beeline group

Sustainability Report 2023

In accordance with the
Global Reporting Initiative Standards

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Global Reporting Initiative Standards

Our Sustainability Goals at a Glance

Environment

Topic	Goal	Action	Status 2023	Status 2022
Climate protection	Calculate carbon footprint	Calculate product carbon footprint	Ongoing ⟳	Ongoing ⟳
		Calculate corporate carbon footprint	Ongoing ⟳	New goal (2023)
	Reduce carbon footprint	Increase the share of recycled materials in products and packaging	Ongoing ⟳	Ongoing ⟳
		Reduce the use of fossil fuels for our sites and fleet	Ongoing ⟳	Ongoing ⟳
		Contribute to climate protection projects	Ongoing ⟳	Ongoing ⟳
Pollution	Reduce water, air, and soil pollution	Integrate requirements into supplier monitoring	Achieved	Ongoing ⟳
	Eliminate hazardous chemicals in production	Commit to ZDHC's Roadmap to Zero	Achieved	Ongoing ⟳
		"Input" requirements: roll out supplier monitoring by 2023	Achieved	New goal (2023)
		"Input" requirements: adapt ZDHC MRSL for accessories industry by 2024	Ongoing ⟳	New goal (2023)
		"Process" requirements: pilot supplier environmental impact assessments by 2023	Achieved	New goal (2023)
		"Process" requirements: roll-out supplier environmental impact assessments by 2024	Preparing	New goal (2023)
		"Output" requirements: roll-out supplier wastewater monitoring by 2023	Achieved	New goal (2023)
		"Output" requirements: set wastewater limits by 2024	Ongoing ⟳	New goal (2023)
Water and marine resources	Eliminate hazardous chemicals in production	Pilot product water footprint assessment by 2023	Achieved	New goal (2023)
Biodiversity and ecosystems	Halt extinction of endangered species	Ban materials derived from endangered species on the IUCN Red List	Ongoing ⟳	Ongoing ⟳
Resource use and circular economy	Increase reuse of products	Resell unsold products in cooperation with Oxfam Ireland	Ongoing ⟳	Ongoing ⟳
	Increase share of recycled materials	Increase share of recycled materials in products	Ongoing ⟳	Ongoing ⟳
		Increase share of recycled materials in packaging	Ongoing ⟳	Ongoing ⟳
	Increase the recyclability of packaging	Increase paper-based materials and decrease the number of different plastics used	Ongoing ⟳	Ongoing ⟳
	Conduct due diligence on the sourcing of high-risk minerals	Monitor adherence to Conflict Minerals Policy	Ongoing ⟳	Not reported

Social

Topic	Goal	Action	Status 2023	Status 2022
Own workforce	Support employees in managing their work-life balance	Offer comprehensive support services	Ongoing ⟳	Not reported
	Promote greater diversity in the workplace	Implement a diversity survey	Achieved	Ongoing ⟳
		Create a Diversity Guideline	Ongoing ⟳	New goal (2023)
	Enable contributions to social causes	Grant special leave to employees contributing to social causes	Ongoing ⟳	Ongoing ⟳
	Raise awareness and understanding of ecosystem services	Care for beehives	Ongoing ⟳	Ongoing ⟳
		Plant trees on company premises	Ongoing ⟳	New goal (2023)
Workers in the value chain	Achieve production chain transparency	Monitor adherence to a Sub-Contracting and Outsourcing Policy	Ongoing ⟳	Ongoing ⟳
		Achieve supplier-based transparency up to tier 2	100%	Not reported
		Achieve article-based traceability up to tier 2 by 2024	Preparing	New goal (2023)
		Achieve transparency up to raw materials stages by 2025	Preparing	New goal (2023)
	Safeguard human rights and decent working standards	Implement requirements of German Supply Chain Act by 2023	Achieved	New goal (2023)
		Monitor 100% of tier 1 and tier 2 suppliers on social compliance	93%	80%
Affected communities	Assess community-related sustainability impacts	Assess impacts within risk and materiality analysis by 2023	Achieved	New goal (2023)
Consumers and end users	Provision of safe-to-use products to customers	Monitor product safety and quality through Quality Control Process	Ongoing ⟳	Ongoing ⟳
		Conduct due diligence to reduce the release of micro plastics from products	Ongoing ⟳	New goal (2023)

Governance

Topic	Goal	Action	Status 2023	Status 2022
Business conduct	Ensure responsible business conduct	Adopt beeline Code of Conduct	Achieved	Ongoing ⟳
		Adopt Whistleblowing Guideline	Achieved	Ongoing ⟳
		Train organization on anti-corruption	Ongoing ⟳	New goal (2023)
Procurement practices	Ensure good procurement practices	Adopt Procurement and Conduct Guideline by 2023	Achieved	New goal (2023)
		Train employees on Procurement and Conduct Guideline	Ongoing ⟳	New goal (2023)

Foreword by our Managing Directors

Dear readers,

We are delighted to present this report as a testament to our commitment to sustainability. **At the heart of our company is the belief that beautiful fashion can and should be both affordable and sustainable** to spark joy in consumers - a principle that we uphold with every accessory we create. Our vision is to make lovable, affordable, and sustainable fashion accessories for all, and to offer meaningful solutions for our partners.

For many years, sustainability has been an important aspect for our founder Ulrich Beckmann. Our sustainability journey began back in 2008 with the first on-site audits at production facilities. Since then, **we have made Responsibility & Sustainability part of our Guiding Principles** and align our business activities accordingly. In 2023, our proactive approach to sustainability has proven to be successful, as prior voluntary commitments have enabled us to seamlessly integrate the new regulatory requirements. We have adopted a first comprehensive sustainability strategy – the Sustainability Mission 2025 – which sets out how we intend to make a positive contribution to greater sustainability in the fashion jewelry industry.

In this report, we present the **breadth of our actions across Environment, Social and Governance** aspects. These three topics are at the heart of our work and best demonstrate the positive impact that our work has had: more transparency in our production chain, the upholding of human rights and a more sustainable chemicals management.

We make our production chain more transparent. Ever since starting business, we have strived to know as much as possible about our suppliers and about how our products are made. We are proud to say that, from 1 January 2024 onwards, we ensure **article-based traceability** up to tier 2. Put simply: For each of our more than 20,000 styles, we know our supplier and the supplier's supplier. This knowledge is the foundation for our sustainability efforts and has greatly helped us to safeguard workers' rights and environmental regulations.

We safeguard human rights in the supply chain. Building on trusting relationships with our suppliers, we have intensified our joint efforts to ensure fair working conditions for nearly 12,000 workers in the first and second stages of our supply chain. We support and train suppliers to ensure compliance with our Supplier Code of Conduct. In 2023, we monitored 93% of tier 1 and tier 2 production units and continue to work with suppliers to address areas for improvement. For example, we have taken steps to better match order volumes with supplier capacity to avoid overwork.

We lead the way in making manufacturing safer. We were the first company to implement the Zero Discharge of Hazardous Chemicals guidelines for accessories. We are committed to reducing water, air and soil pollution and implementing more sustainable chemical management in production. This represents a huge opportunity to improve the health of workers in the production chain, making their work safer. In 2023, we implemented measures to reduce the environmental impact of our production units. For example, we now monitor the waste water of all suppliers involved in water-intensive processes such as plating and coating.
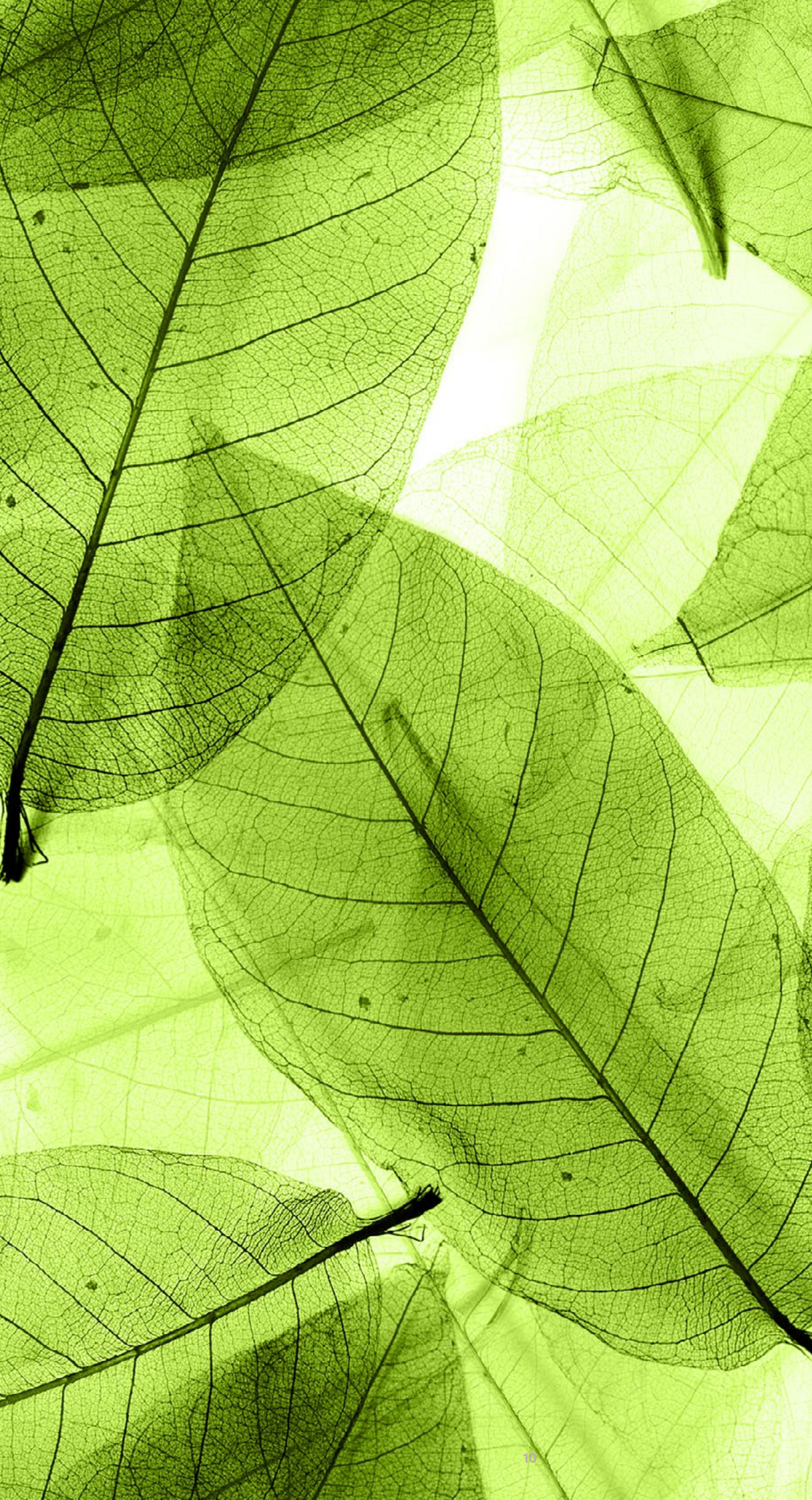
Building on our achievements from 2023, we are looking forward to making even greater strides in 2024. We will continue to expand our commitment to a more transparent production chain, to upholding human rights and making manufacturing safer. We hope that this report offers an insight into both what we have achieved and where we are headed.

Yours,

Hinrich & Marc

Hinrich Tode and Marc Olivier Oeuvrard

Contents

1. Introduction

1.1 About our Sustainability Reporting

beeline GmbH has reported in accordance with the **Global Reporting Initiative Standards** (short: GRI Standards) for the period January 1 2023 to December 31 2023. The GRI content index can be found at the end of this document. Currently, we are evolving our approach to prepare for compliance with the Corporate Sustainability Reporting Directive of the European Union (CSRD) which requires us to report according to the European Sustainability Reporting Standards (ESRS) from 2025 onwards.

The reporting period for this sustainability report is **January 1, 2023 to December 31, 2023**. We use the same reporting period for financial reporting. The Sustainability Report is published annually and is available exclusively in English. The editorial deadline for this report was 31st August 2024. The report restates the following information from the Sustainability Report 2020-22: commitments and/or policies that have remained the same (chapters 2.6, 3.1, 3.2, 3.4, 3.5, 4.1, 4.2, 4.4, 5.1), processes and/or methods that are still in place (chapters 3.1, 4.1, 4.2, 4.4) and data that has not been updated (chapter 3.1).

In this report, we present quantitative as well as qualitative sustainability data. As a rule, **all data presented pertains to the beeline Group**. If data pertains only to beeline GmbH or a sub-group of subsidiaries, the report specifies that. The data in this report has not been subjected to external assurance, with the exception of our product carbon footprint calculation. The product carbon footprint calculation was verified by TÜV NORD CERT Prüf- und Umweltgutachtergesellschaft GmbH. TÜV NORD CERT is an independent assurance provider that beeline commissioned. Their report assures that the standard DIN EN

ISO 14040:2021 / DIN EN ISO 14044: 2021 (product-related life cycle assessment – LCA) has been fulfilled. The certificate can be accessed here.

The reporting entity is **beeline GmbH**, headquartered in Cologne, Germany. beeline GmbH publishes both audited consolidated financial statements as well as sustainability reports for the **beeline Group**. In addition to the parent company beeline GmbH, the beeline Group includes the following companies:

- beeline GmbH (Germany)
- beeline Concessions GmbH (Germany)
- beeline Logistik Immobilien GmbH (Germany)
- beeline Concessions GmbH (Austria)
- beeline Concessions B.V. (The Netherlands)
- beeline Concessions SLU (Spain)
- beeline Concessions Switzerland GmbH (Switzerland)
- beeline Concessions S.A.R.L. (France)
- beeline UK Accessories Limited (UK)
- beeline Concessions B.V.B.A. (Belgium)
- beeline Italy Srl. (Italy)
- Direkte Linie Concessions-Sociadade Unipessoal Lda. (Portugal)
- beeline Ireland Accessories Limited (Ireland)
- beeline Poland Sp.zo.o. (Poland)
- beeline Czech Republic s.r.o. (Czech Republic)
- beeline Hungary Kft. (Hungary)
- beeline Slovakia s.r.o. (Slovakia)
- beeline USA Inc. (USA)
- beeline Import and Services LLC (USA)

- beeline Logistics LLC (USA)
- beeline Canada Accessories Inc. (Canada)
- beeline Services Qingdao Co. Ltd. (China)

The beeline Group changed in May 2023. For the Sustainability Report 2023, we report information according to the old structure, as seen above.

In line with the UK Modern Slavery Act, we publish a **Modern Slavery Statement** annually. This sets out the measures we have taken to mitigate the risks of modern day slavery and human trafficking in our supply chain and within our operations. Our **website** provides further details on various aspects of our sustainability management.

What does sustainability mean to us?

Sustainability is balance: We balance environmental, social, and economic aspects when we do business. This comprises of positive and negative impacts that our business has on people and the planet. We manage these impacts in three focus areas: Environment, Social, and Governance.

Sustainability is dialogue: We maintain an ongoing, open dialogue on sustainability issues with employees, sales partners, suppliers, companies within and outside our industry and civil society organizations. This is how we strive to reduce our impact on the environment and climate, to respect human rights and fundamental social standards, and to do business responsibly.

2. Strategy

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2.1 Business Model and Value Chain

beeline is a **leading supplier of fashion jewelry and accessories** in Europe. We develop and distribute fashionable collections at affordable prices. The collections are divided into the following labels: SIX, I AM, ACC, TOSH, and private labels. We offer fashion jewelry, fine jewelry, eyewear, hair accessories, and textile accessories.

In 2023, our portfolio consisted of more than **20,000 different styles** of fashion jewelry, fine jewelry, eyewear, hair accessories, and textile accessories. In total, we ordered a little under **95 million pieces**. Our products are on offer in more than **30,000 sales outlets** throughout Europe and North America.

Suppliers in Asia and Europe

We are headquartered in Cologne, Germany. We do not operate our own factories, but source from suppliers. We purchase products as well as packaging, displays, cards, and marketing materials. In 2023, we sourced products from a broad network of suppliers based in China, Thailand, Vietnam, India, South Korea, Italy, and Germany. Production units were located in **China, Thailand, Vietnam, India, and Italy.**

Sales partners in Europe and North America

Our core sales channel is the **concessions model.** We cooperate with sales partners such as fashion shops, food stores, and drug stores. While the sales partners provide sales floor and check-out processes, we stock and service products, displays, and decorations.

To a very limited extent, we use **wholesale** distribution channels. The wholesale model provides our goods to sales partners in countries in which we do not offer to stock and service points of sale. We mainly use the wholesale channel to sell unsold goods. The e-commerce business was discontinued in 2023.

All sales areas are supplied with goods by our **own logistics centers in Germany and the USA**, supported by logistics and distribution hubs in Germany, the USA, Canada, and Poland. Points of sales are serviced by our subsidiaries in the European Union (Austria, Belgium, the Czech Republic, France, Germany, Hungary, Ireland, Italy, the Netherlands, Poland, Portugal, Slovakia, Spain), Europe (Switzerland, the United Kingdom), and North America (Canada, the United States of America).

Our product portfolio – for all genders

Fashion jewelry
Fashion anklets
Fashion body jewelry
Fashion bracelets
Fashion brooches
Fashion ear clips
Fashion earrings
Fashion necklaces
Fashion nose studs
Fashion rings
Fashion toe rings

Fine jewelry
Silver anklets
Silver bracelets
Silver earrings
Silver necklaces
Silver rings

Eyewear
Glasses chains
Reading glasses
Sunglasses
Sunglasses cases

Hair accessories
Alice bands
Cosmetic accessories
Claw clips
Hairbands
Hair clamps
Textile hair accessories

Textile accessories
Bags
Belts
Gloves
Hats, headbands
Key rings
Minibags
Cell phone cases
Purses
Scarves, mufflers
Shoes
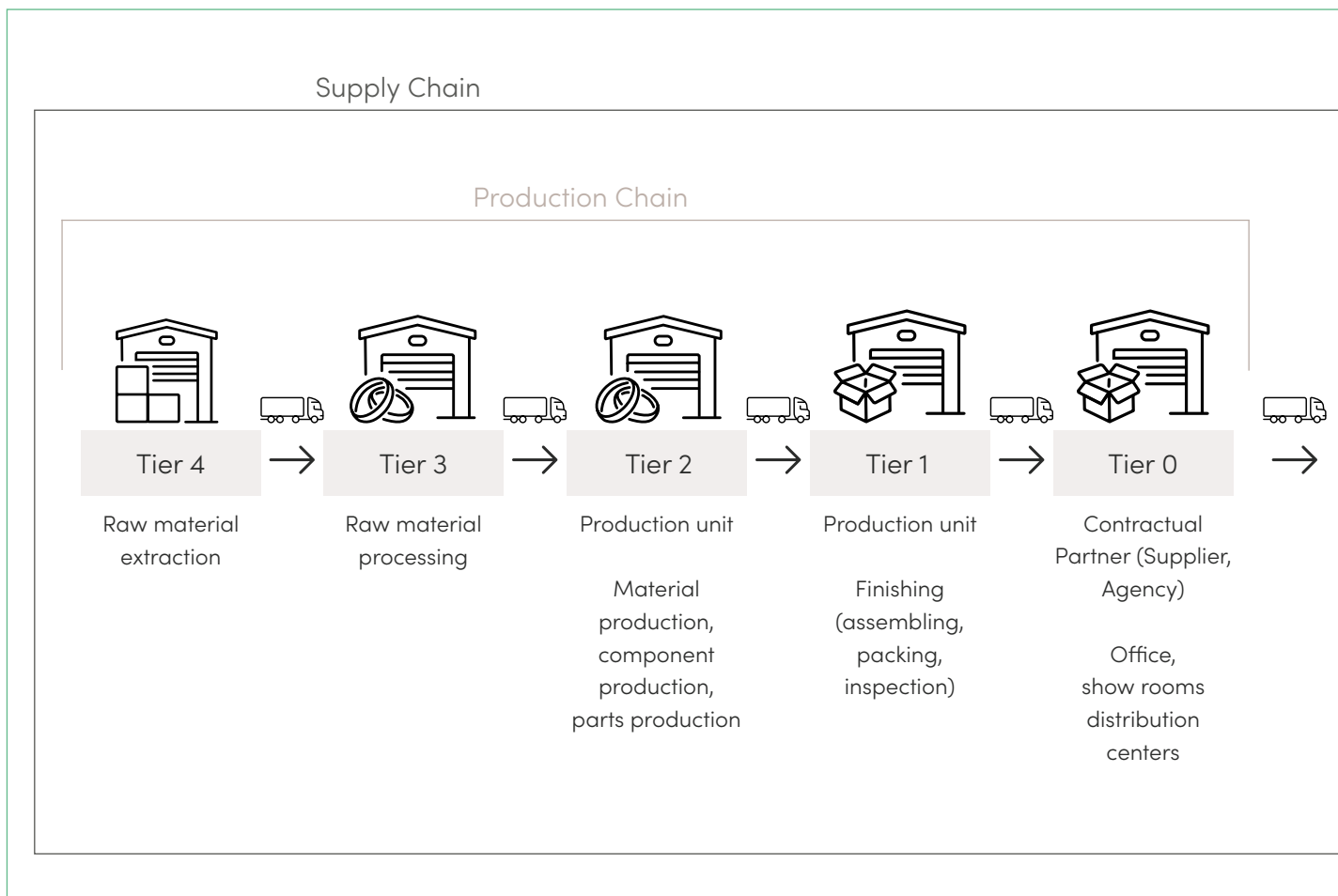Socks
Umbrellas
Watches
Winter scarves

Our value chain

Our value chain **follows the life cycle of our goods:** from production to distribution, use, and end-of-life. It comprises of our production chain (how we make our products) and our supply chain (how we make and distribute our products). While these definitions can be read as quite techincal they help us to look more holistically at what we do.

In 2023, we have **updated our tier definition to include 4 tiers** instead of 3 tiers. The new definition reflects our value chain more accurately. Simply put, a tier is like a level in a video game. Once a product has passed a tier, it can move on to the next one.

For example, the making of a brass hoop earring begins with extracting copper and zinc from the ground (tier 4). The two metals are combined to form the alloy brass. Brass is cast to form wire. The brass wire is cut and stamped to form the hoop and the pin (tier 3). Hoop and pin are joined together. The ear hoop is polished, filed, and plated (tier 2). It is checked for faults and is then ready to be shipped (tier 1).

