

COSNOVA
BEAUTY

Sustainability Highlights 2021 @ cosnova



Welcome to the cosnova

Sustainability *Highlights 2021.*

From the broad spectrum of corporate responsibility, we present highlights from various thematic areas and provide insights into the world of cosnova.

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Our facts

The family-run company cosnova, founded in 2001 by Christina Oster-Daum and Javier González, shapes the international market for decorative cosmetics with innovation, professionalism and passion.

Business figures 2021:

- **467 m € turnover**
- **700 employees worldwide**
- **Active in over 80 countries around the world**

catrice
COSMETICS

essence

Our values



With our values of passion, courage, trust, reliability, openness, responsibility and loyalty, we stand for a modern and tolerant company where there is no place for discrimination of any kind. We appreciate the contribution made by our employees to the success of the company and place great value on equal opportunities. Our corporate culture is characterised by a high level of diversity.

COSNOVA
BEAUTY



Worldwide locations/offices

Germany (Sulzbach, Butzbach)
USA (New York)
Italy (Milan)
Ireland (Dublin)
France (Paris)
Brazil (Sao Paulo City)



*Our heart
beats for
everyone*

And with every heartbeat, we try harder

- ... to have a positive impact on other people's lives in our company, our neighborhood & at our partners along our value chain.
- ... to constantly challenge ourselves to perform even better and to lead our way to long-term and sustainable success.
- ... to be a responsible company that treats our planet with respect.

Our mission and promise

This is our promise - to customers, employees, partners, suppliers and all the other people we work with. We are convinced that we can only be successful in the long-term as a company that operates sustainably, and we are continuously working on having a positive impact on the lives of our fellow human beings. To us, the well-being of people, the sustainable production of high-quality cosmetics products and the protection of our environment are the most important factors for a sustainable company philosophy.

Sustainability as a fundamental requirement for our business activities

Sustainability at cosnova: Milestones of the past 7 years

2015

Our sustainability strategy is born

2016

Development of the four pillars of responsibility

2017

Introduction of the EcoVadis Sustainability Rating

2018

cosnova joins the RSPO and Recyclate Forum

2019

First corporate Co₂ -footprint

2020

All new products are free of microplastic particles and the first products contain recycled material

2021

Climate Action added as a fifth pillar of sustainability and cosnova joins the Science-Based Targets initiative (SBTi)

We are constantly working on developing ourselves and our sustainability strategy and set ourselves challenging goals.

Our strategy for more sustainability

Climate protection

We strive to continuously reduce our GHG emissions. Based on the SBTi criteria and scientifically defined targets, we have developed a holistic climate strategy. To monitor these measures, the carbon footprint is calculated annually.



Harmlessness of our products

We want to develop our products in a harmless way, step by step, in the three areas of health, the environment and social aspects.



Waste prevention

We strive for a general reduction in waste, the use of more environmentally friendly and recyclable materials as well as the meaningful use of the remaining waste, for example through re- or upcycling.



Working conditions at our business partners

We want to ensure that our business partners comply with the ILO core labour standards as well as the local legal requirements. Our expectations in this regard are communicated transparently in our Code of Conduct.



Social initiatives

We strive to have a positive impact on the lives of others: in our company, our neighbourhood and with the partners along our value chain.



Our goals

Climate protection

- Reduce our CO₂ emissions by **42 % by 2032**
- Reduce our logistics-related emissions by **25 % by 2032**
- A commitment from our strategic suppliers towards validated SBTi targets **by 2027**
- Shifting business travel to rail
- Adaptation of our company car policy
- Annual compensation of the carbon footprint of our entire business activity



Harmlessness of our products

100 % elimination of microplastic particles by 03/2023

100 % elimination of D5 & D6 (volatile silicones) by 2025

100 % compensation of the palm oil used and its derivatives since 2018

100 % supply chain transparency for natural mica from India by 2023



Waste prevention

15-30 % material reduction by 2025

50-75 % recyclable, reusable or compostable packaging by 2025

50-75 % use of recycled or renewable materials

for primary and transport packaging and POS materials respectively by 2025



Working conditions at our business partners

Compliance with the ILO core labour standards and the local legal requirements by our business partners.

1. All of our suppliers must sign the cosnova Code of Conduct
2. Direct suppliers must take part in an EcoVadis sustainability assessment
3. Implementation of an on-site audit system for so-called risk suppliers together with our partner ELEVATE



Social initiatives

Investment in social and sustainable projects around the world with a focus on supporting women and children. Helping people to help themselves locally is an important topic and forms the basis of a number of programs, above all with a focus on education and the promotion of self-confidence.





