMETICS credited all participating colleagues with two hours of work time for the waste collection campaign.





### CLEAN WATER

Climate protection and social commitment go hand in hand at MANN & SCHRÖDER COSMETICS, as demonstrated by our climate protection projects in Africa – first in Kenya and since 2021 in Uganda.

s part of the Corporate Carbon Footprint (CCF) survey, we are committed to further sustainability goals – far beyond the legal requirements.

With this in mind, we have our company's CO<sub>2</sub> emissions gauged annually in cooperation with ClimatePartner and offset them through special climate protection projects, such as the treatment of clean drinking water in Uganda. By providing safe water, MANN & SCHRÖDER COSMETICS promotes the health of people in poor regions. It is

common practice there to make water drinkable by boiling it on fireplaces. This involves burning wood and coal, which releases CO<sub>2</sub> and other pollutants. The project supported by MANN & SCHRÖDER COSMETICS finances the treatment of drinking water using chemical substances such as chlorine. This avoids harmful emissions and thus protects people's health and the climate at the same time.





# INTERVIEW WITH THE HEAD OF "BLÜHENDE LANDSCHAFT"

- Dr. Matthias Wucherer

Head of the Blühende Landschaft Network

Since 2020, MANN & SCHRÖDER COSMETICS and its VANDINI brand have been flowering sponsors of the Blühende Landschaft network, which works with farmers, local authorities and associations to create insect-friendly flowering meadows throughout Germany. In this co-operation, we have already created 95,000 square metres of flowering meadows and planted 75 million flower seeds. The Blühende Landschaft Network is an initiative of Mellifera e.V. We spoke to the head of the network, Dr Matthias Wucherer, and asked him about this unique, Germany-wide landscape project.

### WHAT IS YOUR MAIN MOTIVATION FOR LEADING THE BLÜHENDE LANDSCHAFT NETWORK?

As a biologist and hobby beekeeper, I follow the guiding principle of working for "bees, people and nature". Bees and all insects need our support – but all too often interests are represented one-sidedly. I like the holistic, integrative approach of Mellifera and the Blühende Landschaft Network, which centres on people recognising and caring for bees. After all, it is not political institutions, associations or companies that have an influence on our future, but people taking action.

### WHAT IS THE IDEA BEHIND THE BLÜHENDE LANDSCHAFT NETWORK?

The initiators of the Blühende Landschaft net-work, which included the founder of Mellifera e.V. as well as representatives of several beekeeping, nature conservation and agricultural associations, had already recognised in 2003 that the entire landscape had to be considered in order to protect bees and other pollinating insects. And even then it was clear that this could only be achieved if all stakeholders in the cultural landscape worked together: conservationists, beekeepers, farmers, local authorities... Everyone should play their part.

## MELLIFERA E.V. HAS BEEN CAMPAIGNING FOR HUMANE BEEKEEPING AND THE PROTECTION OF BEES SINCE 1985. HOW IMPORTANT ARE ALL OTHER INSECTS IN COMPARISON?

In nature, there is no such thing as "more important or less important"; on the contrary, our ecosystems are made up of complex connections in which everyone makes a different contribution. We are committed to promoting all pollinating insects and know that only diversity in nature ensures stability.

### CAN YOU GIVE US AN EXAMPLE OF THIS?

Yes, of course. Honey bees are very efficient pollinators – when the weather and flowers are right. In a cool, rainy spring, however, they don't venture out. Instead, bumblebees and other wild bees take over the pollination of the early cherry blossom. Our guiding principle applies here: diversity creates stability. The gap left by one species is filled by another – if enough species are available.

### HOW DO YOU ACQUIRE AREAS FOR THE FLOW-ERING SPONSORSHIPS?

We are delighted that many motivated farmers, local authorities and associations from all over Germany voluntarily contact us and offer their land because they want to make a contribution to biodiversity. The threads of flowering sponsors and area partners come together here, so to speak.



### WHICH FLOWER SEEDS DO YOU MAKE AVAILABLE TO FARMERS ETC.?

We advise our area partners on suitable flowering measures and provide them with seeds and other planting material (e.g. perennials and shrubs). We focus on native plants, as our native insects are adapted to them. We even use native seeds, which are collected and propagated in the region where they will ultimately be used. This is because the daisies on Lake Constance differ to those by the Baltic Sea in terms of their adaptation to climate and soil.

### WHAT ARE THE BENEFITS OF PLANTING FLOW-ERING AREAS FOR PEOPLE AND NATURE?

Quite a lot. This provides us with a habitat and food for a variety of pollinating insects and ensures the pollination of fruit and vegetables as an important part of our diet. Lots of insects also mean lots of food for birds to raise their chicks. Through flowering sponsorships, people can participate in this important renewal process, even if they don't have their

own meadows or fields. Positive movements are much more productive than negative recriminations.

### HOW MANY AREAS HAVE YOU ALREADY BEEN ABLE TO MAKE BLOSSOM?

This is difficult to quantify, as volunteers from our regional groups are creating flowering



© Janina D' Alvise, NBL

areas all over Germany completely independently. What I can say is that we started the flowering sponsorships in 2016 and have already created 200 hectares of flowering areas in Germany within four years. In addition, our speakers inspire citizens, communities, companies and associations all over Germany with their proposals to make their environment bloom again. We hope that this will create a new sense of environmental awareness and responsibility for biodiversity and that our example will find many imitators.

### WHAT IS YOUR VISION OF THIS WORLD?

I am simply quoting the vision of our initiative, to which we all align our actions:

"IMAGINE THAT YOU LIVE IN A VARIED AND COLOURFUL BLOOMING LANDSCAPE. BEES AND BUMBLEBEES BUZZ EVERYWHERE, BUTTERFLIES
FLUTTER THROUGH THE AIR. THE DIVERSITY OF
PLANTS AND INSECTS STRENGTHENS NATURE AND
PROVIDES US, AS CARERS, WITH A HEALTHY
ENVIRONMENT THAT IS WORTH LIVING IN."

### WHAT ARE THE CHANCES OF THIS VISION BECOMING REALITY?

We will have achieved this at some point – we must have achieved it. Because there is simply no other way, we cannot do without nature. The only question is how long we will continue to argue about vested interests, talk around actual solutions and when we will finally start to tack—le the problem head—on. We and partners like MANN & SCHRÖDER COSMETICS are already on board, and we invite everyone to join us!

#### **IMPRESSUM**

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