In detail, the **tier of a production process** is described as follows: **Tier 0** comprises of contractual partners e.g., our suppliers, and their offices, show rooms, and distribution centers. **Tier 1** comprises of production steps such as assembling of final products, packaging, and quality control.

Value Chain

Supply Chain

Production Chain

| Tier 4 | → | Tier 3 | → | Tier 2 | → | Tier 1 | → | Tier 0 | → |

Tier 4 — Raw material extraction

Tier 3 — Raw material processing

Tier 2 — Production unit — Material production, component production, parts production

Tier 1 — Production unit — Finishing (assembling, packing, inspection)

Tier 0 — Contractual Partner (Supplier, Agency) — Office, show rooms distribution centers

Our value chain and tier definition

Tier 2 comprises of production steps for component or parts production such as the casting of metal or the molding of plastic.
Tier 3 includes the raw material processing.
Tier 4 includes the raw material extraction.
In summary, we have direct business relationships with partners on Tier 0 and 1 and indirect relationships with Tier 2, 3 and 4.

beeline group	→	Distribution	→	Consumer	→	Disposal
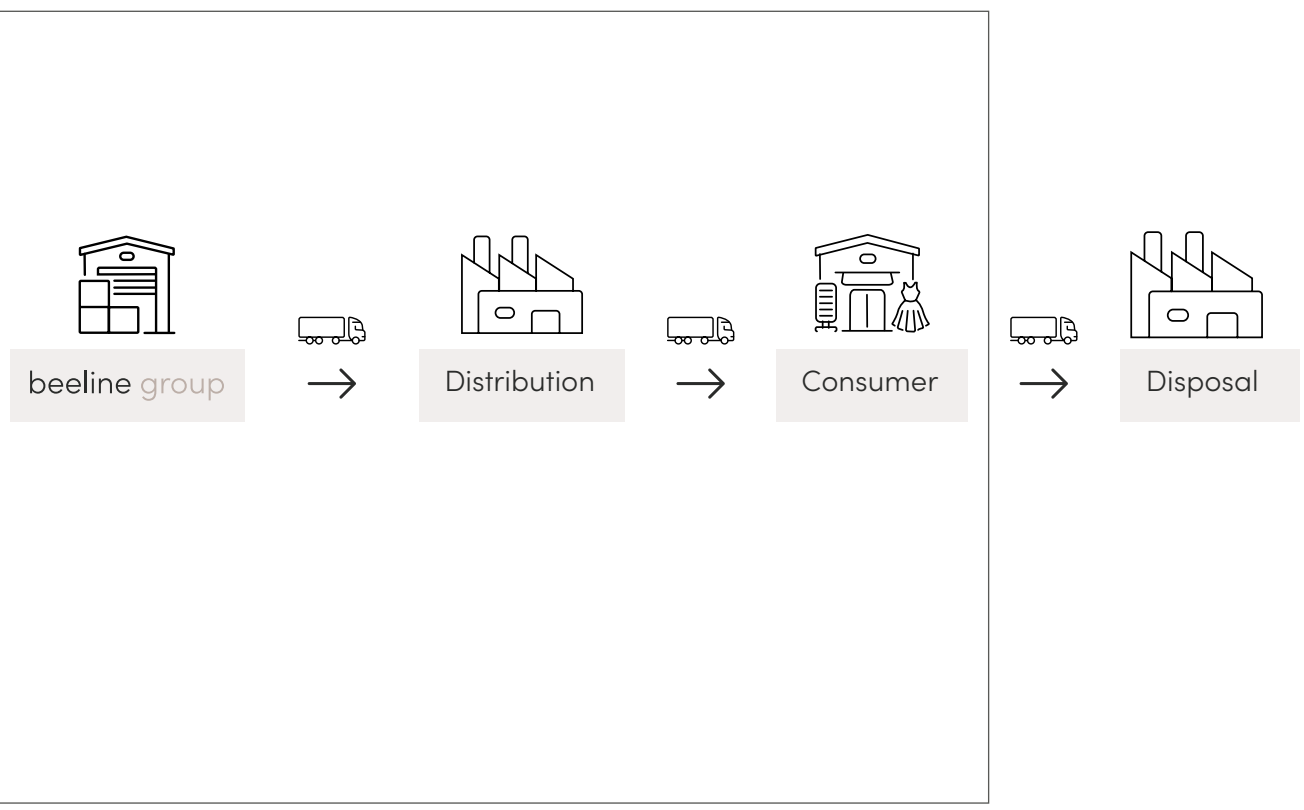
Production chains and their tiers can look quite different. This is important to understand when reading how we monitor suppliers for compliance with our social and environmental requirements (see chapters 3.2 and 4.2). The difference lies in **the extent to which the production chain is vertically integrated**. Simply put, vertical integration is when a supplier controls more than one production process.
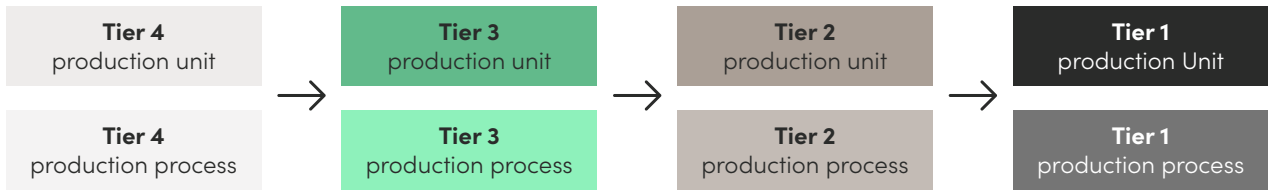
A production chain that is **not vertically integrated**, has four tiers. The tier 4 production unit carries out tier 4 production steps, the tier 3 production unit takes care of the tier 3 production processes and so on. It is exactly as in the example of the brass hoop earring described above.

For a production chain that is **partly vertically integrated**, the situation is different. While the tier 4 and tier 3 production units might carry out tier 4 and tier 3 production steps, there might be only one more production unit that carries our tier 1 and tier 2 production steps. Tier 1 production unit is used to refer to this combination. The tier 2 production unit, in this case, is missing. To come back to our example: The tier 1 production unit takes care of tier 2 production steps (polishing, plating) and tier 1 production steps (quality checking

If the production chain is even more **vertically integrated**, a tier 1 production unit might carry out tier 3 production steps (casting, cutting), tier 2 production steps (polishing, plating) and tier 1 production steps (quality checking).

Our product portfolio is highly diverse, and the related production processes are equally so, ranging from dying and sewing of fabric (e.g., for scrunchies) to casting, soldering, and polishing of metals (e.g., for rings, necklaces and earrings) to injection molding and lasering of plastic (e.g., for claw clips or sunglasses) – to name a few. This diverse range of products and production processes is a key challenge for our sustainability management as our social and environmental measures must be tailored to them (more on this in chapters 3 and 4).

beeline group

Production chain - not vertically integrated

Tier 4 production unit		Tier 3 production unit		Tier 2 production unit		Tier 1 production Unit
Tier 4 production process	→	Tier 3 production process	→	Tier 2 production process	→	Tier 1 production process

Production chain - partly vertically integrated

Tier 4 production unit		Tier 3 production unit		Tier 1 production unit
Tier 4 production process	→	Tier 3 production process	→	Tier 1 production process
				Tier 2 production process

Production chain - partly vertically integrated

Tier 4 production unit		Tier 1 production unit
Tier 4 production process	→	Tier 1 production process
		Tier 2 production process
		Tier 3 production process

How vertical integration affects production chains and tiers

2.2. Sustainability Governance and Management System

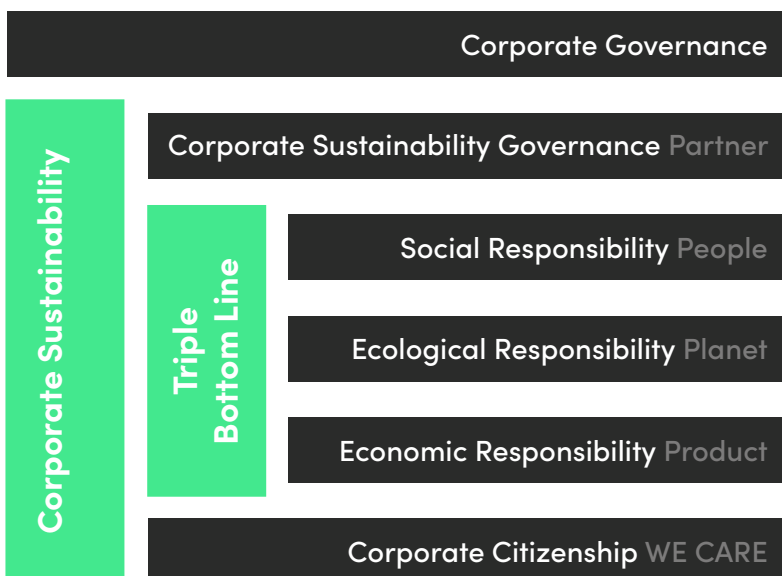Sustainability topics can be diverse and complex. Often, there is a huge amount of effort involved in assessing **what to do or who should be responsible**. This is why, in 2023, we developed and published our Sustainability Governance and Management System that defines how we govern and manage sustainability topics.

How our Sustainability Governance works

We define Sustainability Governance as the legal and factual regulatory framework for the management and monitoring of more sustainable value creation activities, taking into account the interests of relevant stakeholder groups. Our Sustainability Governance **fits within the larger corporate governance of the beeline Group**. Corporate Sustainability operates according to our corporate values and the laws and guidelines that apply to the wider beeline Group.

Our Sustainability Governance operates in five fields: First, we take on a **"Partner"** focused responsibility for compliance with relevant sustainability laws and guidelines as well as sustainability requirements that our sales partners might have. Second, we take on a **"People"** centric social responsibility for any topics relating to our employees, workers in the value chains, affected communities as well as consumers. Third, we have a **"Planet"** focused ecological responsibility that comprises, for example, our efforts for climate protection and a more sustainable chemicals management. Fourth, we take on a **"Product"** centric responsibility that focuses e.g. on resource use, more sustainable materials, and quality management. Fifth, we implement our Corporate Citizenship activities that come under **"WE CARE"** and that comprise of donations, sponsorships, and social engagement activities.

Corporate Governance		
Corporate Sustainability	Corporate Sustainability Governance Partner	
	Triple Bottom Line	Social Responsibility People
		Ecological Responsibility Planet
		Economic Responsibility Product
	Corporate Citizenship WE CARE	

Overview of our sustainability governance

How it fits in with
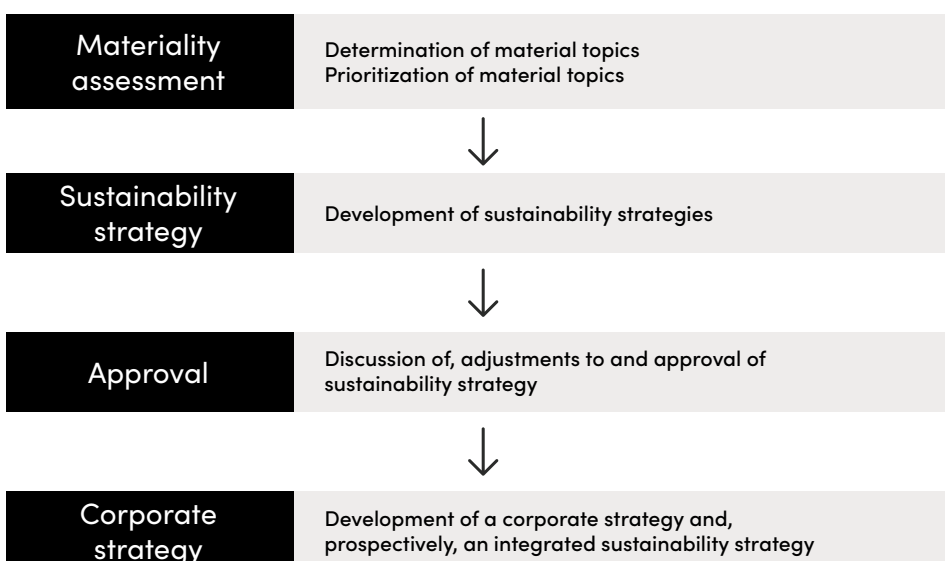## our corporate governance

Our Sustainability Governance sits within the larger corporate governance of the beeline Group. **The group is steered by four Boards and the Mission Team**. The highest governance body is the Board of Directors which is responsible for the overall management of beeline. The Europe Board and the North America Board manage their respective business divisions. The Advisory Board is responsible for beeline's strategic orientation. The Mission Team is responsible for group-wide prioritization and decision-making. The Boards and the Mission Team are connected by their respective chairpersons and the Board of Directors.

The Board of Directors delegates the **accountability for the management of sustainability** to the Head of Purchasing & Corporate Sustainability. The responsibility for sustainability management lies with the Corporate Sustainability Department which is led by the Manager Corporate Sustainability. The Manager Corporate Sustainability reports regularly to the Head of Purchasing & Corporate Sustainability, the Board of Directors and the Advisory Board.

How we develop
our Sustainability Mission

Based on a double materiality assessment, we identify relevant sustainability topics and prioritize these topics within our sustainability strategy, the so-called Sustainability Mission. The Board of Directors delegates the **development of the sustainability strategy** to the Head of Purchasing & Corporate Sustainability. The Corporate Sustainability Department, in cooperation with relevant internal and external stakeholders, conducts the double materiality assessment and determines material topics. The Manager Corporate Sustainability develops the draft sustainability strategy that includes a draft prioritization of material topics. This draft is debated with the Head of Purchasing & Corporate Sustainability and the Board of Directors, and subsequently adjusted. The Board of Directors decides on and adopts the sustainability strategy

Materiality assessment	Determination of material topics Prioritization of material topics
Sustainability strategy	Development of sustainability strategies
Approval	Discussion of, adjustments to and approval of sustainability strategy
Corporate strategy	Development of a corporate strategy and, prospectively, an integrated sustainability strategy

Development of our Sustainability Mission

How we manage sustainability topics

Our Sustainability Management System was developed based on **recommendations by the United Nations Global Compact**. The Sustainability Management System outlines how sustainability topics are managed within beeline. It enables us to fulfill our sustainability due diligence and to embed our commitments within the organization. Through this system, we make sure that we commit, allocate responsibility, integrate requirements into strategies and processes, and collaborate with all relevant teams and stakeholders.

The Sustainability Management System consists of six steps: First, the relevant Boards **commit** to incorporating sustainability principles into strategies, corporate values, and processes. Second, we **evaluate** impacts, risks, and opportunities in all relevant areas by means of a double materiality assessment. Third, we **define** science-based goals, strategies, and guidelines. Fourth, we **implement** these strategies throughout the organization and the supply chain. Fifth, we **measure** and monitor the impact and progress towards achieving the goals. Sixth, we **communicate** progress and collaborate with all relevant stakeholders in order to continuously improve.

The Sustainability Management System is **overseen by the Head of Purchasing & Corporate Sustainability, the Board of Directors, and the Advisory Board**. The Boards engage with the Corporate Sustainability Department and other relevant stakeholders on the outcomes of the system during regular meetings. The effectiveness of the system is reviewed regularly during these meetings and necessary adjustment are made.
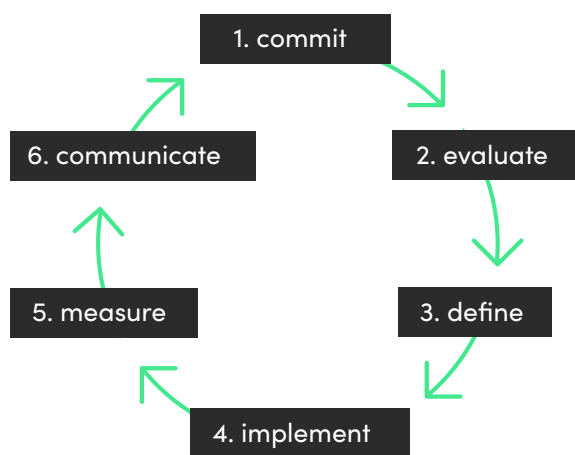
1. Commitment of relevant Boards to incorporate sustainability principles into strategies, corporate values and processes and commitment to taking measures and entering into partnerships to support societal goals

2. Assessment of risks, opportunities, and impacts in all relevant areas by means of a double materiality assessment

3. Definition of scientific goals, strategies, and guidelines

4. Implementation of strategies and measures throughout the organisation and the supply chain

5. Measurement and monitoring of the impact and progress towards achieving the objectives

6. Communication of progress and strategies and collaborate with all relevant stakeholders in order to continuously improve

Our sustainability management system
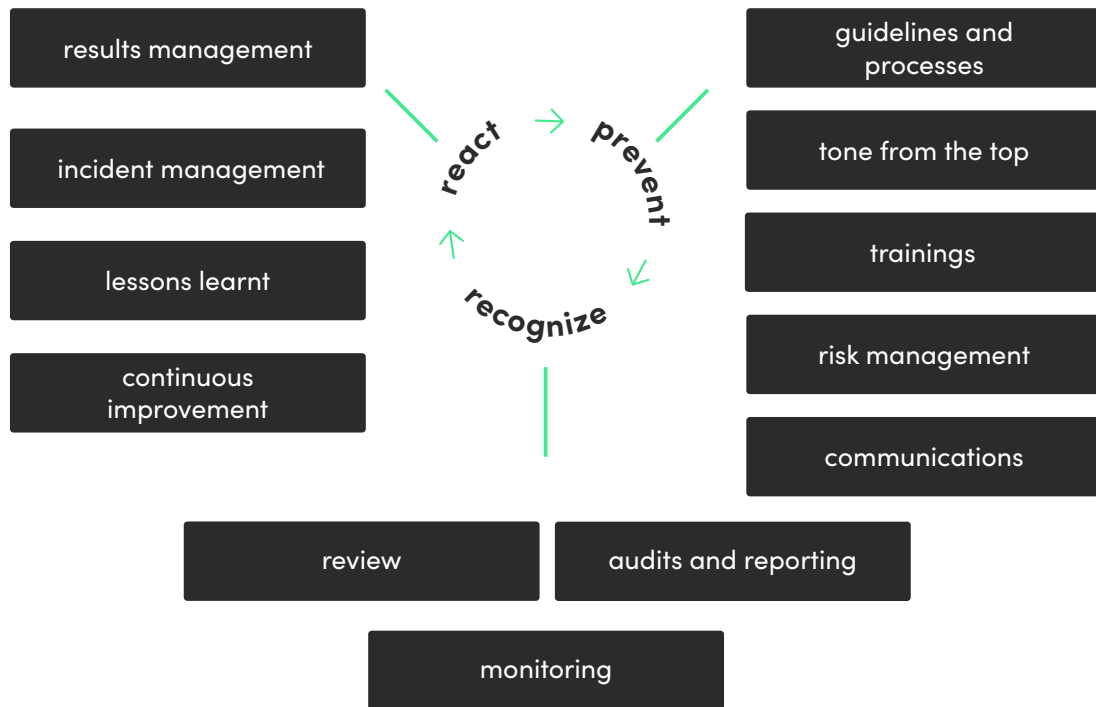
How we manage sustainability compliance

Our Sustainability Compliance Management System forms forms part of the described (see above) Sustainability Management System and is based on the wider compliance management system of the beeline Group. It was developed to monitor and comply with increasing **legal requirements on sustainability**. Both the Corporate Sustainability and the Legal & Compliance Departments cooperate on sustainability compliance management.

The Sustainability Compliance Management System consists of three parts: First, the **"prevent"** part comprises of measures that prevent a non-compliance from happening, e.g., the adherence to the Procurement and Conduct Guideline. Second, the **"recognize"** part makes sure that we can detect non-compliances if they happen e.g., through our Supplier Monitoring. Third, the **"react"** part includes measures to correct non-compliances in case they happened e.g., our human rights incident management.

The Sustainability Compliance Management System is **overseen by the Head of Purchasing & Corporate Sustainability, the Board of Directors, and the Advisory Board**. The Boards engage with the Corporate Sustainability Department and other relevant stakeholders on sustainability topics and on the outcomes of this system during regular meetings. Also, the Boards use these meetings to advance their collective knowledge on sustainability topics and current debates.

The effectiveness of the system is reviewed regularly during these meetings and adjustments are made. If **critical concerns** arise, then these concerns are immediately communicated to the Board of Directors and the Advisory Board and are handled within the procedures of the Global Compliance System. A critical concern is defined as an action or omission that constitutes a serious human rights or environmental violation or a violation of corporate due diligence along the entire supply chain. In 2023, one critical concern was communicated with particular diligence to the Board of Directors and the Advisory Board. It dealt with a violation regarding our requirements around Environment, Pollution & Waste Management

results management

incident management

lessons learnt

continuous improvement

react

prevent

recognize

guidelines and processes

tone from the top

trainings

risk management

communications

review

audits and reporting

monitoring

Our sustainability compliance management system

**How we report
sustainability information**

Our sustainability reporting is prepared by the Corporate Sustainability Department. The information presented **is reviewed and approved by the Manager Corporate Sustainability, the Head of Purchasing & Corporate Sustainability, and the Board of Directors**.

2.3. Materiality Analysis

Products and value chains come with numerous sustainability-related impacts. For example, we know that labor rights violations are prevalent in manufacturing and that greenhouse gas emissions are high when using heavy machinery. With these and many other sustainability topics known and publicized, it can **be difficult to determine which ones to focus on**.

Why undertake a double materiality analysis?

This is where a double materiality analysis comes in. The analysis is designed to help us identify the most **relevant sustainability topics**, so that we can make them a priority in our Sustainability Mission. Simply put, a so-called material sustainability topic is a topic that is very relevant for us. The double materiality analysis fits the requirements of both GRI Standards and the CSRD (for the detailed method see chapter 6.2). The analysis was conducted in the first half of 2024. The deadline for including information was June 30, 2024.