"If I could change the world, I would add positive social impact and sustainability as two additional pillars alongside profitability for every company and make sure that the successes of all three pillars are celebrated equally."



Joost

Cloud architect, Cloud Application engineer, Automation Engineer at cosnova GmbH

Our heart beats for partnerships

Maximum positive impact thanks to strong partnerships

We combine forces to create positive change. Because we can only meet the diverse challenges of our time and achieve maximum positive impact by working together.

New

- **June 2020 - Plastics for Change**

cosnova supports the organisation Plastics for Change with the aim of developing a waste management infrastructure in India and returning carelessly discarded plastic to the circular economy as a valuable recycle, while at the same time creating a sustainable livelihood for Indian workers.

- **May 2021 - SBTi**

cosnova joins the Science Based Targets (SBTi) initiative to set ambitious climate protection measures with the help of science-based emission reduction targets.

- **Juli 2021 - WWF**

cosnova supports the WWF in the fight against plastic waste by providing financial support for model projects aimed at preventing plastic pollution of the oceans in Thailand and Vietnam.



ANDHERI HILFE
Mit den Ärmsten in Indien und Bangladesch



Nadine

General Manager
cosnova Italia S.r.l.



"Sustainability has top priority for me and my team. We therefore consistently scrutinize our processes in the office but also in our warehouse with the clear objective of thinking more sustainably and acting in a more environmentally-conscious way. The topic of sustainability affects us all."

cosnova is on a holistic sustainability path – Best Case projects by our subsidiaries

More sustainability in logistics



cosnova
Italia S.r.l.

"In order to reduce the use of plastic and make our logistics processes more sustainable, we have been using only paper tape instead of plastic tape to seal the shipping boxes in our warehouse since 2021. This allows us to save about **300 km** of plastic tape per year. The chosen paper tape is ECOTAPE, an ecological tape made from FSC MIX certified materials. The adhesive used does not contain any solvents and is a perfect match for our sustainable cardboard boxes, which are 100 % recycled and 100 % recyclable."



"By adjusting our supply chain and the resulting change in the transport route, we save approximately 15,000 miles of truck driving per year. Based on the miles saved, the average weight of the load and the average CO₂ emissions of a truck, we save an estimated **26.7 tonnes of CO₂**."



cosnova
Brazil



Support of the national circular economy

"In Brazil, we work with the organisation Eurociclo in the area of waste recycling. Since the waste recycling system is still in the development phase in most parts of the country, support in this area is particularly important. Through local partnerships in each state of Brazil, Eurociclo ensures that waste is correctly sorted and recycled wherever possible.

Every year, cosnova Brazil reports the exact quantities of materials for the products we market in each state of the country. We then offset these quantities with an amount calculated by Eurociclo, in return for which the corresponding quantities of waste are correctly sorted and recycled."

Packaging waste offset in 2021: *20.8 tonnes*

cosnova
Italia S.r.l.



Practising inclusion - rewarding for both sides

"We moved the labelling of essence and CATRICE products back to Italy in January 2021. To do this, we have chosen a very special and inclusive collaboration, namely with the non-profit social cooperative SPAZIO APERTO COOPERATIVA SOCIALE. We provide work opportunities for disadvantaged people and people with disabilities through this dedicated cooperative in Milan."

Climate protection

Because there is no planet B

We want to do our part to help achieve the 1.5 degree climate target!

Our way

- Carbon footprint survey 2019
- Offsetting air travel since 2016
- Joining SBTi
- Development of a comprehensive climate strategy

Climate protection – Because there is no planet B

Second corporate carbon footprint in 2019

After having identified the most important emission hotspots of cosnova's business activities in 2018, the new carbon footprint survey focused on generating even more accurate data in order to have a fully comprehensive picture of the company's emissions. This will serve as the starting point for the cosnova climate strategy, which we are still developing. Scope 1-3 was surveyed, including raw materials, packaging and logistics. The CO₂ emissions generated by cosnova contract manufacturers for contract production were also included in the calculation for the first time. The Corporate Carbon Footprint 2019 for cosnova Beauty GmbH amounts to **77,811 t CO₂e**, with the largest sources of emissions being packaging materials and inbound logistics.