The materiality analysis is called double because it covers two areas: beeline's impacts on people and the environment (**impact materiality**; inside-out perspective) as well as financial risks and opportunities relating to these impacts (**financial materiality**; outside-in perspective). Moreover, we assess the perspectives of our stakeholders (**stakeholder perspective**).
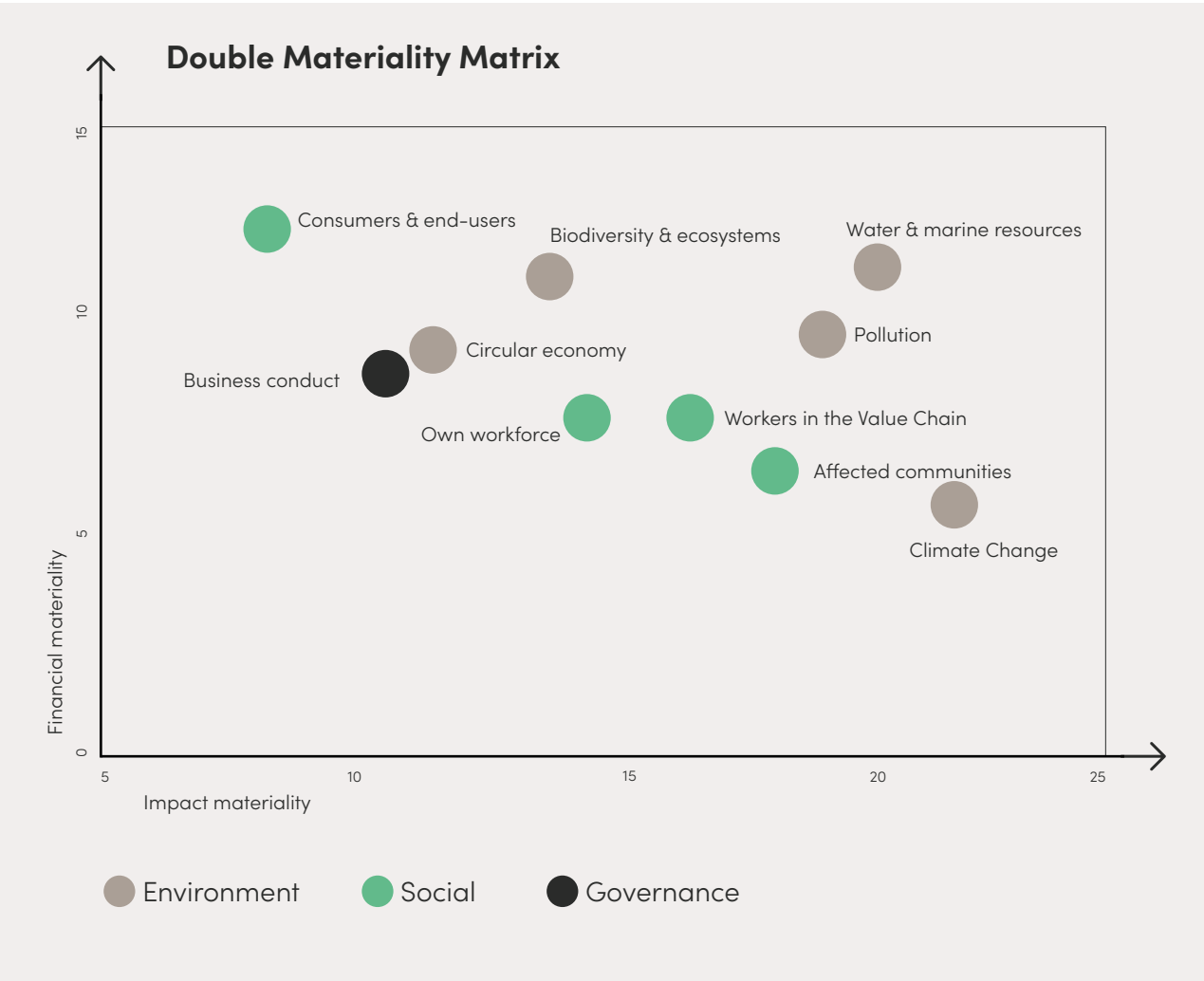
Material topics

The result of the materiality analysis is an overview of material topics (for a detailed overview see chapter 6.3). The following **Double Materiality Matrix** shows which topics are particularly relevant to beeline, regarding impact materiality as well as

financial materiality. Topics in the upper right corner of the matrix are considered highly relevant, such as "Climate change" (see chapter 3.1), "Pollution" (see chapter 3.2), and "Workers in the value chain" (see chapter 4.2). Topics in the lower left corner of the matrix are considered less relevant. Compared to the Sustainability Report 2020–22, there is now a higher number of material topics. This is because we have extended our double materiality analysis and have analyzed more topics.

We also analyzed for which part of the value chain these topics are material. There are two **upstream value chain** parts that are particularly heavy on material topics: raw material extraction and processing & manufacturing. These topics are already very present within our Sustainability Mission (see chapter 2.4).

The **downstream value chain** is a lot less heavy on material topics. This is, firstly, due to the fact that we do not operate our own stores but use a concessions and wholesale model (see chapter 2.1). Secondly, we identified a number of topics that we assessed not to be material. That means that we know that there are sustainability topics associated with our downstream value chain, but that, as of now, they have less of a relevance to us compared to our upstream value chain.

These and further results of the materiality analysis will be used within the **development of our Sustainability Mission**. As the materiality analysis has been finalized in 2024, the integration of its results into the Sustainability Mission is yet to be carried out. How material topics are prioritized and integrated into this strategy, will be reported during the reporting periods to follow.

Double Materiality Matrix

Double Materiality Matrix

- Consumers & end-users
- Biodiversity & ecosystems
- Water & marine resources
- Circular economy
- Pollution
- Business conduct
- Own workforce
- Workers in the Value Chain
- Affected communities
- Climate Change

Financial materiality (y-axis): 0, 5, 10, 15

Impact materiality (x-axis): 5, 10, 15, 20, 25

Legend:
- Environment
- Social
- Governance

Double materiality matrix

	Climate protection	Pollution	Water & marine resources	Biodiversity & Ecosystems	Resource Use & Circular Economy
Raw material extraction	●	●	●	●	●
Processing & manufacturing	●	●	●	●	●
Own business area	●			●	
Transportation	●			●	
Distribution					
Consumption					
Disposal					

	Own workforce	Workers in the Production Chain	Affected Communities	Consumers and End-Users	Business Conduct
Raw material extraction		●	●		
Processing & manufacturing		●	●		●
Own business area	●			●	●
Transportation		●			
Distribution					
Consumption				●	
Disposal					

Material IROs along the value chain

2.4. Sustainability Mission 2025

With the Sustainability Mission 2025, we are continuing our efforts to become a more sustainable company, taking a **holistic approach to governance, social, and environmental issues**. Among other things, we are working hard to make our production chain more transparent, to safeguard human rights, and to make manufacturing safer.

First comprehensive sustainability strategy

The Sustainability Mission 2025 was **developed, approved, and published in 2023**. It is the first comprehensive sustainability strategy for beeline and sets out sustainability goals and actions. The goals and actions are summarized at the very beginning of this report: Our Sustainability Goals at a Glance. The numerous sustainability actions that we started before 2023 are reflected in the strategy.

Goals and actions are organized into three fields: Environment, Social, and Governance. The field **"Environment"** contains all the actions taken to reduce our negative impact on nature e.g., emitting less greenhouse gases. Within the field **"Social"**, we have set goals to create good working conditions, both for our employees as well as for workers in the production chain. The **"Governance"** field contains steps that we take to conduct ourselves responsibly when doing business.

Why are most goals qualitative?

The Sustainability Mission 2025 makes our sustainability management easier to monitor as it formulates measurable targets. This allows us to better monitor how far we have come in achieving our goals. However, you will probably have noticed that **most of the goals are qualitative in nature**. There are very few numbers in our goals. Why is that?

Firstly, we set qualitative goals for **new strategies and processes**. For some topics, we are setting up new strategies and processes to manage the topics more effectively. By its very nature, this is a qualitative goal. For example, in 2023, we reworked our human rights management to fit the requirements of the German Supply Chain Act. That was a qualitative goal that we achieved.

Secondly, we have **not yet committed to quantitative goals** for every topic. We prefer to think through quantitative goals carefully and then fully commit rather than just communicating a number for the sake of having formulated a quantitative goal.

Thirdly, **we lack baseline data** for some topics. There are several reasons for this. In some cases, the need for data has just developed and adequate data needs to be acquired. In other cases, data has already been acquired but needs to be analyzed in a way that supports the setting of quantitative goals. In order to formulate a quantitative goal, we need to know where we stand, where we want to go and by when. If we don't know where we stand, we can't formulate a quantitative goal. For example, we are currently reworking our corporate and product carbon footprint calculation (see chapter 3.1). Once we have got the full data, we can set quantitative goals for climate protection.

Policies that flank the Sustainability Mission 2025

The goals within the Sustainability Mission 2025 are flanked by policies. The policies formulate how we intend to reach goals, how we conduct actions and how we monitor progress.

Policies for managing **resource use** (see chapter 3.5):

• **Conflict Minerals Policy:** The policy was approved by the Head of Purchasing & Corporate Sustainability. It applies to our business activities as well as to suppliers. It has been communicated to all relevant parties. The policy is publicly available [here.](#)

Policies for managing **production chain transparency** (see chapter 4.2):

• **Subcontracting & Outsourcing Policy:** The policy was approved by the Head of Purchasing & Corporate Sustainability. It applies to suppliers. It has been communicated to all relevant parties. The policy is currently being updated and will soon be available on our website.

Policies for managing **human and workers' rights** (see chapter 4.2):

• **Human Rights Policy:** The policy was approved by the Board of Directors. It applies to our own business activities as well as to suppliers. It has been communicated to all relevant parties. The policy is publicly available [here.](#)

• **Supplier Code of Conduct:** The policy was approved by the Head of Purchasing & Corporate Sustainability. It applies to suppliers. It has been communicated to all relevant parties. The policy is publicly available [here.](#)

• **Zero Tolerance Policy:** The policy was approved by the Head of Purchasing & Corporate Sustainability. It applies to suppliers. It has been communicated to all relevant parties. The policy is currently being updated and will soon be available on our website.

• **Multi-Tenancy and Mixed-Use Policy:** The policy was approved by the Head of Purchasing & Corporate Sustainability. It applies to suppliers. It has been communicated to all relevant parties. The policy is currently being updated and will soon be available on our website.

Policies for managing **business conduct** (see chapter 5):

• **beeline Code of Conduct:** The policy was approved by the Advisory Board and the Board of Directors. It applies to the beeline Group. The policy is in the process of being communicated to all employees and is therefore not yet publicly available.

• **Whistleblowing Guideline:** The policy was approved by the Chief Executive Officer. It applies to the beeline Group. It has been communicated to all relevant parties. This policy is for internal use only and is therefore not publicly available.

• **Procurement and Conduct Guideline:** The policy was approved by the Head of Purchasing & Corporate Sustainability. It applies to the beeline Group. It has been communicated to all relevant parties. This policy is for internal use only and is therefore not publicly available.

2.5. Stakeholder Management

Sustainability has always been a debate, often a struggle, sometimes a success – and most of all, a collaborative project. Sustainability needs different perspectives and the help of many different people in order to thrive. Corporate sustainability management is no different. Only with the support and expertise of internal teams and external actors can we do our best to implement more sustainable structures within our company.

Who are stakeholders?

Relevant stakeholders are **individuals, groups or organizations** that affect and/ or could be affected by our company's activities, products, or services. For example, beeline affects (or rather, has an influence on) employees who work for us through the working conditions that we create. In return, our employees have an influence on the company as they shape the way we do business.

With some stakeholders, we have **direct relationships**, such as with the above-mentioned employees. With other stakeholders we have **indirect relationships**, such as with workers in the supply chain who are employed by suppliers and not by us. Still, we take responsibility across these indirect relationships. Then there are stakeholders who are unable to articulate their views, such as nature or future generations (and there is a whole debate on how to take into account the views of these so-called **silent stakeholders**).

How we ensure meaningful engagement

The objective of our stakeholder management is to facilitate a systematic and meaningful exchange with prioritized stakeholders. We take their **views, opinions, and needs** on board when managing sustainability topics. Their expertise guides us in achieving our Sustainability Mission. Our stakeholder management was set up considering the AA1000 Stakeholder Engagement Standard 2015 by AccountAbility. It includes the following steps:

1. Identifying stakeholders:
We identify stakeholders in order to get a systematic overview of the individuals, groups, and organizations that we need and/or want to engage with. We identify stakeholders based on the following criteria: dependency, responsibility, tension, influence, and diverse perspectives. We categorize them, according to CSRD requirements, into affected stakeholders and users of sustainability statements. We analyze stakeholders using a motivation-influence-matrix that shows the motivations of stakeholders and their (possible) influence on our company.

2. Prioritizing stakeholders:
We prioritize stakeholders based on the following criteria: knowledge of our industry, expertise in specific sustainability topics, and knowledge of our company.

3. Engaging with stakeholders:
We define an engagement strategy and formats for prioritized stakeholders. These formats range from obtaining written feedback to regular meetings and workshops.

4. Documenting & considering outputs:
We document the outcomes of stakeholder engagements, such as concerns, expectations, or key discussions, and consider their relevance for our sustainability management. For the double materiality analysis for example, we took stakeholders' feedback into account to identify, assess, and validate the materiality of topics.

5. Keeping stakeholders informed:
We keep stakeholders informed about whether and how their inputs have been considered.

In 2023, we conducted a systematic **stakeholder analysis**. The objective was to get an overview of the individuals, groups, and organizations that affect our sustainability management or are, in turn, affected by it (steps 1 and 2 above). We prioritized the following stakeholders:

- Internal teams and management
- Suppliers
- Sales partners
- Civil society organizations
- Banks & investors
- Workers in the value chain
- Authorities
- End customers

With these prioritized stakeholders, we **engaged in different formats**, ranging from obtaining written feedback, ad-hoc and regular meetings, as well as workshops (steps 3 and 4). As of 2023, we keep internal stakeholders informed on how their inputs have been considered and are planning to extend this way of working to external stakeholders. We continuously receive feedback from stakeholders on our sustainability actions (or on possible new actions) and on how effective these actions are in achieving our goals. We take this feedback on board in further developing our Sustainability Mission.

2.6. Sustainability Standards, Initiatives, and Partners

We apply a number of sustainability standards and work with initiatives and partners to achieve our sustainability goals. These include:

amfori Business Social Compliance Initiative (BSCI) is a program for monitoring production units which includes social, labor, health, and safety requirements. At beeline, we use amfori BSCI audits as part of our supplier monitoring (see chapter 4.2).

Disney's International Labor Standards (ILS) is a program for monitoring production units which includes social, labor, health, and safety requirements. At beeline, we use ILS audits as part of our supplier monitoring (see chapter 4.2).

DKV Card Climate is a fuel card offered by DKV Mobility that facilitates contributions to climate protection projects. At beeline, we use the card for fuel bought by our German sales teams (see chapter 3.1).

LENZING™ ECOVERO™ is a viscose fiber brand that practices responsible production to maximize resource efficiency and minimize environmental impact. At beeline, we use LENZING™ ECOVERO™ fibers for our textiles.

German Institute for Standardization (Deutsches Institut für Normung, short DIN) is a platform for standardization in Germany and worldwide. At beeline, we are member of the working committee for allergens and metals that is concerned with the limit values for nickel admissibility in the European Union and its test methods.

Global Recycled Standard (GRS) is a sustainability standard that sets criteria for the third-party certification of recycled materials and chain of custody. It requires a minimum of 50% recycled content and includes social and environmental requirements for processing. At beeline, we require that suppliers have valid Scope Certificates and Transaction Certificates in accordance with the Global Recycled Standard or the Recycled Content Standard for articles containing recycled materials (see chapter 3.5).

Higg Facility Social and Labor Module (FSLM) sets social, labor, health, and safety requirements for monitoring production units. It builds on the framework of the Social & Labor Convergence Program (SLCP). At beeline, we use FSLM as part of our supplier monitoring (see chapter 4.2).

myclimate Germany develops and supports climate protection projects worldwide and offers consultancy and training on corporate carbon management. At beeline, we contribute to climate protection and development projects offered by myclimate through the DKV Card Climate (see chapter 3.1).

natureOffice develops and supports climate protection projects worldwide, offers consultancy and training on corporate carbon management, and facilitates carbon offsetting. At beeline, we contribute to climate protection and development projects offered by natureOffice (see chapter 3.1).

Oxfam Ireland is an Irish charity organization working to end poverty and injustice through their projects worldwide. It is part of the global Oxfam movement.

Among other things, Oxfam Ireland operates charity shops whose earnings fund their work worldwide. At beeline, we partner with Oxfam Ireland to resell our products (see chapter 3.5).

Recycled Content Standard (RCS) is a sustainability standard that sets criteria for the third-party certification of recycled materials and chain of custody. At beeline, we require that suppliers have valid Scope Certificates and Transaction Certificates in accordance with the Global Recycled Standard or the Recycled Content Standard for articles containing recycled materials (see chapter 3.5).

Responsible Jewelry Council (RJC) is a standard-setting organization for the jewelry and watch industry that has developed a set of responsible business practices as well as a chain of custody standard. At beeline, we use the RJC standards as part of our supplier monitoring (see chapter 4.2).

Sedex Members Ethical Trade Audit (SMETA) is an audit scheme developed by the Supplier Ethical Data Exchange (SEDEX) that covers labor, health and safety, as well as environmental standards. At beeline, we use SMETA audits as part of our supplier monitoring (see chapter 4.2).

Zero Discharge of Hazardous Chemicals (ZDHC) oversees the implementation of The Roadmap to Zero Programme (RtZ). ZDHC is a multi-stakeholder organization including actors from across the fashion industry such as brands, suppliers, and chemical suppliers. The RtZ Programme provides guidance to companies on their way to eliminating harmful chemicals from their production chains, with a primary focus on the textile, apparel, leather, and footwear sectors. At beeline, we are implementing ZDHC's guidelines for fashion jewelry and accessories (see chapter 3.2).

3. Environment

3.1. Climate Protection

Environment

Topic	Goal	Action	Status 2023	Status 2022	
Climate protection	Calculate carbon footprint	Calculate product carbon footprint	Ongoing ⟳	Ongoing ⟳	**GRI Disclosure Requirements**
		Calculate corporate carbon footprint	Ongoing ⟳	New goal (2023)	
	Reduce carbon footprint	Increase the share of recycled materials in products and packaging	Ongoing ⟳	Ongoing ⟳	
		Reduce the use of fossil fuels for our sites and fleet	Ongoing ⟳	Ongoing ⟳	
		Contribute to climate protection projects	Ongoing ⟳	Ongoing ⟳	3-3 302-1 305-4

We want to reduce our climate impact. We calculate our carbon footprint, take measures to reduce emissions, and contribute to climate protection projects. We recognize that climate change is a severe threat to life on our planet. As major contributors to greenhouse gas emissions, businesses worldwide have an obligation to act responsibly and reduce their emissions – ourselves included.

Goals and actions

We are **committed** to calculating our carbon footprint, reducing emissions, and contributing to climate protection projects. We are working on calculating both our product and corporate carbon footprint. As we are getting the relevant baseline data ready, we have not yet set quantitative reduction goals. We take actions to prevent greenhouse gas emissions, such as the reduction of fossil energy consumption or the use of recycled materials in products. As of now, we do not take actions to remediate climate change effects or manage potential positive impacts. We contribute financially to climate protection projects to complement our reduction efforts. We track the effectiveness of actions and our progress towards the goals within our Sustainability Mission.

Where we stand

In 2023, we identified a gap within the calculation of our greenhouse gas emissions: We calculate a product carbon footprint, but not a corporate carbon footprint. Both kinds of footprints incorporate all relevant greenhouse gas emissions and convert them into CO2 equivalents; hence the term "carbon" footprint. Simply put, our product carbon footprint tells us how much greenhouse gases are emitted in the making of our products. However, it leaves out the emissions on a corporate level that come from our offices, employees' travels, logistics centers, and so forth. In 2023, we decided to close this gap and to **calculate both a product and corporate carbon footprint**. This will give us the baseline data we need to formulate measurable and quantitative emission reduction goals. In the following, we describe both the current calculation of the product carbon footprint and the corporate carbon footprint we are developing.

Product carbon footprint

In 2023, we focused on assessing the gap mentioned above and on making plans to close it. Therefore, we decided to postpone the product carbon footprint for 2023. In the following paragraph, we **restate emissions figures from 2022**.

The calculation method for the product carbon footprint is a **life cycle assessment** that focuses on the global warming potential of greenhouse gases (CO_2, N_2O, non-methane volatile organic compounds (NMVOC), and other volatile organic compounds (VOC) and CH_4). The calculation is based on the international standards of DIN EN ISO 14040ff. The calculation applies the methodology presented in CML2001 – Aug. 2016 Treibhausgaspotential GWP 100 Jahre; it is conducted on an annual basis and is externally verified by TÜV NORD CERT Prüf- und Umweltgutachtergesellschaft GmbH according to DIN EN ISO 14040ff. The data used is mainly taken from the database GaBi (provided by sphera) and, to a lesser extent, primary data that we collected from suppliers.

The product carbon footprint takes into account products, packaging for shipping (such as shipping boxes), and packaging for product presentation (such as paper cards). The calculation covers the production chain **from raw material to arrival at warehouses**. It includes the provision of raw materials, transportation to factories, making of final products, packaging, and transportation to logistics centers in Germany and the US. It does not include corporate-level emissions associated with design and development at headquarters, production and transportation of samples, travel and commuting by employees, emissions at logistics centers, transportation from logistics centers to points of sale, emissions at points of sale, use phase, or end-of-life.

In 2022, our product carbon footprint amounted to about **28.3 million kg CO2e**. Of these, 0.88 million kg CO2e were biogenic CO2 emissions. Over the reporting periods, the number and weight of articles produced changes considerably. We therefore normalize the product carbon footprint by the total weight of articles produced (excluding packaging). The product-level GHG emission intensity by total article weight amounted to around **13 kg of CO2e per kg**. The numbers of 2022 are comparable to the numbers of 2020 and 2021 only to a limited extent. The calculation method was adjusted in 2022 in order to more accurately reflect the amount of gold used in production (see Sustainability Report 2020-22 for more details).

	Calculation method	Carbon footprint, incl. products and packaging, in kg CO_2e	Total weight of articles produced, incl. products, excl. packaging, in kg	Carbon footprint weighted by total weight of articles, in kg CO_2e
2020	Old	30,747,453	1,351,130	22.76
2021	Old	31,609,935	961,714	32.87
2022	New	28,305,699	2,169,040	13.05

Product carbon footprint and product-level GHG emission intensity

The **composition of the product carbon footprint** for 2022 shows that a large share of emissions is associated with the materials needed to make our products and packaging. In 2022, 62% of emissions came from these materials, while transportation accounted for 23% and energy used in production for 14% of emissions. The figures presented here for 2022 differ from the numbers presented in the Sustainability Report 2020–22, as the calculation has been corrected meanwhile.
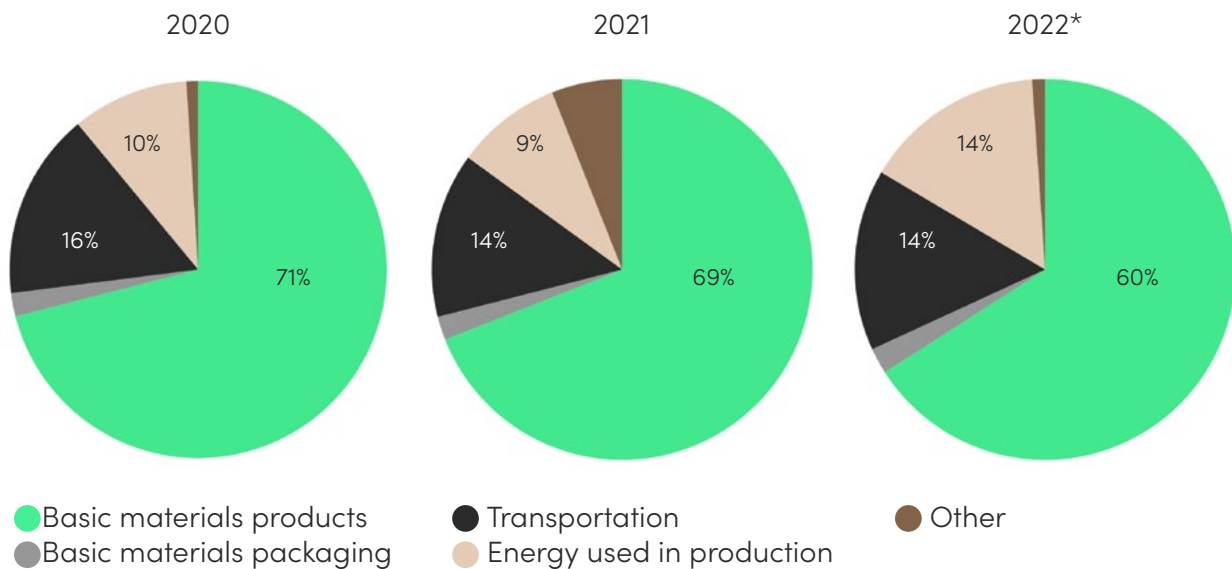
Composition of product carbon footprint. *Figures for 2022 differ from the Sustainability Report 2020–22, as the calculation has been corrected.

Corporate carbon footprint

In 2023, **we prepared to calculate a corporate carbon footprint**. We decided to follow the Greenhouse Gas (GHG) Protocol, both to prepare compliance with the CSRD and to gain a comprehensive understanding of our emissions. The **GHG Protocol** is a globally recognized framework that provides standards for measuring and managing greenhouse gas emissions. Emissions are categorized into three scopes: Scope 1 consists of direct emissions from sources that are owned or controlled by a company e.g., emissions from company sites and fleet.

Scope 2 includes indirect emissions from the generation of energy purchased. Scope 3 comprises of all other indirect emissions that occur in the upstream and downstream value chain e.g., emissions from suppliers.

In 2023, we focused on assessing the gap in our emissions calculation. Also, we made first steps to acquire corporate-level emissions data. For example, we compiled data for **energy and fuel consumption** for our two German entities, beeline GmbH and beeline Concessions GmbH. Data on renewable and non-renewable energy consumption is presented in the table below.

	beeline GmbH	beeline Concessions GmbH	Total
Renewable sources			
1. Fuel consumption from renewable sources			
Fuel from renewable sources	0	0	0
2. Consumption of purchased electricity, heat, steam, and cooling from renewable sources			
Renewable electricity (certified)	2,217,245 kWh	0	2,217,245 kWh
3. Consumption of self-generated non-fuel renewable energy			
Self-generated electricity (wind or solar)	313,343 kWh	0	313,343 kWh
Self-generated heating	178,067 kWh	0	178,067 kWh
Non-renewable sources			
4. Fuel consumption from coal and coal products			
Stationary energy – Propane	908 l	0	908 l

5. Fuel consumption from crude oil and petroleum products			
Mobile energy – Gasoline/Petrol	3,742 l	53,187 l	56,929 l
Mobile energy – Diesel	8,755 l	168,220 l	176,975 l
Mobile energy – Plug in Hybrid Petrol	7,785 l	0	7,785 l
Stationary energy – Gasoline/Petrol	400 l	0	400 l
Stationary energy – Diesel	9,350 l	0	9,350 l
6. Fuel consumption from natural gas			
Stationary energy – Natural gas	129,704 kWh	0	129,704 kWh
7. Fuel consumption from other fossil sources			
Other fossil sources	0	0	0
8. Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources			
Mobile energy – Plug in Hybrid Electricity	425 kWh	0	425 kWh

Renewable and non-renewable energy consumption of beeline GmbH
and beeline Concessions GmbH

Reducing emissions

As mentioned above, we have not yet set quantitative emission reduction goals and are not able to quantify the amount of emissions reduced. We are working on getting the relevant baseline data – product and corporate carbon footprints – ready for doing so. Measures taken to reduce emissions are described qualitatively in the following.

In 2023, our focus for reducing emissions was on raising the share of recycled materials in our products. **Recycled materials** typically create much lower emissions than primary materials. We want to increase the share of recycled materials in our products and packaging – both to reduce emissions and to promote a more circular economy. We also took actions to expand the share of recycled materials in our packaging (see chapter 3.5).

Our two **company sites** in Cologne, Germany, are set up to use as little fossil energies as possible. Our logistics center supplies part of the energy it consumes via a photovoltaic installation on its roof. Purchased electricity is procured from renewable energy sources. Within our fleet, hybrid and electric cars are in use for our sales operations and our facility management in Cologne, Germany.

Contributions to climate protection projects

We support climate protection projects through financial contributions. These projects aim to reduce greenhouse gas emissions – either by avoiding them or by creating carbon sinks – alongside cultivating more sustainable development. We support a range of projects from different providers.

Firstly, the largest contribution goes to **natureOffice** and their climate protection and development project in Togo. In addition to supporting activities for the community e.g., in the areas of education and water supply, natureOffice runs climate protection projects, such as to plant trees or promote the use of more energy-efficient cooking stoves. Through our cooperation with natureOffice, we take responsibility for our total product carbon footprint; our contribution enables the saving of an equal amount of emissions. For 2023, we are not able to report how much emissions were saved by the help of our contributions. The final figures will only be available once we finalize the emissions calculation for 2023.

Secondly, we use the DKV Card Climate provided by **DKV Mobility in cooperation with myclimate Germany**. Our sales teams in Germany use this card to make fuel purchases for their vehicle use. In 2023, our financial contribution made it possible for climate protection projects to save around 0.62 million kg CO_2 equivalents.

Why contribution rather than compensation?

In 2022, we decided to **stop using the terms compensation, climate neutral**, and CO2 neutral. There are two reasons for this: Firstly, the terms climate neutral and CO2 neutral have often been misunderstood. To many, the terms suggest that no emissions were caused, when, really, emissions did result, and neutrality was achieved by offsetting them. Secondly, the regulatory framework for compensation changed with the Paris Agreement and the COP26 in Glasgow in 2021. It was decided that climate protection projects contribute to the climate balance of the country in which they take place – unless the respective country has issued a so-called Corresponding Adjustment. Double counting of emissions saved – for the respective country as well as for a company's climate balance – is prohibited. As Corresponding Adjustments have not yet been given on a large scale, we refrain from counting emissions saved through such projects.

Besides the debate on terms, the **discussion on the impact of climate protection projects** has intensified over the past years. And rightly so: Some project developers drastically overestimated the quantity of emissions their projects could save. They sold more carbon credits than they had coverage for. This justified critique compounded existing criticisms that compensation is not a suitable measure for fighting climate change. We agree with the critique brought forward: Emissions should first and foremost be reduced, not offset. Climate protection projects should follow the strictest standards when accounting for greenhouse gas mitigation and absorption. Despite this critique, we have opted to continue making contributions to climate protection projects. We are convinced that good projects contribute to more sustainability worldwide, in terms of both ecological development as well as social development through education and jobs.
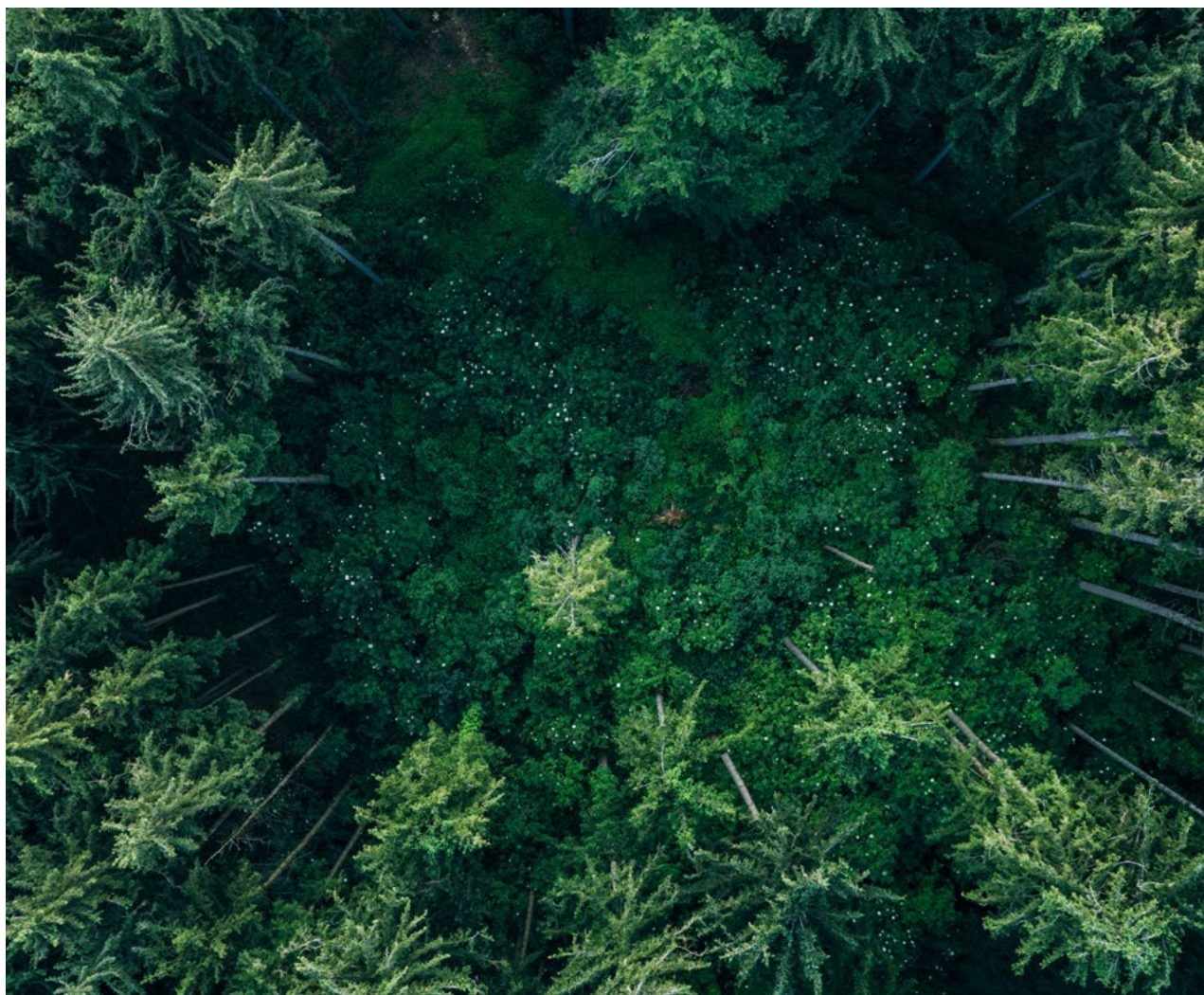
3.2. Pollution

Environment

Topic	Goal	Action	Status 2023	Status 2022	GRI Disclosure Requirements
Pollution	Reduce water, air, and soil pollution	Integrate requirements into supplier monitoring	Achieved	Ongoing ↻	3-3 303-1 303-2 306-1 306-2 308-1 308-2
	Eliminate hazardous chemicals in production	Commit to ZDHC's Roadmap to Zero	Achieved	Ongoing ↻	
		"Input" requirements: roll out supplier monitoring by 2023	Achieved	New goal (2023)	
		"Input" requirements: adapt ZDHC MRSL for accessories industry by 2024	Ongoing ↻	New goal (2023)	
		"Process" requirements: pilot supplier environmental impact assessments by 2023	Achieved	New goal (2023)	
		"Process" requirements: roll-out supplier environmental impact assessments by 2024	Preparing	New goal (2023)	
		"Output" requirements: roll-out supplier wastewater monitoring by 2023	Achieved	New goal (2023)	
		"Output" requirements: set wastewater limits by 2024	Ongoing ↻	New goal (2023)	

We are leaders in making manufacturing safer. We are the first company to implement the guidelines provided by Zero Discharge of Hazardous Chemicals (ZDHC) for accessories. Addressing the pollution of water, air, and soil presents a huge opportunity to improve the health of workers in the production chain and make their work safer. By ensuring clean water sources, we can also enhance public health and aquatic ecosystems and preserve fertile land.

Goals and actions

We are **committed** to reducing water, air, and soil pollution, and to implementing a more sustainable chemicals management

in production. In 2023, we took the following actions to reduce pollution-related impacts in production units: We finalized the integration of pollution-related requirements into our Supplier Code of Conduct and our supplier monitoring. Regarding our commitment to ZDHC's The Roadmap to Zero Programme, we implemented measures for three aspects of the production chain: "Input" (what goes in), "Process" (what is done), and "Output" (what comes out).

We rolled out the supplier monitoring for chemical inventories. We prepared to adapt ZDHC's Manufacturing Restricted Substances List (MRSL) for accessories. We successfully completed the pilot phase for **suppliers' environmental impact assessments** and prepared for the roll-out in

2024. We rolled out **wastewater monitoring across all relevant suppliers** and prepared to set industrial wastewater limits. We track the effectiveness of actions and our progress towards the goals within our Sustainability Mission.

Pioneering ZDHC for non-textile accessories

In 2023, we continued to **lead the way for ZDHC in the accessories industry**. ZDHC is a multi-stakeholder organization comprising of actors from across the fashion industry such as brands, product suppliers, and chemicals suppliers. ZDHC has developed The Roadmap to Zero Programme, which provides guidance for companies on their way to eliminating harmful chemicals in their production chains. ZDHC's primary focus is on the textile, apparel, leather, and footwear sectors.

At beeline, our product portfolio encompasses both textile accessories (like scarves, bags, and hats) and non-textile accessories (such as earrings, necklaces, and sunglasses). We are dedicated to applying The Roadmap to Zero Programme across all product groups. **Our primary focus is on non-textile accessories**, as they make up 89% of our order volume (measured by the **purchasing volume in USD** attributable to non-textile accessories suppliers in 2023). As ZDHC focuses on textile, apparel, leather, and footwear, we have committed to adapting requirements for non-textile accessories.

This is why, as of now, we have not sought Signatories or **Signatory Friends status with ZDHC**. With a Signatory or Signatory Friend status, companies indicate their level of commitment. In order to gain either status, we will need to drive forward the implementation for textile accessories, too. We will do so once the implementation for non-textile accessories has progressed far enough.

How we monitor suppliers

We have integrated ZDHC requirements as well as further environmental requirements into our **Supplier Code of Conduct** and supplier monitoring system. Our Supplier Code of Conduct defines minimum social and environmental obligations for tier 1 and tier 2 production units. It reflects legal requirements, internationally recognized standards, as well as all requirements of sales partners. In case these requirements differ, the strictest standard applies in all cases. The Supplier Code of Conduct covers environmental requirements for three aspects of the production chain: "Input" (what goes in), "Process" (what is done), and "Output" (what comes out).

We ensure compliance with the Supplier Code of Conduct through a **supplier monitoring system** which comprises of document and plausibility checks as well as regular on-site audits (see chapter 4.2 for more details and for social requirements). The supplier monitoring covers all new and existing suppliers.

Supplier Monitoring			
Social requirements	**Environmental requirements**		
Human and workers´ rights	Input – "what goes in"	Process – "what is done"	Output – "what comes out"
Tier 1	**Tier 1** with wet processes	**Tier 1**	**Tier 1** with wet processes
Tier 2	**Tier 2** with wet processes	**Tier 2**	**Tier2** with wet processes

How we implement environmental requirements for suppliers (from 2024 onwards)

Input – what goes into production

Regarding the **"Input"**, the Supplier Code of Conduct covers the following environmental requirements:

- Adherence to Manufacturing Restricted Substances List
- Record-keeping of chemical inventory

These requirements apply to a selection of **tier 1 and tier 2 production units with wet processes** from 2023 onwards. Wet processes are processes that have significant water-related impacts. For accessories, these are processes that use a lot of water and/or a considerable amount of chemicals such as plating and coating.

In 2023, **relevant production units were selected** according to the order volume received (> 1 million pieces) and/or the kind of production processes they cover (plating and coating). From 2024 onwards, the selection criteria will be reworked to reflect water consumption, too. Selecting units to be monitored according to their water consumption is more accurate as we want to cover those with the biggest water-related and pollution-related impacts.

In 2023, we rolled out checks of chemical inventories across all relevant production units and gathered data on chemicals used. Based on that, we **prepared to adapt ZDHC's MRSL for accessories**. Simply put, we are judging how harmful chemicals are, which ones (not) to use in production and how to substitute them. As ZDHC's MSRL is geared towards the textile, apparel, leather, and footwear industry, we are adapting it for accessories. As this is a complex endeavor, the work will be continued in 2024.

In 2023, we selected **14 tier 1 production units and 5 tier 2 production units** to be monitored for "Input" requirements. They had received an order volume of more than 1 million pieces and/or covered coating and/or plating production steps. In total, the monitoring covered 16.9% of all tier 1 production units and 12.2% of all tier 2 production units. The new production units that were added in 2023 (33 units on tier 1 and 16 units on tier 2), were out of scope according to the above-named criteria and were therefore not monitored.

Tier 1 production units – existing	
Total number of units	83
Number of units audited	14
Share of units audited	16.9%
Tier 2 production units – existing	
Total number of units	41
Number of units audited	5
Share of units audited	12.2%

Existing production units audited for "Input" requirements in 2023

Process – how production is done

Regarding the **"Process"**, the Supplier Code of Conduct covers the following environmental requirements:

- Environmental licenses required by national law
- Environmental management system
- Adherence to the Minamata Convention on mercury use
- Adherence to the Stockholm Convention on persistent organic pollutants
- Record-keeping of water and energy consumption
- Record-keeping of GHG Scope 1 emissions
- Chemical management system
- Adherence to the Basel Convention on hazardous waste export and import
- Record-keeping of hazardous waste
- Waste action plan including measures and timeframe for reducing waste
- Safe storage labelling and handling of (hazardous) chemicals
- Safe storage and disposal of hazardous waste
- Chemical hazards training for employees
- Rules for operating an on-site effluent treatment plant

These requirements apply to **all tier 1 and tier 2 production units** from 2024 onwards. They reflect the requirements of ZDHC's Chemical Management System Framework. As of 2023, we monitored a shorter list of requirements across tier 1 and tier 2 production units (e.g., the presence of an environmental management system and the safe handling of both chemicals and waste). The requirements were extended by the end of 2023.

In addition to monitoring this shorter list of requirements, we successfully completed the pilot phase for **suppliers' environmental impact assessments** in 2023. These impact assessments check production units for the full list of above-named requirements. The pilot phase was conducted since 2018, with production units in India being piloted in 2022 and in Vietnam in 2023. The objective was to test whether the requirements were auditable and, if necessary, to adapt them. The roll-out of the assessments across all tier 1 and tier 2 production units will start in 2024.

In 2023, we audited 71 existing tier 1 and 35 existing tier 2 production units on "Process" requirements. These were 85.5% of all existing tier 1 and 85.4% of all existing tier 2 production units. In the first quarter, 8 tier 1 and 5 tier 2 production units were delisted for production and taken out of the audit schedule. If we subtract these from the total number of units, the monitoring rate comes up to 93% for both existing tier 1 and tier 2 production units. Regarding new production units in 2023, 33 new tier 1 and 16 new tier 2 production units were approved for production. 25 or 75.8% of new tier 1 and 12 or 75% of new tier 2 production units were screened for the requirements.

Tier 1 production units – existing	
Total number of units	83
Number of units audited	71
Share of units audited	85.5%
Tier 2 production units – existing	
Total number of units	41
Number of units audited	35
Share of units audited	85.4%

Existing production units audited for "Process" requirements in 2023

Tier 1 production units – new	
Total number of units	33
Number of units audited	25
Share of units audited	75.8%
Tier 2 production units – new	
Total number of units	16
Number of units audited	12
Share of units audited	75%

New production units audited for "Process" requirements in 2023

Output – what comes out of production

Regarding the **"Output"**, the Supplier Code of Conduct covers the following environmental requirements:

- Limits for pollutants in wastewater

These requirements apply to a selection of **tier 1 and tier 2 production units with wet processes** from 2023 onwards. Wet processes are processes that have significant water-related impacts. For accessories, these are processes that use a lot of water and/or a considerable amount of chemicals such as plating and coating.

In 2023, **relevant production units were selected** according to the order volume received (> 1 million pieces) and/or the kind of production processes they cover (plating and coating). From 2024 onwards, the selection criteria will be reworked to reflect water consumption, too. Selecting units to be monitored according to their water consumption is more accurate as we want to cover those with the biggest water-related and pollution-related impacts.

In 2023, we **rolled out wastewater monitoring** across all relevant suppliers. The effluent limits for wastewater adhere to ZDHC's Wastewater Guidelines. We collected data on water consumption and water discharge as well as on potentially harmful substances in the wastewater. We now also have a good overview on whether suppliers treat wastewater on-site with the help of an effluent treatment plant or whether they rely on central wastewater treatment in their area. Based on the data, we will design measures with suppliers to reduce the contamination of wastewater in 2024.