SBTi and cosnova's comprehensive climate strategy

As a new member of the Science-Based Targets initiative (SBTi) and in cooperation with Climate Partner, cosnova plans to develop a comprehensive and science-based climate strategy by the **end of 2022**. The first climate-neutral product lines were launched in the 2021 reporting year as the pioneers of our intensified climate efforts.

Continuous offsetting of business travel since 2016

The emissions caused by air travel have been offset by the non-profit organisation atmosfair since 2016 and by our project partner Climate Partner since 2021. The costs of the offsetting in each case go towards a climate protection project.

Since 2016, we have offset **5,153 t of CO₂** emissions.



essence extreme shine
volume lipgloss



CATRICE
Glam'n Doll Mascara

Zero Waste

Waste is raw material in
the wrong place

We focus on a circular economy

Our way

- Material reduction
- Recyclability
- Packaging with recycled content

Zero waste

Waste is raw material in the wrong place

Material reduction from primary packaging to logistics

We are sensitive to the use of resources and reduce them where we can, because the most sustainable material is the one that has not been used at all. In line with our Zero Waste strategy, which is based on the waste prevention pyramid, we are continuously working on the reduction of packaging materials. This includes primary product packaging as well as trade marketing materials and logistics materials. In 2021, a total of **90 tonnes of material** could be saved, e.g. through the material reduction in the essence extreme shine lipgloss cap, for which **27 %** less material is used than in the previous product.

Without recyclability, there is no recycled material

Recyclable packaging is of great importance to us, because we can only provide enough recycled material to produce new packaging from recycled material if the packaging is recyclable in the first place. We ensure the recyclability of our packaging through external certification.

The knowledge we have gained from this has been documented internally in a catalogue of recommendations for product development. This makes it quicker and easier to design recyclable new products.

Pioneering work in recycling

By using so-called post-consumer recyclates from the Gelber Sack/Gelbe Tonne recycling bins in Germany in cosmetics packaging for the first time, we are performing pioneering work in the field of recycling together with our partner Interseroh. The **rPP recycled plastic Procyclen** has been used in the caps of various packaging since March 2021.

In addition, we have also been using the **recycled plastic rPET** for many of our mascara packaging, e.g. Glam & Doll Mascara, since the late summer of 2020. In total, we save **300 tonnes** of new plastic every year. By doing this, we are taking important steps towards more sustainable packaging and a circular economy in the cosmetics industry.

-300 tonnes of new plastic

rpp



rPET





"Sustainability is super present with us. The majority of our projects revolve around this topic. We are always looking for ways to make our packaging more recyclable, to use more recycled material or to save material."



Hanne

Packaging Development Manager
at cosnova GmbH

Harmlessness

of our products

High performance products with the smallest possible negative footprint

Our way

- Products free of microplastic particles
- Products without volatile silicones
- cosnova Clean Beauty Guideline
- Transparency

Harmlessness - for health, the environment and social aspects

Bye, bye microplastic particles

What started with an impact analysis in 2018 is about to be finalised in 2021 - a product range completely free of microplastic particles. Since our internal ban on microplastic particles in new product development, which came into effect in January 2020, **96 %** of our products across all brands have been changed to microplastic-free in just **2 years**. This means that we will probably be saying goodbye to microplastic particles in our product range for good in **March 2023!**

Less animal suffering thanks to vegan ingredients

Animal welfare has always been an important topic for cosnova. In addition to not testing on animals, it was therefore only a matter of time before we took the next step towards animal welfare by introducing vegan products. We are proud to be able to offer almost our entire essence and CATRICE product ranges as vegan products. From **2022**, essence will only use vegan ingredients and CATRICE is expected to reach this milestone in **January 2023**.

Greater product sustainability with Clean Beauty

The first cosnova Clean Beauty guideline was developed in 2019 and has since been significantly tightened and expanded 4 times with revisions. For us, Clean Beauty means developing products that fulfil the product promises that our consumers desire, but that are also free of ingredients that can be problematic for our health and the environment. **Over 40 %** of our entire product portfolio already complies with our internal Clean Beauty Standard.

Transparency and clarification

Only a few consumers can really understand the ingredient lists of cosmetics products because of the INCI designations. In the interest of clarification and transparency, we would like to change this. In future, we will provide a description of each ingredient used on our online platforms in as simple terms as possible. This will empower everyone to understand what the substances are and what they accomplish in the product.





"To me, sustainability is a lifestyle. It is a way of life, not just wishful thinking. Every small step towards a sustainable lifestyle can help preserve the resources of the planet for our future generations."