In 2023, we selected 14 tier 1 production units and 5 tier 2 production units to be monitored for "Output" requirements. They had received an order volume of more than 1 million pieces and/or covered coating and/or plating production steps. In total, the monitoring covered 16.9% of all tier 1 production units and 12.2% of all tier 2 production units. The new production units that were added in 2023 (33 units on tier 1 and 16 units on tier 2), were out of scope according to the above-named criteria and were therefore not audited.

How we remedy violations

Audit reports detail whether a production unit has violated any of the requirements in the Supplier Code of Conduct. As of 2023, we handle violations differently, depending on whether they violate "Input", "Process", or "Output" requirements.

Regarding **"Input" requirements**, we rolled out chemical inventory checks in 2023. We will have to adapt the MRSL for accessories before we can start working on improvements with suppliers. This is why, as of 2023, we do not take remedial measures yet.

Regarding **"Process" requirements**, we classify findings according to their severity. Based on the classification of findings, an audit rating is awarded. Once production units receive an audit rating, they are required to develop and implement a Corrective Action Plan to remedy any violations. We support production units and suppliers in preparing a Corrective Action Plan and monitor its implementation through follow-up audits (see chapter 4.2 for more details on this process). In 2023, we identified a particularly severe violation of environmental requirements and the Supplier Code of Conduct at a production unit. After long consideration with all relevant Departments, we decided to terminate the business relationship with the supplier. The violation had been preceded by other critical violations for which development plans were agreed upon with the supplier. As these plans had not been fulfilled and violations continued, this meant a significant breach of trust that made further cooperation impossible.

Tier 1 production units – existing	
Total number of units	83
Number of units audited	14
Share of units audited	16.9%
Tier 2 production units – existing	
Total number of units	41
Number of units audited	5
Share of units audited	12.2%

Existing production units audited for "Output" requirements in 2023

Regarding the **"Output" requirements**, we rolled out wastewater testing in 2023. Wherever remedies could be easily implemented, that was done e.g., suppliers replaced cleaning agents with more sustainable alternatives. In addition and based on the data gathered in 2023, we will design further measures that focus more on the "Input" requirements e.g., substituting chemicals in the production process. This will have a positive effect on wastewater.

3.3. Water and Marine Resources

Environment

Topic	Goal	Action	Status 2023	Status 2022	GRI Disclosure Requirements
Water and marine resources	Assess water-related sustainability impacts	Pilot product water footprint assessment by 2023	Achieved	New goal (2023)	3-3 303-1 303-2

Goals and actions

In 2023, we achieved the **goal** we had committed to: to assess our water-related sustainability impacts. We piloted a product water footprint assessment to analyze the impacts that come with water withdrawal, use and discharge. This **action** was closely linked to the goals and actions that come under "Pollution". Here, among others, we work on impacts relating to the discharge of water from production units (see chapter 3.2).

Piloting a product water footprint

In 2023, we piloted a **product water footprint** for our product portfolio. In more technical terms, the calculation is a life cycle assessment according to DIN EN ISO 14046ff that focuses on water-related impacts. Primary data for this pilot project was collected from production units in Vietnam. We selected Vietnam because we had also decided to conduct the environmental impact assessments there, which created synergy between the two assessments (see chapter 3.2). This primary data was supplemented by secondary and tertiary data for China, India and Thailand from the GaBi (provided by sphera) database.

One of the steps of this assessment was to calculate a water scarcity footprint. A water scarcity footprint assesses how a product contributes to the depletion of water resources taking into account the water scarcity in the area affected. Simply put, we wanted to know **how much water our production uses and whether that's a problem for people or the environment**. The assessment added to our understanding of water-related impacts that we gained from the materiality assessment (see chapters 2.3 and 6.4).

Water-related impacts

In summary, we found that the most significant impacts are **water withdrawal, use, and discharge within mining, processing, and manufacturing activities**. Mining for metals often involves substantial water consumption and uses substances of concern that can contaminate water bodies if not adequately treated. Additionally, improper wastewater management during the manufacturing process can result in the discharge of harmful substances into rivers and lakes which pose risks to aquatic life as well as to human health. Both the use of precious metals as well as water-intensive production processes drive up the water

scarcity footprint. Our footprint is biggest in China and India, where suppliers are mostly located within extremely high water scarcity regions. Suppliers within the low-to-medium water scarcity regions are mainly concentrated in Vietnam.

As of 2023, we have **prioritized the sustainability impacts that come with the discharge of water**. These impacts, for our industry, are closely linked to the topic of pollution and water scarcity, as considerable pollution comes from contaminated wastewater. All goals and actions relating to the pollution of water are to be found in the "Pollution" part of this report (see chapter 3.2).

3.4. Biodiversity and Ecosystems

Environment

Topic	Goal	Action	Status 2023	Status 2022	GRI Disclosure Requirements
Biodiversity and ecosystems	Halt extinction of endangered species	Ban materials derived from endangered species on the IUCN Red List	Ongoing ↻	Ongoing ↻	3-3 101-1 101-2

We contribute to protecting biodiversity and ecosystems. We recognize the role that the protection of endangered species plays for global biodiversity – as was underlined by the Kunming-Montreal Global Biodiversity Framework in 2022. Protecting biodiversity and ecosystems is crucial for maintaining the natural balance and health of our planet, which supports all life forms, including humans. Ecosystems provide essential services such as clean air and water, fertile soil for agriculture, and climate regulation, all of which are vital for human survival.

Goals and actions

We are **committed** to contribute to halting the extinction of endangered species. We have banned any materials derived from endangered species from our products and production and track the effectiveness of actions and our progress within our Sustainability Mission. This goal and action align with Goal A and Target 4 – to halt the extinction of threatened species – of the 2050 Goals and 2030 Targets in the **Kunming-Montreal Global Biodiversity Framework**. They derive from the current scientific consensus around biodiversity and ecosystems. Within the mitigation hierarchy to counteract biodiversity loss, our action is geared towards avoiding negative impacts on biodiversity.

Protecting endangered species

We do not accept products that include raw materials derived from any plant or animal listed at any level of endangered on the **International Union for Conservation of Nature's Red List of Threatened Species** (IUCN Red List). This list classifies species into nine categories: extinct, extinct in the wild, critically endangered, endangered, vulnerable, near threatened, least concern, data deficient, or not evaluated. We do not accept products from raw materials that are listed in any of the first seven categories.

This ban on materials applies to the activities of all Buying teams. The requirement is also stipulated in our Supplier Code of Conduct, which defines minimum social and environmental requirements for tier 1 and tier 2 suppliers. We regularly monitor whether suppliers meet these requirements (for more information on supplier monitoring see chapter 4.2). For this material ban, we require a **self-assessment by suppliers**. As of now, we do not verify the assessment, but are planning to do so in future to enforce a stricter compliance.

Further actions on biodiversity

We are aware that, as of 2023, **we work on one and very specific aspect** of the protection of biodiversity and ecosystems. Within our materiality assessment, we have identified a number of other relevant impacts on biodiversity, among them direct drivers (such as climate change, water consumption and pollution) and indirect drivers (such as land degradation) of biodiversity loss. As of 2023, we take action on some of these aspects, such as on climate protection and on pollution (see chapters 3.1 and 3.2). We have yet to closer link these topics to impacts on biodiversity. Also, we have yet to understand the specific impacts that relate to our own sites as well as to production units. These aspects remain to be deliberated within the development of our Sustainability Mission.

3.5. Resource Use and Circular Economy

Environment

Topic	Goal	Action	Status 2023	Status 2022	GRI Disclosure Requirements
Resource use and circular economy	Increase reuse of products	Resell unsold products in cooperation with Oxfam Ireland	Ongoing ⟳	Ongoing ⟳	2-23 3-3 301-2
	Increase share of recycled materials	Increase share of recycled materials in products	Ongoing ⟳	Ongoing ⟳	
		Increase share of recycled materials in packaging	Ongoing ⟳	Ongoing ⟳	
	Increase the recyclability of packaging	Increase paper-based materials and decrease the number of different plastics used	Ongoing ⟳	Ongoing ⟳	
	Conduct due diligence on the sourcing of high-risk minerals	Monitor adherence to Conflict Minerals Policy	Ongoing ⟳	Not reported	

We use resources responsibly. Responsible resource use minimizes environmental degradation, helping to preserve ecosystems and biodiversity. It also reduces the product carbon footprint and other pollutants associated with mining and processing, contributing to the fight against climate change. We are guided by these principles that were also underlined by the European Union with its Green Deal and Circular Economy Action Plan in 2020.

Goals and actions

We are **committed** to using resources responsibly by increasing the reuse of our products, by increasing the share of recycled

materials and by increasing the recyclability of our packaging. In addition, we have committed to conducting due diligence on the sourcing of high-risk minerals. We take the following **actions** to reach these goals: We resell unsold products in cooperation with Oxfam Ireland. We increase the share of recycled materials in products and packaging and work on an increased recyclability of our packaging. We monitor adherence to the Conflict Minerals Policy. We track the effectiveness of actions and our progress towards the goals within our Sustainability Mission.

Policy on high-risk minerals

We have adopted the following policy on resource use:

- The **Conflict Minerals Policy** details how we conduct due diligence on the use of high-risk minerals, so-called conflict minerals (tantalum, tin, tungsten, and gold). It aims at ensuring human rights in mining and at avoiding contributions to conflict through mineral sourcing practices. The policy reflects the requirements of the Conflict Minerals Regulation of the European Union and the Dodd-Frank Act of the United States. The policy forms part of the **Supplier Code of Conduct** and related guidelines and is shared with both new and existing suppliers. Suppliers are required to report on the use of the above-mentioned minerals at least once a year and upon request. The policy was approved by the Head of Purchasing & Corporate Sustainability. The policy is publicly available here.

Reusing products

We make sure that unsold products can be reused. A large part of these goods **is sold to trading companies**, which resell them in countries not directly serviced by us. A smaller part of our goods is resold in cooperation with Oxfam Ireland.

Since 2009, we have **partnered with Oxfam Ireland** to resell unsold products. Oxfam Ireland sells the products in their charity shops across Ireland and use the monies generated by their sale to fund their own work to end poverty and injustice worldwide. **In 2023, Oxfam raised approximately €1,075,500 by reselling our unsold products**. That was an increase of almost 13% compared to 2022, when around €955,000 were raised.

Piloting more sustainable materials

In 2023, we piloted a more sustainable fiber for our textile portfolio: LENZING™ ECOVERO™. LENZING™ ECOVERO™ is a viscose fiber brand that practices responsible production to maximize resource efficiency and **minimize environmental impact**. LENZING™ ECOVERO™ fibers are certified with the EU Ecolabel for environmental excellence[1]. In 2023, we developed 7 styles with this viscose fiber and ordered over 33,000 articles in total.

Products made with recycled materials

We use a **lot of different materials in our products and packaging**. Plastics (46.5%) and metals (34%) account for the largest shares, followed by paper (9%), glass (4%), and textile fibers (3%). As these numbers are taken from the carbon footprint calculation, they pertain to the year 2022 (see chapter 3.1).

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[1] EU Ecolabel for textile products (license no. AT/016/001)
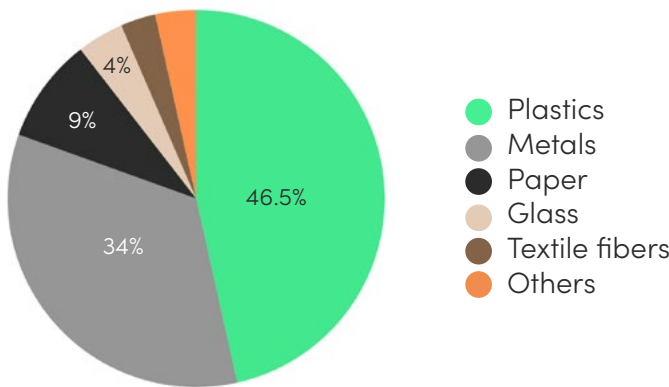
Materials used in products and packaging and their shares in 2022

In 2023, we launched several **collections made with recycled materials**. The following materials were used in recycled qualities: acrylic, brass, brass alloy, iron, polycarbonate, polyester (PCTG and PET), polyurethan, steel, sterling silver 925, zinc, and zinc alloy. Within our portfolio of **textile accessories, more than 40% of articles contain recycled materials in 2023** (calculated as the share of articles with recycled materials in all ordered articles). As of 2023, we are not able to report consistent data on the use of recycled materials across all product categories. We are currently developing the input of articles into our Resource Planning System so that we can analyze the share of articles containing recycled materials.

For articles made with recycled materials, we require that suppliers have valid Scope Certificates and Transaction Certificates in accordance with the **Global Recycled Standard (GRS) or the Recycled Content Standard (RCS)**. GRS and RCS both set criteria for the third-party certification of recycled materials and chain of custody. GRS, in addition, requires a minimum of 50% recycled content and includes social and environmental requirements for processing.

Both GRS and RCS follow the **definition of recycled materials** as put forth by the ISO 14021 standard. We follow this definition, too: Recycled material includes both pre-consumer and post-consumer materials. Pre-consumer material is material that has been diverted from the waste stream during the production process, excluding materials that can be reclaimed within the same process. Post-consumer material is material generated by consumers that can no longer be used for intended purposes.

Packaging made with recycled materials

We want to increase the share of recycled materials not only in our products, but also in our packaging. Here, we currently focus on the two kinds of packaging we have the most control over: **packaging for shipping** from our logistics center in Germany to points of sales in Europe (shipping boxes) and **packaging for product presentation** (paper cards, jewelry boxes, tags, hangers, etc.). In addition to these, we use other types of packaging that are not currently in our primary focus: packaging for shipping from suppliers to warehouses and packaging for shipping from our US logistics center to points of sales in the US.

For the packaging for product presentation, the following materials are in use: paper, plastics (ABS, PE, PET, PP, PUR), rubber, and silicone. We are working to expand the share of recycled materials in these materials. Jewelry boxes that are made with plastics **contain a minimum of 30% recycled materials** in the plastics share.

Packaging that is easier to recycle

In addition to using more recycled materials, we aim at making our **packaging easier to recycle**. We are aware that being recyclable does not guarantee that a product will be recycled. That depends on whether and how packaging is collected for recycling and whether there are recycling capacities available locally. Nevertheless, we see value in creating the best possible conditions for the recycling of packaging. This is why we rely a lot on paper-based packaging and have reduced the number of different plastics used. Recycling capacities, especially for paper, are widespread in the countries we sell in.

Why we need to go beyond using recycled materials

Reusing products and using recycled materials are important steps to reduce resource use. However, we are aware that **a lot more remains to be done to make our industry more circular**. Recycling can reduce the demand for new materials and lower the environmental footprint of jewelry and accessories production, but it does not eliminate the need for new raw materials altogether. Many recycled materials still originate from initial mining activities, which have significant environmental and social impacts.

Circularity in the jewelry and accessories industry – as in many other industries – involves creating a closed-loop system where materials are continuously reused and recycled, minimizing waste, and reducing the need for primary raw materials. This approach extends beyond recycling. It encompasses designing products differently, so that they are durable, easy to disassemble and easy to repair. Also, a product should be easy to collect and process at the end of its lifecycle, in order to get it back into the production cycle. While using recycled materials is an important aspect of circularity, we recognize that many steps remain to be taken before our industry nears circularity.

4. Social

4.1. Own Workforce

Social

Topic	Goal	Action	Status 2023	Status 2022	GRI Disclosure Requirements
Own workforce	Support employees in managing their work-life balance	Offer comprehensive support services	Ongoing ↻	Not reported	2-7 2-8 2-30 3-3 202-2 405-1
	Promote greater diversity in the workplace	Implement a diversity survey	Achieved	Ongoing ↻	
		Create a Diversity Guideline	Ongoing ↻	New goal (2023)	
	Enable contributions to social causes	Grant special leave to employees contributing to social causes	Ongoing ↻	Ongoing ↻	
	Raise awareness and understanding of ecosystem services	Care for beehives	Ongoing ↻	Ongoing ↻	
		Plant trees on company premises	Ongoing ↻	New goal (2023)	

Our employees are the key to our success. We recognize that their well-being, growth, and satisfaction are crucial in making beeline a creative and thriving workplace. Our commitment to employee welfare is reflected in our comprehensive benefits, continuous learning opportunities, and engagement for a more inclusive workplace.

Goals and actions

We are committed to the following **goals and actions:** First, we support employees in managing their work-life balance by offering comprehensive support services. Second, we promote diversity and a more inclusive workplace by creating a Diversity Guideline, based on the results of a company-wide diversity survey. Third, we enable our employees to contribute to social causes by granting special leave. Fourth, we raise awareness and understanding

about ecosystem services by offering employees the chance to set up and care for beehives at our sites. As of 2023, we track the effectiveness of our training and development programs within our Human Resources Management. For the other actions, we take learnings onboard to continuously improve and adapt.

Supporting work-life balance

To support our employees as best as we can, we cooperate with pme Familienservice (in English: pme Family Service), a company that specializes in providing **comprehensive support services for families and employees**. The service supports our employees in Germany. pme Familienservice offer childcare solutions, including daycare and emergency care, as well as eldercare services to help balance work and care responsibilities. They also provide counseling and support for personal and professional

challenges, promoting mental health and well-being. The service is well received by our employees and gets good feedback.

We want all of our **employees to grow and thrive**. Our Talent Management strategy ensures a comprehensive development process for all employees. Our Talent and Learning initiatives offer targeted development programs that enhance both business and soft skills. We also support employees to develop and take on management responsibilities. In 2023, we filled 39% of management positions for the beeline GmbH with internal candidates (for Team Manager and Manager positions; Chief Executives, Directors and Heads were not recruited in 2023).

Promoting a more inclusive workplace

The working group WE CARE for diversity works towards **promoting a more inclusive workplace** and an increased sensitivity towards diversity. In 2022, the group conducted a survey among all employees of beeline Group (except for employees of two subsidiaries in the US which could not be surveyed due to data protection requirements). The survey collected baseline data on the status quo of diversity management.

In 2023, we analyzed the data collected within the **diversity survey**. We found that most participants perceived their own departments as diverse, but less so the entire company. A large share of participants found that flexible working hours are an important aspect in promoting diversity and that managers play a crucial role in handling concerns. Based on this survey, our next step is to develop a Diversity Guideline that contains the actions we want to take.

Special leave for social engagement

We give our employees the space and the **opportunity to help people in need**. Some are already involved with organizations or projects that they would like to dedicate more time to. Others simply don't find the time to help or even start getting involved. We want to change that by providing special leave to employees if they are engaged with social causes.

Since 2022, many employees have wanted to support those who had suffered from the **war in Ukraine**, whether they had remained in their country or had come to Germany. beeline granted special leave to employees of any European beeline subsidiary who found a way to help.

In 2023, we prepared for a new social engagement project that starts in 2024. It grants special leave to employees of any European beeline subsidiary who decide to support a short-term **project for children and young adults**. Projects promote young people's education and can be anything from painting ramshackle kindergarten walls, planting a school garden, helping with childcare or tutoring, to active language training, or helping young adults with their first internship application.

Bees for beeline

The working group WE CARE at home is engaged with promoting learning on nature and biodiversity. In 2021 and 2022, the group **placed beehives on our sites in Cologne, Germany**. They invited employees to learn more about the role that bees play for our ecosystems and biodiversity. As of 2023, our sites are home to both wild bees and honeybees.

In 2023, we placed around **100 wild bee cocoons** in each of three insect hotels and nesting blocks. One of the nesting blocks was particularly popular among the bees: All cavities were fully occupied, and we were able to collect around 1,000 wild bee cocoons at the end of 2023. The nesting block was cleaned and will be put up again for 2024. Excess cocoons were given to employees and to a childcare center that had installed a nesting block.

Also in 2023, we set up two colonies with approximately **50,000 honeybees** each. Honeybees are especially important for pollination. They differ from wild bees mainly in that they collect honey within a radius of around 3 kilometers, whereas wild bees typically collect within 300 meters. As one of our employees is a registered beekeeper, we might get to offer beeline honey soon.

Tree planting on company sites

In 2023, the site of our logistics center in Cologne, Germany, was planted with new trees and shrubs. The project saw several key activities. The area was prepared and planted in spring, marking the beginning of the work. In autumn, a group gathered to remove weeds, ensuring the area remained well-maintained. Later in the year, the wildflower meadow was mowed to promote healthy growth in the coming seasons. The effort was **supported by a community of volunteers**, with around 15 people helping during the initial planting week and about 10 people participating in subsequent activities. This collective effort contributed significantly to the success of the project.

Employee characteristics

We are currently collecting and analyzing employee data across the beeline Group. In 2023, we started by compiling relevant **data for the beeline GmbH and beeline Concessions GmbH**, which are both based in Germany. Employee data for 2023 is presented as of 31st December 2023. A more comprehensive data collection is scheduled for the next reporting periods.

In total, beeline GmbH had 686 employees and beeline Concessions GmbH 728 employees, which adds up to a **total of 1,414 employees in Germany**. Of these employees, 19.4% identified as male and 80.6% as female. 10.4% of employees were aged 30 and under, 68.2% were between 30-50 years old and 21.4% were older than 50. 78.2% of employees were permanent employees and 21.8% temporary employees. 44.8% were full-time employees and 55.2% part-time employees.

There are **686 employees who are directly employed** with the beeline GmbH. In addition, we worked with freelance consultants who support the IT Departments and with temporary workers employed with employment agencies who support the logistics centers. In 2023, there were 298 non-employee workers working for the beeline GmbH. In 2023, 680 employees of beeline GmbH (executives excluded) were covered by the **works council**. We ensure for all our employees to work under fair working conditions and terms of employment, in cooperation with our works council.

Gender	beeline GmbH		beeline Concessions GmbH		Total	
	Number of employees	Share	Number of employees	Share	Number of employees	Share
Male	245	35.7%	29	4.0%	274	19.4%
Female	441	64.3%	699	96.0%	1,140	80.6%
Other	0	0%	0	0%	0	0%
Not reported	0	0%	0	0%	0	0%
Total	686	100%	728	100%	1,414	100%

Number of employees by gender (head count), beeline GmbH and beeline Concessions GmbH in 2023

Age group	beeline GmbH		beeline Concessions GmbH		Total	
	Number of employees	Share	Number of employees	Share	Number of employees	Share
<30 years	95	13.9%	52	7.1%	147	10.4%
30–50 years	479	69.8%	486	66.8%	965	68.2%
>50 years	112	16.3%	190	26.1%	302	21.4%
Not reported	0	0%	0	0%	0	0%
Total	686	100%	728	100%	1,414	100%

Number of employees by age group (head count), beeline GmbH and beeline Concessions GmbH in 2023

Contract type	beeline GmbH		beeline Concessions GmbH		Total	
	Number of employees	Share	Number of employees	Share	Number of employees	Share
Permanent	610	88.9%	496	68.1%	1,106	78.2%
Temporary	76	11.1%	232	31.9%	308	21.8%
Non-guaranteed hours	0	0%	0	0%	0	0%
Full-time	495	72.2%	138	19.0%	633	44.8%
Part-time	191	27.8%	590	81.0%	781	55.2%
Total	686	100%	728	100%	1,414	100%

Number of employees by contract type (head count), beeline GmbH and beeline Concessions GmbH in 2023

Female	Male	Other	Not reported	Total
Number of employees (head count)				
441	245	0	0	686
64.3%	35.7%	0%	0%	100%
Number of permanent employees (head count)				
394	216	0	0	610
64.6%	35.4%	0%	0%	100%
Number of temporary employees (head count)				
47	29	0	0	76
61.8%	38.2%	0%	0%	100%
Number of non-guaranteed hours employees (head count)				
0	0	0	0	0
0%	0%	0%	0%	0%
Number of full-time employees (head count)				
271	224	0	0	495
54.7%	45.3%	0%	0%	100%
Number of part-time employees (head count)				
169	22	0	0	191
88.5%	11.5%	0%	0%	100%

Number of employees by contract type, broken down by gender, for beeline GmbH in 2023

Female	Male	Other	Not reported	Total
Number of employees (head count)				
699	29	0	0	728
96.0%	4.0%	0%	0%	100%
Number of permanent employees (head count)				
478	18	0	0	496
96.4%	3.6%	0%	0%	100%
Number of temporary employees (head count)				
221	11	0	0	232
95.3%	4.7%	0%	0%	100%
Number of non-guaranteed hours employees (head count)				
0	0	0	0	0
0%	0%	0%	0%	0%
Number of full-time employees (head count)				
115	23	0	0	138
83.3%	16.7%	0%	0%	100%
Number of part-time employees (head count)				
584	6	0	0	590
99.0%	1.0%	0%	0%	100%

Number of employees by contract type, broken down by gender, for beeline Concessions GmbH in 2023

4.2. Workers in the Value Chain

Social

Topic	Goal	Action	Status 2023	Status 2022	GRI Disclosure Requirements
Workers in the value chain	Achieve production chain transparency	Monitor adherence to a Sub-Contracting and Outsourcing Policy	Ongoing ↻	Ongoing ↻	2-23 2-25 2-26 3-3 403-7 407-1 408-1 409-1 414-1 414-2
		Achieve supplier-based transparency up to tier 2	100%	Not reported	
		Achieve article-based traceability up to tier 2 by 2024	Preparing	New goal (2023)	
		Achieve transparency up to raw materials stages by 2025	Preparing	New goal (2023)	
	Safeguard human rights and decent working standards	Implement requirements of German Supply Chain Act by 2023	Achieved	New goal (2023)	
		Monitor 100% of tier 1 and tier 2 suppliers on social compliance	93%	80%	

We safeguard human rights and decent work. Production chains in our industry are long, diverse, and challenging to oversee. This is the case for us, too. We do not operate our own production units, but source from a network of suppliers that we monitor as closely as possible. Thus, we aim to ensure decent working conditions not only for our own employees, but also for those working at our suppliers' sites.

Goals and actions

We are **committed** to two overall goals: To achieving a more transparent production chain and to safeguarding human rights within that production chain. To accomplish **transparency**, we have banned unauthorized subcontracting and monitor suppliers' compliance. Based on the

transparency that we have already achieved up to tier 2, we are preparing to accomplish article-based traceability up to tier 2 by 2024. Our long-term goal is to ensure transparency up to raw material stages. To accomplish our second overall goal – the **safeguarding of human rights** for workers – we continuously monitor all tier 1 and tier 2 suppliers on social compliance and have achieved a monitoring rate of 93% in 2023. We track the effectiveness of actions and our progress towards the goals within our Sustainability Mission.

In 2023, we achieved the integration of the requirements of the **German Supply Chain Act** into our strategies and processes, with which we are required to comply from 1st of January 2024. The integration has been a testament to our proactive approach, as our prior commitments have enabled us to

seamlessly and quickly integrate the new regulatory requirements.

Policies on human rights and transparency

We have adopted the following policies on human rights and a more transparent supply chain:

- Our **Human Rights Policy** sets out the expectations we have of our employees and business partners with regard to human rights, how we intend to fulfil our due diligence, how we implement preventive and remedial measures and how we continuously improve. The policy reflects the United Nations Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, the Principles of the United Nations Global Compact (UNGC), the United Nations Convention on the Rights of the Child, the Guidelines for Multinational Enterprises by the Organization for Economic Co-operation and Development (OECD), the Minamata Convention, and the Basel Convention. The policy was approved by the Board of Directors. It is publicly available here.

- The **Supplier Code of Conduct** defines minimum social and environmental requirements for suppliers. It reflects the German Supply Chain Act, the conventions and recommendations of the International Labour Organization, the United Nations Universal Declaration of Human Rights, the norms ISO 9001 and ISO 45001, and the Bangladesh Accord on Fire and Building Safety. The policy was approved by the Head of Purchasing & Corporate Sustainability. The policy is publicly available here.

- The **Zero-Tolerance Policy** specifies which infringements of the Supplier Code of Conduct are regarded as zero-tolerance incidents and how such infringements are to be sanctioned. It applies to all suppliers. It was approved by the Head of Purchasing & Corporate

Sustainability. The policy is currently being updated and will soon be available on our website.

- The **Multi-Tenancy and Mixed-Use Policy** aims to achieve increased fire and building safety and stipulates rules for ownership and lease of production buildings. It applies to all suppliers. It was approved by the Head of Purchasing & Corporate Sustainability. The policy is currently being updated and will soon be available on our website.

- The **Sub-Contracting and Outsourcing Policy** helps us to uncover unauthorized sub-contracting and manage human rights throughout the production chain. Suppliers are forbidden from transferring orders to sub-contractors without approval by our headquarters. Every production unit must be registered with us, so that it can be monitored. The policy was approved by the Head of Purchasing & Corporate Sustainability. The policy is currently being updated and will soon be available on our website.

Transparency and traceability

The policies described above help us in providing decent conditions for workers. Before that can happen, however, we need to know who makes our products and where. A transparent production chain is the foundation for any actions. Only then can we safeguard workers' rights and upholding of environmental regulations. We have achieved transparency on tier 1 and tier 2 – among more than 173 production units that we work with. Put simply, **we know 100 % of our suppliers and our suppliers' suppliers**. In 2023, we worked with 48 suppliers, who in turn sourced from 116 tier 1 and 57 tier 2 production units.

	Suppliers	Total Tier 1 and 2 production units	Tier 1 production units	Tier 2 production units
2020	54	133	87	46
2021	48	162	90	72
2022	42	189	112	77
2023	48	173	116	57

Number of suppliers and production units on tiers 1 and 2 (incl. product suppliers, excl. packaging suppliers)

In 2023, we got ready to go one step further. We prepared to achieve an **article-based traceability** up to tier 2 by 2024. What's the difference to the transparency we already maintain up to tier 2? As of 2023, we know our suppliers and our suppliers' suppliers, and we monitor all of them. Article-based traceability goes further: It shows how every single article moves between these suppliers. For example: From 2024 onwards, for a brass hoop earring, we will know where it is checked for faults and packaged (tier 1) and where the hoop and pin are joined together, polished, filed, and plated (tier 2).

Our long-term goal is to know even more: We want to achieve **transparency up to raw material stages**. Coming back to the example of the brass hoop earring, we want to know where the copper and zinc were mined (tier 4), where they were alloyed and where the brass was cast to form wire (tier 3).

One of the most important instruments for achieving transparency is our Sub-Contracting and Outsourcing Policy. It helps us to **uncover unauthorized sub-contracting**, because suppliers have to register with us every production unit that they use. Additionally, we conduct plausibility checks. We ask suppliers to report their production capacities and then check that capacity against the number of articles delivered. We make sure that suppliers do

not deliver more articles than they have capacities for, thus preventing unauthorized sub-contracting.

As of 2023, we do not publish **supplier lists**. We are aware that a considerable number of companies in the fashion industry have decided to publish lists of their tier 1 suppliers and, in some cases, disclose their suppliers per articles sold. For strategic reasons, we have decided to not publicly disclose our suppliers.

Human rights and decent work

Our **Supplier Code of Conduct** defines minimum social and environmental requirements for tier 1 and tier 2 suppliers. It reflects legal requirements, internationally recognized standards, as well as all requirements of sales partners. In case these requirements differ, the strictest standard applies in all cases. The supplier Code of Conduct is flanked by related policies such as the Human Rights Policy, the Zero-Tolerance Policy, and the Multi-Tenancy and Mixed-Use Policy. In particular, the Supplier Code of Conduct covers:

- Prohibition of child labor
- Prohibition of involuntary labor
- Prohibition of discrimination and harassment

- Freedom of association and the right to collective bargaining
- A safe and healthy workplace, including occupational safety, building safety, fire safety, and chemical safety
- Regular working hours and transparent overtime rules
- Appropriate remuneration above the minimum wage
- Prohibition of harming soil, water, and air in a way that compromises communities' rights to food, drinking water, and sanitation
- Lawful land management
- An effective management system with regard to human resource management, operational health and safety management, environmental management, and chemical management
- An assessment of social, environmental, and health impacts
- An effective grievance management system and a human rights impact assessment
- Social insurance as required by local law
- Transparency throughout the production chain, in particular in relation to home workers and subcontractors
- Business integrity, including anti-corruption, anti-bribery, and anti-money laundering measures
- Compliance with national laws and observation of intellectual property rights
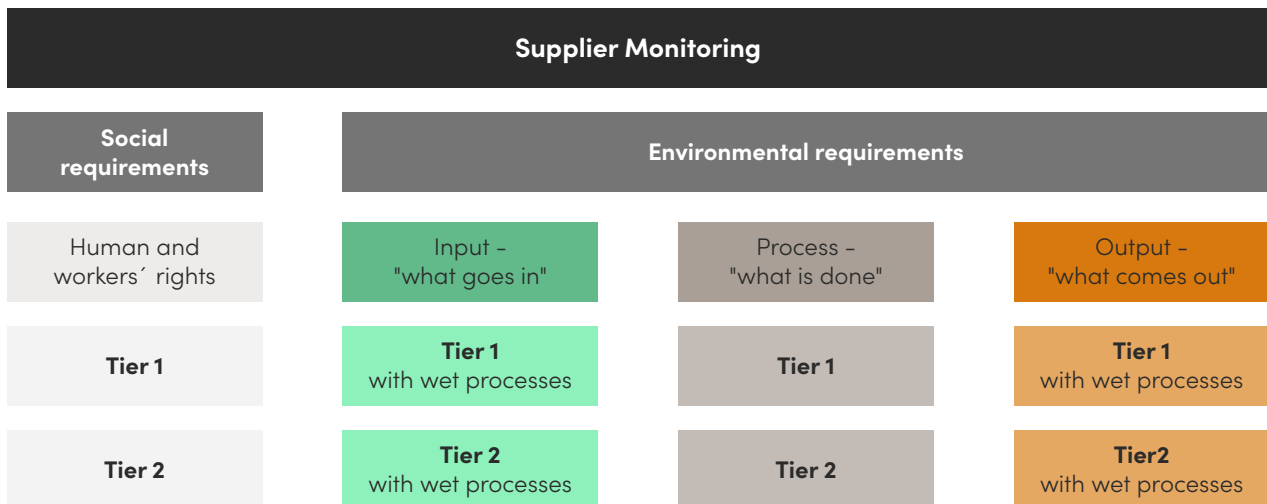
The Supplier Code of Conduct is geared to **cover the social and environmental risks** that we have identified within our production chain. In 2023, we conducted a human rights risk analysis for our production countries. The prioritized risks identified include: child labor, involuntary labor, freedom of association and the right to collective bargaining, inadequate wages, extensive working hours, occupational health and safety hazards, health risks arising from the use of mercury, persistent organic pollutants and hazardous waste, violation of the ban on using private security forces.

How we monitor suppliers

The Supplier Code of Conduct and further policies constitute minimum requirements for all tier 1 and tier 2 suppliers. **We ensure compliance through a supplier monitoring system** and summarize results in a Supplier Matrix. The supplier monitoring system includes document and plausibility checks as well as regular on-site audits. In addition to the human rights requirements described in this chapter, we cover environmental and animal welfare requirements (see chapters 3.2 and 3.4).

Tier 1 and tier 2 suppliers are audited for compliance with the Supplier Code of Conduct. Audits are generally carried out by our own auditors located in the respective production countries. In addition, external audit organizations inspect production facilities on our behalf as well as on behalf of our sales partners. Audits are conducted at least once a year for each production unit. Approval audits for new suppliers are announced. Audits at existing suppliers are semi-announced, meaning that we announce audits with a four-week time window. In 2023, we changed audits from being unannounced to semi-announced. We were facing the difficulty that persons responsible for compliance at production units were not available on audit dates. Their availability is crucial as they provide documents for document checks, among others. Often, auditors were not able to complete the audit and had to come back on another day, which greatly burdened capacities and schedules. With semi-announced audits, we are able to conduct audits with the responsible persons present while maintaining the possibility for an accurate assessment of conditions.

The supplier monitoring covers **all new and existing suppliers**. All new and existing suppliers are required to comply with the Supplier Code of Conduct. In general, all production units are covered under our internal auditing scheme. The full-scope audit is conducted for tier 1 suppliers; the basic-scope audit is conducted for tier 2 suppliers. Compliance can also be

Supplier Monitoring			
Social requirements	**Environmental requirements**		
Human and workers´ rights	Input – "what goes in"	Process – "what is done"	Output – "what comes out"
Tier 1	**Tier 1** with wet processes	**Tier 1**	**Tier 1** with wet processes
Tier 2	**Tier 2** with wet processes	**Tier 2**	**Tier2** with wet processes

How we safeguard human rights: our supplier monitoring

demonstrated through an external audit report that covers all of our requirements and which has been conducted against an accepted standard[2] by an accepted audit firm[3]. Where sales partners require an external audit, suppliers are externally audited against the required standard. The scope of an audit is determined by the supplier's tier. All audit results, whether from internal or external checks, are integrated into the supplier monitoring system.

Only if compliance can be demonstrated, will a new production unit be approved for production. In 2023, 33 new tier 1 and 16 new tier 2 production units were approved for production. 100% of these production units were screened for social compliance.

Across all new and existing suppliers, we strive to achieve a supplier monitoring rate of 100%. **In 2023, we monitored 93% of production units**. There are several reasons why we have not yet achieved a monitoring rate of 100%. Most reasons are of an administrative nature and linked to the way in which we collect our data. For example:

Production units that suppliers register with us and then de-register shortly afterwards, are counted in the statistics. We schedule an audit for these production units. If they are de-registered before the audit can take place, they are counted as a production unit that has not been covered by an audit.

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[2]Accepted standards are: amfori Business Social Compliance Initiative, Disney's International Labor Standard, Ethical Trading Initiative, Fair Labor Association, Global Social Compliance Program, Made in Green by Oeko-Tex, Grüner Knopf, Higg Facility Social & Labor Module, International Council of Toy Industries Ethical Toy Program, Social Accountability International SA 8000, Social Labor & Convergence Program, Sedex Members Ethical Trade Audit 2-pillar or 4-pillar, audits for Universal licenses, Workplace Conditions Assessment, Worldwide Responsible Accredited Production, Responsible Jewelry Council Code of Practices.
[3]Accepted audit firms are: Bureau Veritas, Elevate, Extensive Standard Technical Services, Intertek, SGS, TÜV, UL, Verité.

	Total	Tier 1	Tier 2
2020	49%	55%	37%
2021	88%	88%	87%
2022	80%	87%	71%
2023	93%	93%	93%

Share of production units covered by internal and/or external audit

Why we still audit despite wide-spread critique

Regarding the topic of audits, there has been significant public criticism challenging whether audits are the right measure to ensure decent working conditions. And rightly so: **Audits have serious shortcomings**. To name only three: Audits are snapshots of a situation that might present itself differently on a different day. Audits can only uncover human rights violations, not improve them. Audits are conducted by humans and humans make mistakes.

It has also been debated whether these shortcomings are more severe when audits are conducted by auditors directly employed with the respective company. The debate primarily revolves around so-called internal audits – in comparison to external audits conducted by commissioned audit firms. At beeline, we use both types of audits, though largely internal audits. **We apply our own Supplier Code of Conduct and audit guidelines. Both instruments are based on widely recognized international standards**.

We have opted to do this for two reasons: Firstly, we want to translate our sales partners' sustainability requirements – and our own requirements – into **one comprehensive supplier monitoring system**. Secondly, we have often found external audit reports not informative and not extensive

enough. We want to know in greater detail how suppliers handle our social and environmental requirements. We can get this additional information through internal audits.

We recognize that audits have shortcomings. Nevertheless, they form an important part of the wider due diligence we conduct within our production chain. **Audits are a way to monitor suppliers and deliver knowledge on working conditions and environmental performance**. It is crucial, however, that such audits are supplemented by appropriate follow-up actions that document and remedy violations.

How we remedy violations

Audit reports detail whether a production unit has violated any of the requirements in the Supplier Code of Conduct. **Findings are classified according to their severity** into minor, middle, major, critical, and zero-tolerance issues. Based on the classification of findings, an audit rating is awarded. Audit ratings span six categories: upper green, lower green, and yellow are pass ratings; red and blue are fail ratings; purple is a conditional rating for approval audits of new production units.

In 2023, 278 audits were conducted at our tier 1 and tier 2 production units. **The share of awarded pass audit ratings in 2023 was around 85.2%**. Compared to 2022, that is an
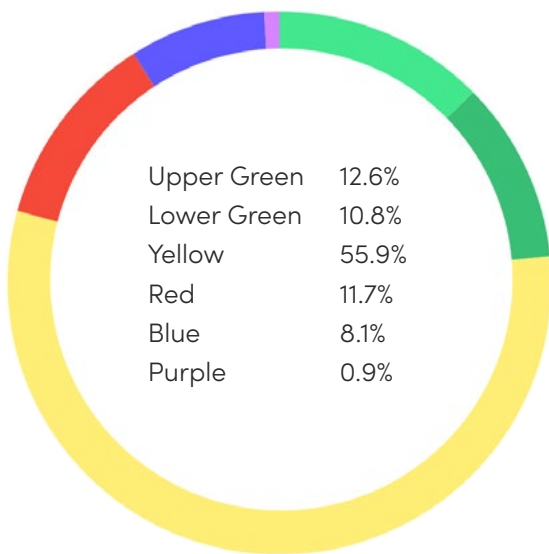
increase of around 10 percentage points. However, the share of production units with the highest ratings (upper green and lower green) has decreased by 13.5 percentage points between 2021 and 2023. There are several reasons for this: Firstly, during the Covid-19 pandemic, we were often not able to conduct on-site audits, but only virtual audits. Getting an accurate assessment of the situation was difficult, as was working on improvements with suppliers. Secondly, we have immensely increased the number of audits that we do; simply, we find more violations of our Supplier Code of Conduct that can affect ratings.
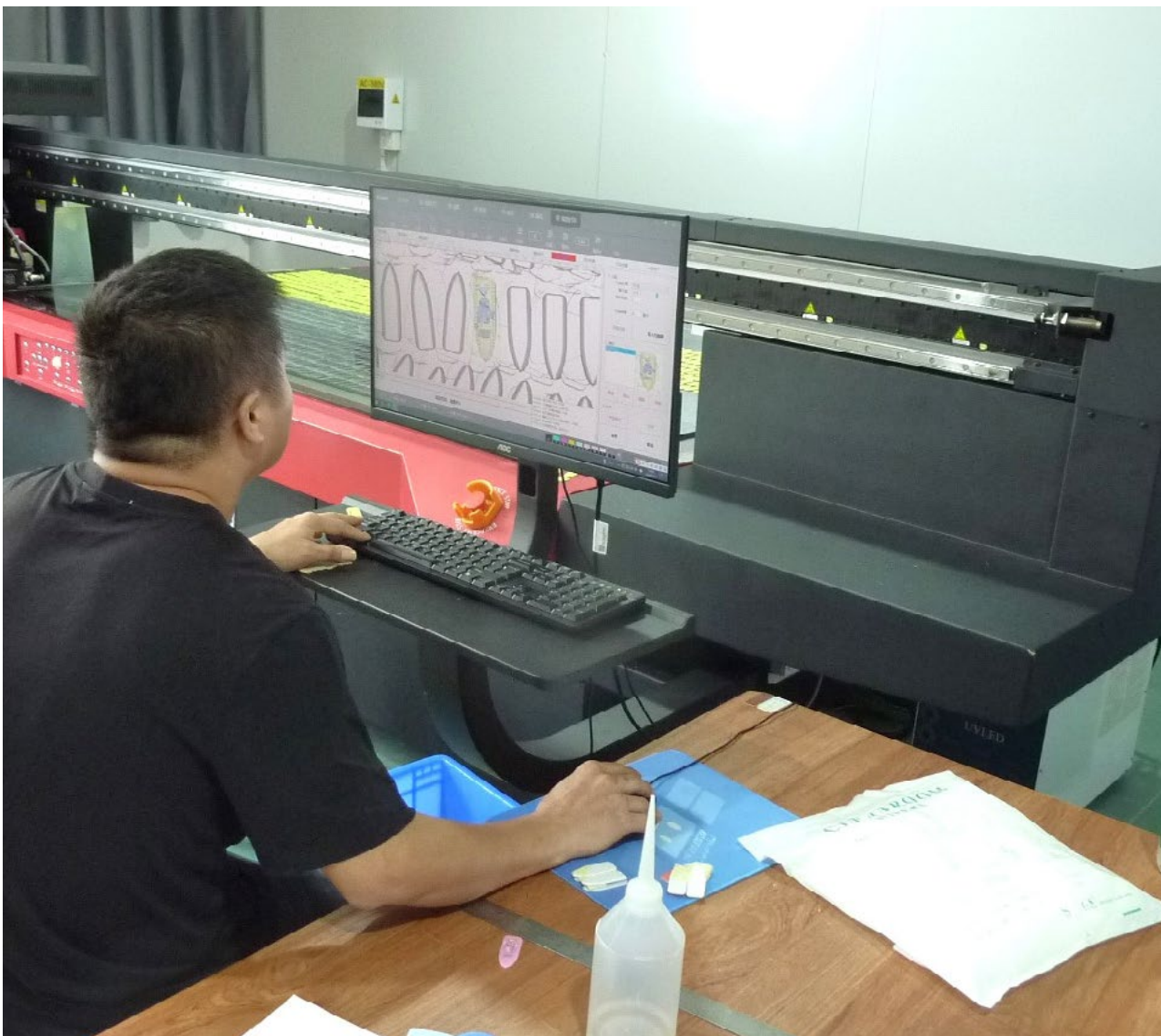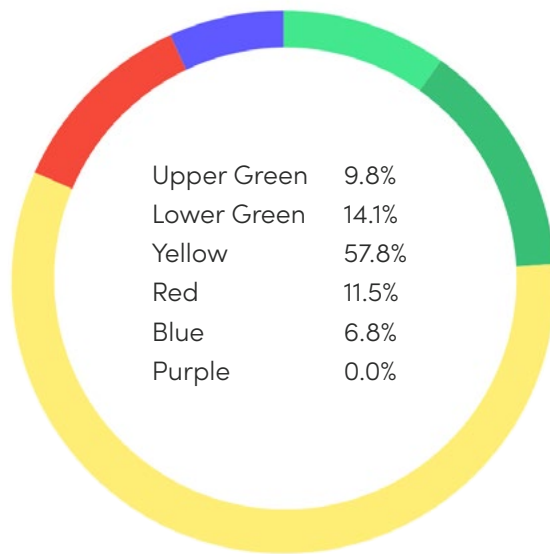
Once production units receive an audit rating, they are required to develop and implement a **Corrective Action Plan** to remedy any violations. In 2023, 100% of production units who received an audit rating prepared such a plan. We support production units and suppliers in preparing a Corrective Action Plan and monitor its implementation through follow-up audits.
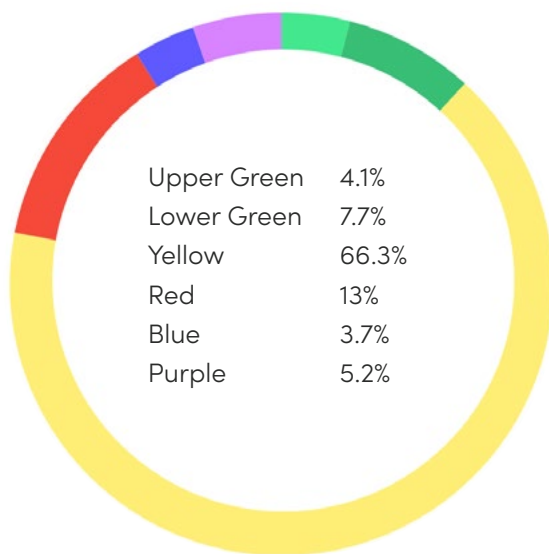
2020