Preethini

Data Engineer
at cosnova GmbH



Working conditions

at our business partners

We focus on fair working conditions as the basis of every collaboration

Our way

- Monitoring of supply chains
- Social audits

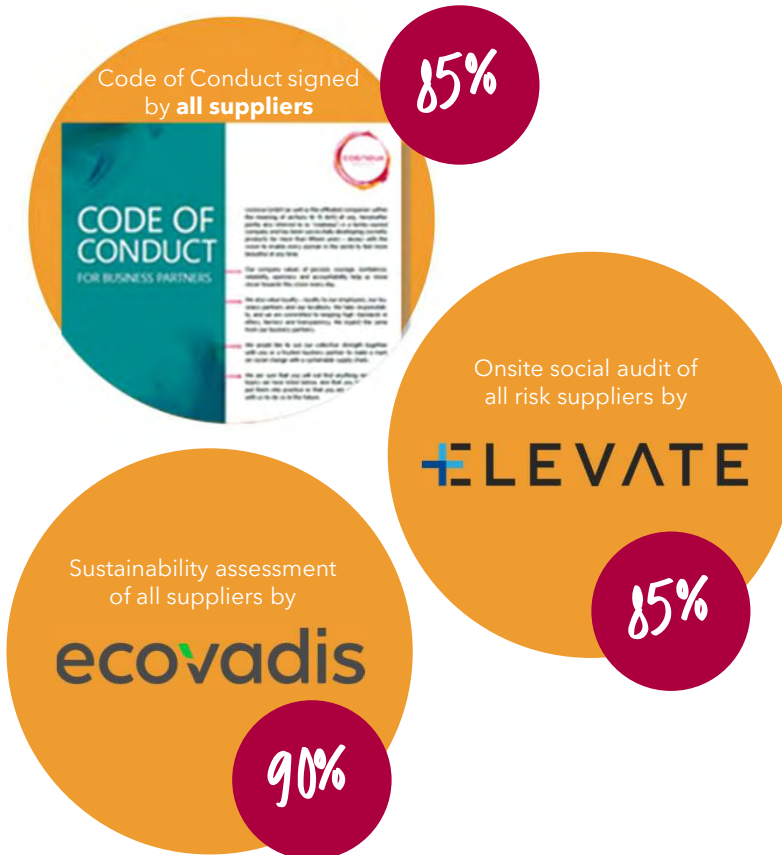
Responsible procurement – a pillar of our sustainability strategy

Ready for the new supply chain legislation

In June 2021, the German Bundestag passed the "Act on Corporate Due Diligence in Supply Chains", which will come into effect on 1 January 2023. Even though cosnova is not obliged to monitor its supply chains under the previous legal regulations or under the newly adopted Supply Chain Act, we have been monitoring the compliance with social and environmental standards along our supply chains for years. We have therefore been fulfilling the legal requirement to conduct risk analyses on human rights violations in the respective supply chains for a long time and are well positioned for the future.

Audits of compliance with social standards

We expect our national and international business partners and their subcontractors to comply with all applicable laws and government regulations. In addition, all direct suppliers must sign our Code of Conduct (CoC) as part of the general terms and conditions and undergo a sustainability rating with our partner EcoVadis, the world's largest and most reliable provider of sustainability evaluations. We define our so-called risk suppliers based on the locations of our partners' factories, for example in Eastern Europe and Asia. Together with our partner ELEVATE Global, we also carry out audits on compliance with social standards at regular intervals. This allows us to quickly identify and solve potential problems.



Social initiatives

Having a positive impact on the lives of others,
along our value chain

Our way

- Financial donations
- Product donations
- Corporate volunteering
- Corporate citizenship

The four pillars of our social contribution

Financial donations

- Children's villages in Lithuania
- Development project in India for families dependent on the procurement of mica with Andheri Aid
- Employee donations

Product donations

Throughout Germany, people in need benefit from our donations to the Tafel Deutschland e. V.

Corporate volunteering

cosnova offers every employee the opportunity to use two working days a year for social commitment. Employees are free to decide whether they want to participate in own projects or use the two days for private volunteer work.

Corporate citizenship

cosnova considers itself a good neighbour in the Main-Taunus area and is happy to support social projects in the immediate vicinity of our headquarters in Sulzbach/Taunus.