Upper Green	12.6%
Lower Green	10.8%
Yellow	55.9%
Red	11.7%
Blue	8.1%
Purple	0.9%

2021

Upper Green	9.8%
Lower Green	14.1%
Yellow	57.8%
Red	11.5%
Blue	6.8%
Purple	0.0%

2022

Upper Green	4.1%
Lower Green	7.7%
Yellow	66.3%
Red	13%
Blue	3.7%
Purple	5.2%

2023

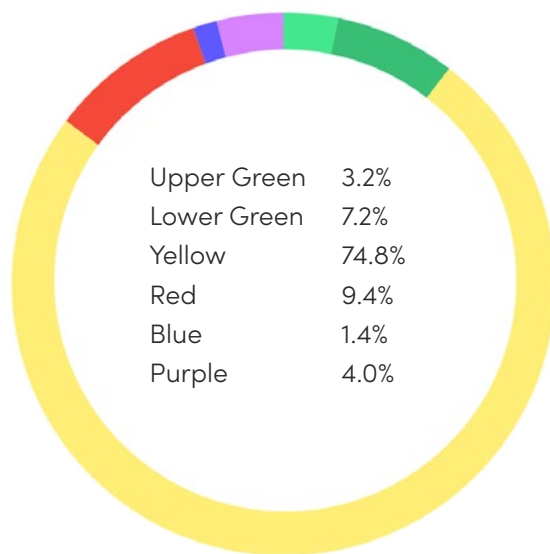|	
Upper Green	3.2%
Lower Green	7.2%
Yellow	74.8%
Red	9.4%
Blue	1.4%
Purple	4.0%

Audit ratings awarded to suppliers

Complaints procedure

In 2023, we have developed the **complaints procedure** to fit the requirements of the German Supply Chain Act. The complaints procedure is aimed at all persons or groups who are affected by or have knowledge of a violation of the law under the German Supply Chain Act in Germany or abroad. The Rules of Procedure for the Complaints Procedure are publicly available here.

We have established the external, digital **complaints channel SpeakUp**. It can be accessed through our website or by downloading the app SpeakUp by People Intouch. Complaints can be sent in written form through the app, by e-mail or post. They can also be sent via voice message that are transcribed for the internal recipient of the complaint by a translator, so that the anonymity of the person making the complaint is guaranteed – if desired – at all times during the complaint procedure.

The **complaints are received by the Compliance Department** of the beeline Group. Cases are handled by selected and specially trained employees either in the Legal & Compliance Department or by the management of the relevant department. If necessary, the cases are processed with the support of other experts. The complaint handling process can be found in detail in the Rules of Procedure for the complaints procedure.

4.3. Affected Communities

Social

Topic	Goal	Action	Status 2023	Status 2022	GRI Disclosure Requirements
Affected communities	Assess community-related sustainability impacts	Assess impacts within risk and materiality analysis by 2023	Achieved	New goal (2023)	3-3 413-2

The impacts of our business go beyond our employees and the workers in our production chain. It can affect communities in both positive and negative ways. While communities might be positively affected through incomes generated for families, they might also be exposed to health risks if substances of concern are released into the environment from a production unit. Engaging with communities is crucial to taking responsibility for what we do.

Goals and actions

In 2023, our **goal** was to assess community-related sustainability impacts in a comprehensive way. We did so through our risk analysis and materiality analysis. Since 2023, we also require suppliers to conduct a community impact assessment which feeds into the risk analysis. Suppliers determine the influence of their production on neighboring communities and the environment. Building on these assessments, we will identify further actions during the development of our Sustainability Mission.

How we impact communities

According to the risk and materiality analyses, **two areas within our production chain** are material for community-related impacts: First, mining activities and, second, homework arrangements. With regard to **mining activities**, we can identify potential impacts only as of now, as we have transparency up to tier 2 and currently cannot accurately place the mining sites for our metal raw materials. Whether we take action in this direction, remains to be decided within the development of the Sustainability Mission.

Homework activities are primarily prevalent in our production chain in India, and play a minor role concerning our overall order volume. Homework arrangements are a kind of subcontracting in which individuals perform work in their homes. This often involves tasks such as beadwork and other small-scale production activities. While homework arrangements can provide flexible employment opportunities, they also present challenges such as monitoring working conditions, ensuring fair wages, and maintaining quality control.

Our Supplier Code of Conduct applies for all workers, regardless of whether they work at a production unit or at home. It explicitly covers homework arrangements. From 2024 onwards, our focus will be on reviewing the measures we take to verify compliance with these requirements.

4.4. Consumers and End Users

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Social

Topic	Goal	Action	Status 2023	Status 2022	GRI Disclosure Requirements
Consumers and end users	Provision of safe-to-use products to customers	Monitor product safety and quality through Quality Control Process	Ongoing ⟳	Ongoing ⟳	3-3 416-1
		Conduct due diligence to reduce the release of micro plastics from products	Ongoing ⟳	Not reported	

Our accessories bring moments of joy. We implement stringent measures and protocols to guarantee that our products are safe, reliable, and of the highest quality possible within our budget. By adhering to rigorous safety standards and quality controls, we aim to protect our customers' health and enhance their confidence in our brands. Our requirements go beyond legal requirements, for example with the ban of polyvinyl chloride (PVC) from all our products.

Goals and actions

Our **goal** is to provide safe-to-use products to customers. We take actions to monitor the adherence to product safety and quality requirements through a Quality Control Process. We conduct due diligence to reduce the release of microplastics from products. We track the effectiveness of these actions and our progress towards the goals within the Quality Control Process.

Since 2023, we are member of the working committee for allergens and metals of the **German Institute for Standardization** (Deutsches Institut für Normung, short DIN). The committee is concerned with the limit values for nickel admissibility in the European Union and their test methods.

Restricted substances and PVC ban

We make sure that our products are free from substances that could harm people or the environment. **We liaise closely with our suppliers** to achieve a shared understanding of the required standards and the expected quality. We work with a **Restricted Substances List** which details limits for substances contained in products, such as nickel, lead, cadmium, or phthalates. The list reflects the requirements of the REACH framework of the European Union (short for Registration, Evaluation, Authorisation, and Restriction of Chemicals), legal requirements of EU member states, Switzerland and the United Kingdom (in case they deviate from REACH), the US Consumer Safety Improvement Act, as well as limits put forth by individual US states (such as the California Proposition 65).

For **nickel, lead, cadmium, and phthalates**, we adhere to limits much lower than the REACH requirements, as the requirements in the USA and those from sales partners specify lower limits. In addition, we have **banned polyvinyl chloride (PVC) from our products** as it often contains phthalates that are particularly harmful to the human body, damaging the reproductive and nervous system.

Managing microplastics

We conduct due diligence to **reduce the release of microplastics** from our products during use. We define microplastics as any round plastic microparticle with a diameter equal to or smaller than 5 mm or any angular plastic microparticle shorter than 15 mm and with a ratio of length to width of less than 3. We differentiate between microplastics that are used in our products (glitter, sequins and plastic beads) and microplastics that are abrased from our products (such as abrasion from synthetic textiles during washing and use).

Glitter is banned from all articles intended for children at ages 3 and under, as it may be swallowed or inhaled during play. This is a legal requirement in all our sales countries that we strictly adhere to. For all other articles, we allow the use of glitter as long as it is firmly attached to the product, so that it is not released during use. Articles with microparticles get a special risk assessment and are checked particularly thoroughly during quality inspections. For synthetic textiles, from which microparticles could be abrased during washing and use, we recommend mild washing at a maximum of 30°C in order to reduce the risk of abrasion.

Our Quality Control Process for safe-to-use products

We assess 100% of our product categories for health and safety impacts within our Quality Control Process. The Quality Control Process monitors the adherence to all our product safety and quality requirements. Children's products, medical products (such as reading glasses), and sunglasses receive special risk assessments.

We test articles from 100% of our article numbers. The tests vary depending on product characteristics. Every batch of articles ordered under a specific article number is tested. For example: We order a hoop earring with the article number 12345. When we order a batch of 100,000, we test a certain number of these articles (and not every single one). When we order the hoop earrings with article number 12345 again, we test them again and will do so for all future orders under this article number.

Our test program comprises the following steps. Only when these tests have been passed without objections may the products be dispatched from production countries to our logistics centers in Germany and the US.

1. **Chemical tests:** Once production is complete, we check products for nickel, cadmium, lead or phthalates. The tests are carried out by accredited, independent partner laboratories in the respective countries of production (as of 2023, TÜV or Bureau Veritas).

2. **Final inspection:** Once chemical tests have been passed, the final production inspection takes place at suppliers' premises. We check whether quality specifications have been implemented. We pay attention to the visual quality and mechanical functionality, such as the correct placement of stones, a perfectly polished surface, the correct chain length, and the robustness of the components. These tests are carried out mainly by our own employees, in exceptional cases by independent partners (as of 2023, TÜV).

3. **Performance tests:** Finally, we carry out performance tests in our beeline office in Qingdao, China. In particular, we check the thickness of gold or silver plating layers as well as the color fastness and corrosion resistance, e.g., whether the item rusts on contact with sweat and salt water.

The goods are tested again after they have arrived at our logistics center in Germany:

4. **Incoming goods inspection:** Before distribution to our sales outlets, a final check is carried out at our warehouse in Cologne to ensure that all items meet our standards. The final check looks, for example, for any damages from transportation.

In addition to the above mentioned four steps, we run a **random test program** in which further random checks are carried out to rule out any manipulation. This process ensures that our customers receive products that are not only beautiful, but also meet the highest safety and quality standards.

How we remediate and improve

If shortcomings are detected, we take remedial measures. If a qualitative defect can be reworked, the rework will be carried out at the respective production unit e.g., re-gilding of a surface or the replacement of a broken component. If a qualitative defect cannot be reworked, the faulty article is disposed of. In the case a non-compliance with the Restricted Substance List is detected, often the entire production is affected and will no longer be fit for sale and must be disposed of.

In 2023, we conducted 49,148 chemical tests with a **pass rate of 99.6%**, 24,865 final inspections with a **pass rate of 94%** and 34,196 performance tests with a **pass rate of 99.7%**. The number of final inspections and performance tests decreased from 2022 to 2023 because we bought a smaller volume of articles. However, the share of articles tested remained the same. Compared to

2022, we improved our pass rates by 0.1 percentage points for chemical tests, while maintaining the high pass rates for final inspections and performance tests.

Taking customer feedback seriously

Despite all the care we take, problems concerning products can still arise. If that is the case, we want to know about it and improve. **We provide customers with several options to give feedback**, either at the point of sale or via the Contact Page on our website. We review all feedback individually and try to find the best solution in each case. We replace defective articles or refund the purchase price. We convey feedback back to the departments responsible in order to improve processes where necessary.

	2022		2023	
	Number	Share	Number	Share
Chemical tests				
Total	49,450	100%	49,148	100%
pass	49,224	99.5%	48,961	99.6%
fail	226	0.5%	187	0.4%
Final inspection				
Total	37,810	100%	24,865	100%
pass	35,537	94%	23,375	94%
fail	2,273	6%	1,490	6%
Performance tests				
Total	43,194	100%	34,196	100%
pass	43,063	99.7%	34,085	99.7%
fail	131	0.3%	111	0.3%

Results of chemical tests, final inspections and performance tests

5. Governance

5.1. Business Conduct

Governance

Topic	Goal	Action	Status 2023	Status 2022	GRI Disclosure Requirements
Business conduct	Ensure responsible business conduct	Adopt beeline Code of Conduct	Achieved	Ongoing ↻	2-23 2-26 3-3
		Adopt Whistleblowing Guideline	Achieved	Ongoing ↻	
		Train organization on anti-corruption	Ongoing ↻	New goal (2023)	

We do business responsibly. Responsible business conduct is crucial for ensuring both sustainability and long-term success. Simply put: It's just the right thing to do. Broadly speaking, by following responsible business practices, we mitigate the social and environmental risks that are prevalent within our industry.

Goals and actions

We are **committed** to ensuring responsible business conduct. We take the following actions: We have adopted a beeline Code of Conduct that details how we – as employees and management – conduct ourselves in day-to-day work and how we interact with sales partners, suppliers, customers, and other stakeholders. We have also adopted a Whistleblowing Guideline that sets out how we handle the reports of violations to the Code of Conduct or legal provisions that have been brought to our attention and how we support and protect the people who report these incidents. The policy does not cover personal complaints or labor law disputes. Furthermore, we increased awareness among employees and management on anti-corruption and anti-bribery through communication and trainings. Our Corporate Legal Department tracks the effectiveness of actions and the progress we make towards our goal.

Policies on business conduct

We have adopted the following policies on responsible business conduct:

- **beeline Code of Conduct:** The policy was approved by the Advisory Board and the Board of Directors. It applies to the beeline Group. The policy is in the process of being communicated to all employees and is therefore not yet publicly available.

- **Whistleblowing Guideline:** The policy was approved by the Chief Executive Officer. It applies to the beeline Group. It has been communicated to all relevant parties. This policy is for internal use only and is therefore not publicly available.

How we work together

The beeline Code of Conduct builds on our **Guiding Principles**. These principles provide a shared understanding of our values and expectations, fostering a cohesive way of doing business. All employees and managers

are expected to base their actions on these principles. Our Guiding Principles are:

- **Focus & Impact:** We think and act entrepreneurially.

- **Teamwork & Collaboration:** We act and think cross-functionally and partner-centric.

- **Growth & Improvement:** We challenge the status quo as well as ourselves.

- **Responsibility & Sustainability:** We strictly apply the beeline Code of Conduct.

The **Code of Conduct** builds on these Guiding Principles and came into effect in 2022. It is our common guideline on how to conduct ourselves in day-to-day work. It reflects international standards and guidelines (such as the principles of the United Nations Global Compact, the UN Declaration of Human Rights, and the Sustainable Development Goals of the United Nations). It establishes a framework for decision-making, ensuring consistency and integrity across all operations.

Seeking advice and raising concern

Violations of the Code of Conduct can happen in many ways. To handle violations, we have implemented a **Compliance Management System** which helps us to identify, monitor, and manage compliance risks, thereby enhancing our ability to prevent and respond to potential violations. In addition to monitoring adherence to the Code of Conduct, the Compliance Management System builds towards complying with relevant legal and regulatory requirements. Topics covered include criminal offences in general, violations of antitrust law, bribery or corruption, violations of data protection laws, tax laws, customs and export laws, money laundering laws, information security, or child and forced labor.

Part of this Compliance Management System is the **Whistleblowing System**. Our Whistleblowing Guideline specifies how the Whistleblowing System works and details processes, available reporting channels, and required documentation for the reporting of violations. We offer various **reporting channels:** internal reporting channels comprise contacting the line manager, HR Department and/or Compliance Officer. In addition, matters may be reported through the digital platform SpeakUp by People in Touch. Reports may be sent in written form or via voice message.

All reports are **handled confidentially**, and the anonymity of the reporting person is guaranteed. The complaints are received by the Compliance Department of beeline Group. Cases are handled by selected and specially trained employees either in the Legal & Compliance Department or by the management of the relevant department. If necessary, the cases are processed with the support of other experts.

Anti-corruption training

Conducting **anti-corruption training** is vital for employees and management to understand and adhere to legal and ethical standards, thereby reducing the risk of corrupt practices. In 2023, we communicated anti-corruption policies and procedures to governance body **members, employees, and business partners.**

5.2. Procurement Practices

Governance

Topic	Goal	Action	Status 2023	Status 2022	GRI Disclosure Requirements
Procurement practices	Ensure good procurement practices	Adopt Procurement and Conduct Guideline by 2023	Achieved	New goal (2023)	2-23 3-3
		Train employees on Procurement and Conduct Guideline	Ongoing ↻	New goal (2023)	

We follow good procurement practices. Procurement practices play a decisive role in managing sustainability risks within our production chains. For example, purchasing conditions and delivery terms can have considerable influence on human and workers' rights. Responsible procurement is thus essential for ensuring more sustainable practices.

Goals and actions

We are **committed** to ensuring good procurement practices. In 2023, we have adopted a Procurement and Conduct Guideline that we implement into our day-to-day work. We trained employees on the requirements that this policy specifies. We track the effectiveness of actions and our progress towards the goals within our Sustainability Mission.

Policies on procurement practices

We have adopted the following policies on good procurement practices:

- **Procurement and Conduct Guideline:** The policy was approved by the Head of Purchasing & Corporate Sustainability. It

applies to the beeline Group. It has been communicated to all relevant parties. This policy is for internal use only and is therefore not publicly available.

The Procurement and Conduct Guidelines **aim to avoid and minimize social and environmental risks** in alignment with the German Supply Chain Act. The guidelines provide a binding framework for all our procuring departments to fulfill due diligence obligations. All procuring departments must apply these guidelines and receive regular training, with the 2023 training covering 81 employees, representing 100% of employees from departments affected by this policy.

Among others, the guidelines describe procedures to be followed in case **new sales markets or new production countries are opened up or a new product type** is introduced (existing sales markets, production countries and product types are covered by our usual sustainability risk assessment). As these events may pose unknown human rights and environmental risks, a special risk assessment must be conducted and taken into account for further decisions.

Respecting suppliers' capacities

Based on the Procurement and Conduct Guideline, we take further measures to support suppliers in **maintaining optimal production levels**. We monitor orders and suppliers' capacities closely, making adjustments to order dates as necessary to avoid exceeding capacities. Also, we are continuously working on implementing improved forecasting techniques that enable suppliers to plan their production more accurately and prevent overwork.
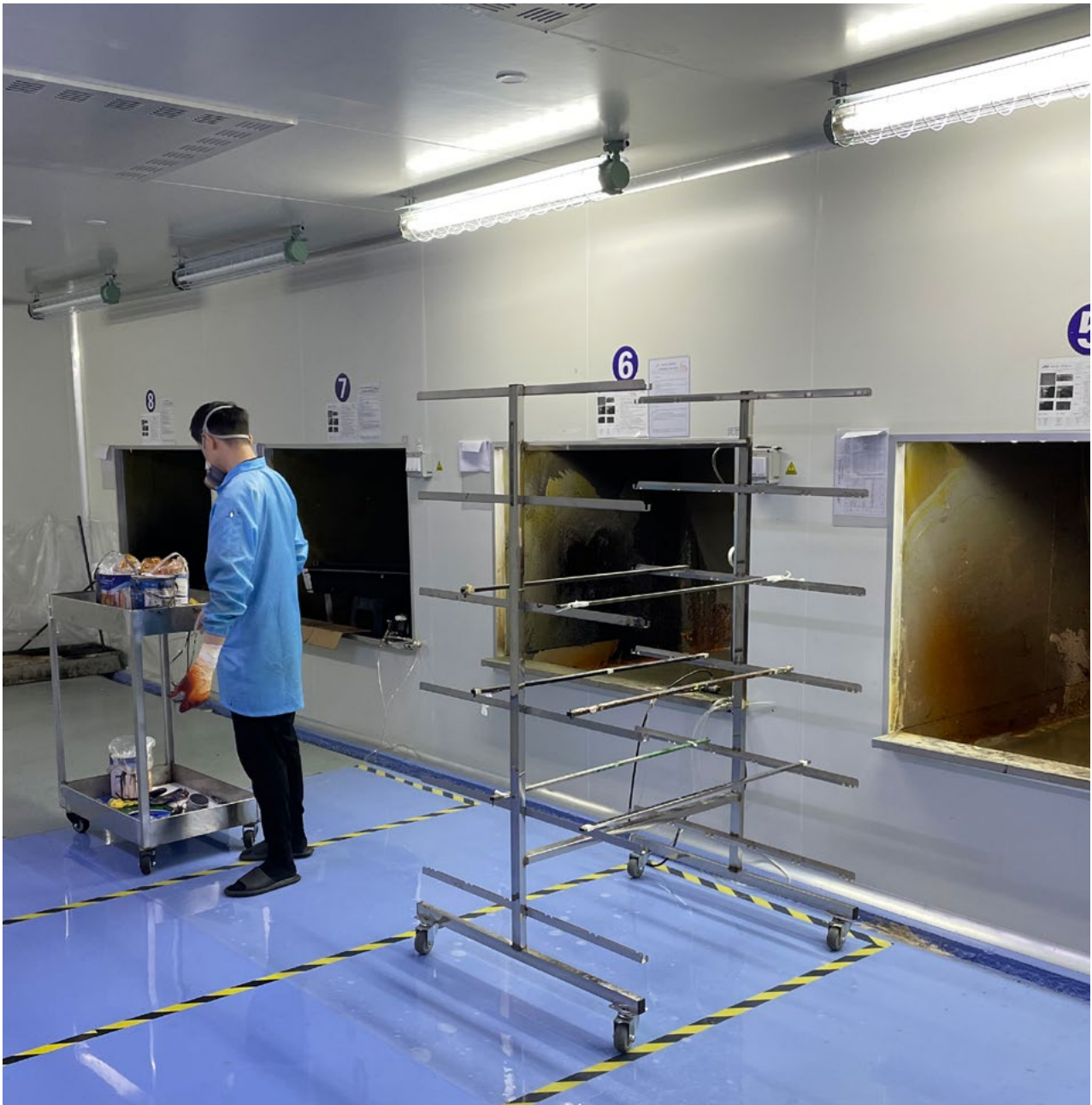
6. Annex

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6.1. Glossary

BSCI	Business Social Compliance Initiative
CoC	Code of Conduct
CSRD	Corporate Sustainability Reporting Directive
DIN	Deutsches Institut für Normung, in English: German Institute for Standardization
ESRS	European Sustainability Reporting Standards
EU	European Union
GHG	Greenhouse Gases
GRI	Global Reporting Initiative
GRS	Global Recycled Standard
ILO	International Labour Organization
ILS	Disney's International Labor Standards
IRO	Impacts, Risks and Opportunities
FSLM	Higg Facility Social and Labor Module
MRSL	Manufacturing Restricted Substances List
NMVOC	Non-Methane Volatile Organic Compounds
OECD	Organization for Economic Co-operation and Development
PVC	Polyvinyl Chloride
RCS	Recycled Content Standard
REACH	Registration, Evaluation, Authorisation, and Restriction of Chemicals
RJC	Responsible Jewelry Council
SMETA	Sedex Members Ethical Trade Audit
SEDEX	Supplier Ethical Data Exchange
UN	United Nations
UNGC	United Nations Global Compact
US	United States of America
VOC	Volatile Organic Compounds
ZDHC	Zero Discharge of Hazardous Chemicals

6.2. Materiality Analysis Method

Our materiality analysis is designed to help us identify the most **relevant sustainability topics**, so that we can make them a priority in our Sustainability Mission. Simply put, a so-called material sustainability topic is a topic that is very relevant for us. The double materiality analysis fits the requirements of both Global Reporting Initiative Standards (GRI Standards) and the EU Corporate Sustainability Reporting Directive (CSRD).

The materiality analysis is called double because it covers two areas: beeline's impacts on people and the environment (**impact materiality**; inside-out perspective) as well as financial risks and opportunities relating to these impacts (**financial materiality**; outside-in perspective). Moreover, we assess the perspectives of our stakeholders (**stakeholder perspective**).

Overview of the method

In more detail, we identify what is called IROs, which means impacts, risks, and opportunities. There are four kinds of IROs: There are **positive impacts** which are beneficial effects a company's activities can have on people or the environment e.g., social well-being that comes from good employment. There are **negative impacts** which are adverse effects a company's activities may have on people or the environment e.g., GHG emissions that fuel climate change. There are **risks** which are potential adverse effects that sustainability-related issues could have on the company e.g., scarcity in energy resources. There are **opportunities** which are potential benefits that arise from sustainability-related issues e.g., cost savings through innovation.

Our materiality analysis comprises the following steps:

1. **Understanding the context:** We set the frame for the analysis, by summarizing the context in which we operate: Our business model, value chain, and stakeholders.

2. **Identification of potential IROs:** We create a so-called long list of potentially relevant sustainability topics, by researching the following questions: How does our business impact people and the environment? How do social and environmental issues impact our business?

3. **Assessment of material IROs:** We narrow the long list of potential topics down to a short list of material topics. We do that by assessing the materiality of topics in two categories: severity (How grave is it?) and likelihood (How probable is it?). Each topic gets points in each of the categories. Once a topic gets a certain number of points, it is considered material. Material topics are then clustered to get a better overview. Clustered material topics get prioritized within the development of our Sustainability Mission.

4. **Validation and reporting:** Throughout the whole process, we involve internal and external stakeholders. Their perspectives matter in determining which topics are material and in validating whether our analysis is correct. After finalizing the analysis, we determine the information to be put into our sustainability reporting.

Step	1. Understanding the context of beeline	2. Identification of impacts, risks and opportunities (IROs)	3. Assessment of material impacts, risks and opportunities (IROs)	4. Validation and reporting of material information
Action	• Overview on sustainability context of business model & value chain • Analysis of stakeholders	• Analysis of how business impacts people and the environment (impact materiality) • Analysis of how environmental and social issues impact business (financial materiality) • Stakeholder feedback to identify IROs	• Assessment of impact and financial materiality according to severity and likelihood • Clustering of material IROs into material topics and prioritization within beeline Sustainability Mission 2025 • Stakeholder feedback to assess IROs	• Stakeholder feedback to validate assessment of IROs • Determination of material information to be reported
Result	Context overview Stakeholder overview	"Long list" of potentially material topics	"Short list" of material topics Double materiality matrix	Sustainability reporting

Overview of the method for materiality analysis

In detail: Understanding the context

We set the frame for the analysis by understanding our business model, value chain, and stakeholders. In a nutshell, we are a **supplier of fashion jewelry and accessories**. Our main product groups are fashion jewelry, fine jewelry, textiles, eyewear, and hair accessories. Our main **production countries** on tier 1 and 2 are China, Thailand, Vietnam, India, and Italy (Italy was left out of the assessment as it will not be a production country from 2024 onwards).

The main raw materials used are plastics, zinc and steel (see chapter 2.1). As we currently have transparency up to tier 2 and cannot accurately place tier 3 and 4 production sites, we focus on China as they are the main origin country for plastics, zinc and steel. **Our prioritized stakeholders** are internal teams and management, suppliers, sales partners, civil society organizations, banks & investors, workers in the value chain, authorities, and end customers (see chapter 2.5).

In detail: Identification of potential IROs

With this step, we create a so-called **long list of potentially material sustainability topics**, by researching the following questions: How does our business impact people and the environment? How do social and environmental issues impact our business?

The analysis includes a review of relevant **laws** (such as the German Supply Chain Act or the EU Green Deal), **frameworks** (such as the International Labour Organization's Declaration on Fundamental Principles and Rights at Work), **indices** (such as the Global Rights Index by the International Trade Union Confederation), and **further literature** (such as reports by non-government organizations). Also, the analysis includes feedback on potential topics that we have received from internal and external stakeholders.

In detail: Assessment of material IROs

Now, we narrow the long list of potential topics down to a short list of material topics. We do that by assessing the materiality of topics. The **impact materiality**, which is the materiality of positive and negative impacts,

is assessed in the following categories:

- severity / scale (How grave is it?) – rated from 0 to 5
- severity / scope (How widespread is it?) – rated from 0 to 5
- severity / irremediability (Is it hard to counteract?) – rated from 0 to 5
- likelihood (How probable is it in 3–5 years?) – rated from 0 to 5

The **financial materiality**, which is the materiality of risks and opportunities, is rated in the following categories:

- severity /use of resources (Can we continue to use current resources?) – rated from 0 to 4
- severity / business relationships (Can we continue current business relationships?) – rated from 0 to 4
- likelihood (How probable is it in 3–5 years?) – rated from 0 to 5

Material topics are then **clustered** to get a better overview. Clustered material topics get **prioritized** within the development of our Sustainability Mission.

Impact materiality		Financial materiality	
Negative impacts	Positive impacts	Risk	Opportunity
scale	scale	use of resources	use of resources
scope	scope	business relation-ships	business relationships
irremediability	–	–	–
likelihood in 3–5 years	likelihood in 3–5 years	likelihood in 3–5 years	likelihood in 3–5 years

Chart title Categories in which materiality of IROs is assessed

Each topic gets points in each of these categories. From these points a **materiality score** is calculated. For positive and negative impacts, severity is calculated by forming the average of the values for scale, scope and irremediability. For risks and opportunities, severity is calculated by forming the average of the values for use of resources and continuation of business relationships. The materiality score is calculated by multiplying severity and likelihood. The threshold for materiality in our analysis is a materiality score of 8 or higher. If a topic gets a materiality score of 8 or higher, it is considered material – which is to say, particularly severe and, at the same time, likely to occur.

Material topics are then clustered to get a better overview. Clustered material topics get prioritized within the development of our Sustainability Mission.

In detail: Validation and reporting

Throughout the whole analysis, we involve internal and external stakeholders. Their perspectives matter in determining which topics are material and in validating whether our analysis is correct. We include **feedback from the following stakeholder groups:** internal teams and management, production partners, sales partners, civil society organizations, and banks & investors.

Based on the identification of material topics, we determine the information which is to be put into our sustainability **reporting**.

Impact materiality		Financial materiality	
Negative impacts	Positive impacts	Risk	Opportunity
Severity = (scale x scope x irremediability) / 3	Severity = (scale x scope) / 2	Severity = (use of resources x continuation of business relationships) / 2	
Materiality score = severity x likelihood			
If materiality score >= 8, then topic is considered material			

Overview of the method for materiality analysis

6.3. List of Material Topics

We have identified the following material topics:

Climate protection

Material topics are prevalent in our own business activities as well as in our business relationships. In our own business area, emissions occur from the use of fossil energies for the operation of company sites and fleets. In our production chain, emissions arise from the operation of production units and from the extraction and processing of raw materials. Also, we use a considerable share of fossil-fuel based raw materials such as plastics that are associated with greenhouse gas emissions during their extraction, refining, and whole life cycle. Risks associated with climate change for our business are: Potential price increases for emissions, potential price increases for energy use, and potential scarcity and price increase for fossil-fuel based raw materials.

Pollution

Material topics are prevalent in our business relationships. Negative impacts that can come from the production processes in our upstream value chain are the emission of pollutants to air, water and soil, and the potential pollution of living organism and food resources. Our production uses substances of (very high) concern that might negatively impact water bodies and human health. Microplastics may be emitted to the environment during production.

Water and marine resources

The material topics identified relate to our business relationships as well as to our own business activities. Water consumption and water withdrawals can negatively impact water stress in certain areas in our upstream value chain as well as in our own business area. Water discharges into water bodies and/or the ocean that are not adequately clean can negatively impact aquatic life and human health.

Biodiversity and ecosystems

Material topics are prevalent in our own business activities as well as in our business relationships. We have identified the following negative impacts that are direct drivers of biodiversity loss: climate change, land-use change (that might come from raw material extraction or the establishment of new production facilities), water consumption and pollution through water discharge. We transport goods globally and have therefore identified negative impacts that are associated with transportation, such as the introduction of invasive alien species into other ecosystems. Further potential negative impacts are indirect drivers of biodiversity loss such as land degradation, desertification and soil sealing. These impacts cannot be ruled out for our own sites and the production units that we work with. In addition, we have identified the risks that come with diminished or destroyed ecosystem services that we depend on.

Resource use and circular economy

Material topics are prevalent in our business activities as well as in our business relationships. The use of recycled materials and an increased recyclability of our packaging are positive impacts when it comes to decreasing resource use. A negative impact is the hazardous waste that accumulates from certain production processes at our supplier' sites that needs to be adequately managed.

Own workforce

Material topics are prevalent in our business activities. We conduct a social dialogue between employees and management within our business area that impacts positively working conditions. Work–life balance and the training and skills development that we offer has also been assessed to be a positive impact. We have identified negative impacts concerning working conditions; among others, inadequate wages, a gender pay gap, the underrepresentation of women in management positions, and a lack of sensitivity towards diversity.

Workers in the production chain

Material topics are prevalent in our business relationships. In our upstream value chain, we have identified negative impacts regarding working conditions (such as insecure employment, overtime, and inadequate wages) and a lack of equal treatment and opportunities (such as a gender pay gap and a lack of training and skills development). We have identified the positive impact of continued dialogues between workers and management.

Affected communities

Material topics are prevalent in our business relationships in the upstream value chain. These topics are potential ones that we cannot rule out and that are potentially most apparent for communities affected by sites for raw material extraction. However, as of now, our knowledge of where exactly these sites are located, is limited. We cannot rule out the following negative impacts: lack of adequate housing and food, limited access to water and sanitation, resettlement, restricted freedom of assembly and expression, and the violation of the rights of indigenous peoples.

Consumers and end users

Material topics are prevalent in our business activities as well as in our business relationships. We have identified product safety and quality as well as customers' health as material topics. These material topics relate, firstly, to the products themselves and, secondly, to the ways in which we communicate about them. Negative impacts arise from substances of concern that are used in production and that might be present in final products. Together with suppliers, it needs to be ensured that finished products do not contain and/or release these or other harmful substances. With regard to the labelling and marketing of products, customers are entitled to have easy access to quality information about the safety and quality of our articles.

Business conduct

Material topics are prevalent in our business activities. We have identified the following positive impacts: We promote good business conduct by working according to our Code of Conduct. We require our suppliers to work according to our Supplier Code of Conduct. We also have established Sustainability & Responsibility as one of the four pillars of our corporate culture. We have established trainings and communication to prevent and detect corruption and bribery. A negative

impact is that we have seen unauthorized subcontracting and outsourcing from suppliers which we counteract with appropriate policies and actions. We have identified tax governance, control and risk management as opportunities.

6.4. GRI Content Index

beeline GmbH has reported in accordance with the GRI Standards for the period January 1 2023 to December 31 2023.We used the reporting standard GRI 1: Foundation 2021. As of 2023, none of the Sector Standards apply to our company.

Disclosure	Chapter	Omission	Reason & Explanation
General disclosures – GRI 2: General Disclosures 2021			
2–1 Organizational details	1, 2.1		
2–2 Entities included in the organization's sustainability reporting	1		
2–3 Reporting period, frequency and contact point	1, back page		
2–4 Restatements of information	1		
2–5 External assurance	1		
2–6 Activities, value chain and other business relationships	2.1		
2–7 Employees	4.1		
2–8 Workers who are not employees	4.1		
2–9 Governance structure and composition	2.2		
2–10 Nomination and selection of the highest governance body		Yes	Confidentiality constraints. The information required is deemed for internal purposes only and is therefore confidential.
2–11 Chair of the highest governance body		Yes	Confidentiality constraints. The information required is deemed for internal purposes only and is therefore confidential.

Disclosure	Chapter	Omission	Reason & Explanation
2–12 Role of the highest governance body in overseeing the management of impacts	2.2		
2–13 Delegation of responsibility for managing impacts	2.2		
2–14 Role of the highest governance body in sustainability reporting	2.2		
2–15 Conflicts of interest		Yes	Confidentiality constraints. The information required is deemed for internal purposes only and is therefore confidential.
2–16 Communication of critical concerns	2.2		
2–17 Collective knowledge of the highest governance body	2.2		
2–18 Evaluation of the performance of the highest governance body		Yes	Confidentiality constraints. The information required is deemed for internal purposes only and is therefore confidential.
2–19 Remuneration policies		Yes	Confidentiality constraints. The information required is deemed for internal purposes only and is therefore confidential.
2–20 Process to determine remuneration		Yes	Confidentiality constraints. The information required is deemed for internal purposes only and is therefore confidential.
2–21 Annual total compensation ratio		Yes	Confidentiality constraints. The information required is deemed for internal purposes only and is therefore confidential.
2–22 Statement on sustainable development strategy	Foreword		
2–23 Policy commitments	2.4, 3.5, 4.2, 5.1, 5.2		
2–24 Embedding policy commitments	2.2		
2–25 Processes to remediate negative impacts	4.2		
2–26 Mechanisms for seeking advice and raising concerns	4.2, 5.1		

Disclosure	Chapter	Omission	Reason & Explanation
2–27 Compliance with laws and regulations		Yes	Confidentiality constraints. The information required is deemed for internal purposes only and is therefore confidential.
2–28 Membership associations	2.6		
2–29 Approach to stakeholder engagement	2.5		
2–30 Collective bargaining agreements	4.1		
Material topics – GRI 3: Material Topics 2021			
3–1 Process to determine material topics	2.3, 6.2		
3–2 List of material topics	2.3, 6.3		
3–3 Management of material topics	3.1, 3.2, 3.3, 3.4, 3.5, 4.1, 4.2, 4.3, 4.4, 5.1, 5.2		
Environment			
Biodiversity – GRI 101: Biodiversity 2024			
101–1 Policies to halt and reverse biodiversity loss	3.4		
101–2 Management of biodiversity impacts	3.4		
Materials – GRI 301: Materials 2016			
301–2 Recycled input materials used		yes	Information unavailable/ incomplete. The data for recycled input materials used was put together following a different methodology and is incomplete. The methodology is explained in the chapter.
Energy – GRI 302: Energy 2016			
302–1 Energy consumption within the organization	3.1		
302–2 Energy consumption outside of the organization		yes	Information unavailable/ incomplete. Data collection is scheduled for the next reporting periods.

Disclosure	Chapter	Omission	Reason & Explanation
Water and effluents – GRI 303: Water and Effluents 2018			
303–1 Interactions with water as a shared resource	3.2, 3.3		
303–2 Management of water discharge-related impacts	3.2, 3.3		
Emissions – GRI 305: Emissions 2016			
305–1 Direct (Scope 1) GHG emissions		yes	Information unavailable/ incomplete. As of 2023, we calculate a product carbon footprint. The calculation of a corporate carbon footprint is scheduled for the next reporting periods.
305–2 Energy indirect (Scope 2) GHG emissions		yes	Information unavailable/ incomplete. As of 2023, we calculate a product carbon footprint. The calculation of a corporate carbon footprint is scheduled for the next reporting periods.
305–3 Other indirect (Scope 3) GHG emissions		yes	Information unavailable/ incomplete. As of 2023, we calculate a product carbon footprint. The calculation of a corporate carbon footprint is scheduled for the next reporting periods.
305–4 GHG emissions intensity	3.1		
305–5 Reduction of GHG emissions		yes	Information unavailable/ incomplete. As of 2023, we have not set quantitative emission reduction goals. We will do so once the calculation of the corporate carbon footprint is finalized.
Waste – GRI 306: Waste 2020			
306–1 Waste generation and significant waste-related impacts	3.2		
306–2 Management of significant waste-related impacts	3.2		

Disclosure	Chapter	Omission	Reason & Explanation
Supplier environmental assessment – GRI 308: Supplier Environmental Assessment 2016			
308-1 New suppliers that were screened using environmental criteria	3.2		
308-2 Negative environmental impacts in the supply chain and actions taken	3.2		
Social			
Market presence – GRI 202: Market Presence 2016			
202-2 Proportion of senior management hired from the local community	4.1		
Occupational health and safety – GRI 403: Occupational Health and Safety 2018			
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.2		
Diversity and equal opportunity – GRI 405: Diversity and Equal Opportunity 2016			
405-1 Diversity of governance bodies and employees	4.1		
405-2 Ratio of basic salary and remuneration of women to men	4.1	yes	Confidentiality constraints. The information required is deemed for internal purposes only and is therefore confidential.
Freedom of association and collective bargaining – GRI 407: Freedom of Association and Collective Bargaining 2016			
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	4.2		
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	4.2		
Child labor – GRI 408: Child Labor 2016			
408-1 Operations and suppliers at significant risk for incidents of child labor	4.2		

Disclosure	Chapter	Omission	Reason & Explanation
Forced or compulsory labor – GRI 409: Forced or Compulsory Labor 2016			
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	4.2		
Local communities – GRI 413: Local Communities 2016			
413-2 Operations with significant actual and potential negative impacts on local communities	4.3		
Supplier social assessment – GRI 414: Supplier Social Assessment 2016			
413-2 Operations with significant actual and potential negative impacts on local communities	4.3		
Supplier social assessment – GRI 414: Supplier Social Assessment 2016			
414-1 New suppliers that were screened using social criteria	4.2		
414-2 Negative social impacts in the supply chain and actions taken	4.2		
Customer health and safety – GRI 416: Customer Health and Safety 2016			
416-1 Assessment of the health and safety impacts of product and service categories	4.4		
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		Yes	Confidentiality constraints
Governance			
Procurement practices – GRI 3: Material Topics 2021			
3-3 Management of material topics	5.2		
Anti-corruption – GRI 205: Anti-corruption 2016			
205-2 Communication and training about anti-corruption policies and procedures		Yes	Confidentiality constraints

Disclosure	Chapter	Omission	Reason & Explanation
Forced or compulsory labor – GRI 409: Forced or Compulsory Labor 2016			
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	4.2		
Local communities – GRI 413: Local Communities 2016			
413-2 Operations with significant actual and potential negative impacts on local communities	4.3		
Supplier social assessment – GRI 414: Supplier Social Assessment 2016			
413-2 Operations with significant actual and potential negative impacts on local communities	4.3		
Supplier social assessment – GRI 414: Supplier Social Assessment 2016			
414-1 New suppliers that were screened using social criteria	4.2		
414-2 Negative social impacts in the supply chain and actions taken	4.2		
Customer health and safety – GRI 416: Customer Health and Safety 2016			
416-1 Assessment of the health and safety impacts of product and service categories	4.4		
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		Yes	Confidentiality constraints
Governance			
Procurement practices – GRI 3: Material Topics 2021			
3-3 Management of material topics	5.2		
Anti-corruption – GRI 205: Anti-corruption 2016			
205-2 Communication and training about anti-corruption policies and procedures		Yes	Confidentiality constraints

You've got questions? *Great!*

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Let's get in touch:

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