Unsere Partner

ANDHERI HILFE
Mit den Ärmsten in Indien und Bangladesch

TAFEL 
DEUTSCHLAND

767h
commitment*



cosnova and WWF: Together against the flood of plastic

In June 2021, we embarked on our partnership to reduce plastic waste. We provide financial support to WWF in the fight against plastic pollution of the oceans in Thailand and Vietnam in various model projects. The projects are located on the Vietnamese island of Phu Quoc, in the Vietnamese province of Long An and off the Thai island of Koh Libong. Due to the high volume of tourism, the regions are increasingly drowning in plastic waste. The unique marine biodiversity along Thailand's coast is increasingly threatened by polluted rivers. As the regions lack the capacity to dispose of and recycle waste, biodiversity and the health of the local people are massively endangered.

50 percent of cosnova's funding will go to these specific projects in South-East Asia. The other half will be used for the WWF's other nature and environmental protection work, including the promotion of further marine conservation projects.

*(no activities in 2020/2021 due to corona)

Our heart beats for our consumers

Stakeholder dialogue

Consumers at the heart of everything we do

Since the beginning of the cosnova sustainability strategy in 2015, we have conducted regular stakeholder surveys. This is an important part of our dialogue and interaction with the relevant stakeholders, as is our active participation in various industry initiatives to support sustainable action (see page 9).

But the direct dialogue with our consumers has also been very important to us since the launch of the essence and CATRICE brands. We interact with our consumers around the world at all relevant touchpoints, from e-mail and telephone to our online shop and various social media channels. Our consumers are at the heart of everything we do, as shown by the impressive figures of more than **461,000 consumer interactions per year**.

Whether praise or criticism, questions about products, ingredients or sustainability. We are available to our customers at all times via our various touchpoints, and our QA Services, Customer Support and Community Management teams strive to answer all concerns promptly and personally. The customer feedback we receive is documented and made accessible through reporting, and also directly flows into our internal processes. This includes product brainstorming, product development and product range analyses. This brings us even closer to the needs of our consumers.



COSNOVA
BEAUTY
Voices

"Thanks to our job ticket, I can avoid driving and can commute by train instead, which requires a little extra effort, but it's worth it for the environment."

Laura

Community Manager
at cosnova GmbH



Our heart beats for our employees

The challenges of the pandemic

The pandemic has presented us and our employees with special challenges. We have come up with a number of ideas to get through this difficult time together and to ensure a healthy and pleasant working atmosphere for our employees:

- **Free masks issue**
- **Regular corona updates from the management**
- **Free corona tests and disinfectants**
- **Organisation of voluntary vaccinations**
- **Loan of office furniture for better working conditions at home > 210 persons**
- **Relief for parents: increase of paid sick days for children from 5 to 10**
- **Christmas market DIY at home**
- **Corona bonus in 2020**
- **500 € voucher per employee for home office equipment**

Digitalisation during the pandemic

We have already been strongly committed to digitalisation at cosnova since 2017. Digital initiatives such as the implementation of IT and e-Comm projects or the establishment of a cross-functional Digital Unit provided an excellent basis, even in times of crisis. Therefore, the necessary transition to **100 %** home office during the lockdown periods was easy. Thanks to the cloud-based services, it was not only possible to work flexibly, but also to save on hardware and electricity on site. In addition, the time was used to say goodbye to 6 old physical servers, which resulted in further power and cooling savings of approx. **20 %**. Further steps towards a sustainable server landscape are planned for 2022.



Key figures at a glance

Products	Supply chain	Environment	Employees
1876 Raw materials analysed for sustainability	87 % Products from Europe	2441 t CO ₂ emissions offset for climate-neutral products	1198.98 € Donations for social causes from the cosnova nail salon
-17 % Microplastic particles compared to 2020	80 % of our full-service suppliers rated by Ecovadis	+20 % Recycling rate of logistics waste compared to 2020	767 h Corporate volunteering in 2019 (no activities in 2020/2021 due to corona)
-47 % Volatile silicones compared to 2020	95 % Signed Codes of Conduct from our full-service suppliers	+ 273 t Use of recyclates/year in product packaging	28 % of employees use the job tickets made available by cosnova
<14 % Palm oil content	18 Social compliance audits	- 90 t Material savings due to reduction in packaging	77 % female employees
410 RSPO credits purchased by small-scale farmers to offset palm oil consumption	92.5 % Transparency in the Indian mica supply chain	+27 t Use of recyclates for trade marketing materials (inserts)	4380 Completed internal training/education
			700 € Personnel development budget per capita (per permanent position)

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