



SUSTAINABILITY
REPORT
for the year 2024

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Letter from the President of the Management Board of Bielenda Group

Dear Stakeholders,

The past year has been a time of intensive work, bold decisions, and consistent growth for our Group. We take great satisfaction in the results we have achieved together with our team – both in terms of brand and product category expansion, as well as in building an organisation prepared to face the challenges of the coming decade.

For over 30 years, cosmetics have been at the core of our operations – developed with passion, based on scientific expertise, tailored to consumer needs, and created in close collaboration with our partners. This foundation has remained unchanged. Today, we are a multi-brand organisation operating on a global scale, with a broad portfolio of products, brands, and competencies – while remaining a company that works closely with customers and responds swiftly to evolving market expectations.

In 2024, we took another important step forward: we formally defined our approach to sustainable development. We completed the process of integrating our brands and manufacturing facilities, established an ESG Committee, conducted a double materiality assessment, and adopted our first ESG strategy – a framework that encompasses all entities within the Group. For the first time, we were also recognised with an EcoVadis medal and received the BASF Innovation Leader award – both of which we consider a strong incentive for continued improvement and further action.

In 2025, Mr. Ireneusz Sudnik was appointed as General Manager and Vice President of the Management Board of Bielenda Group. His

appointment represents a significant reinforcement of our management structure – both through the expansion of executive competencies and increased responsibility for executing our business strategy. This move reflects our ambitious plans for further growth and the continuation of our long-term, sustainable development path. Mr. Sudnik brings with him many years of managerial experience, extensive market knowledge, and proven expertise in leading complex business projects – all of which will directly contribute to strengthening the company's potential across all key operational areas.

ESG is not merely a reporting obligation for us. It is a reflection of our organisation's maturity – a process that demands engagement, precision, and time, while simultaneously being a natural direction for our development. We are committed to growing responsibly – with respect for natural resources, openness to societal needs, and a clear awareness of our role in the broader business ecosystem.

This report is the result of the joint efforts of many teams and serves as a testament to our openness to dialogue. We would like to thank all employees, partners, and stakeholders for their continuous engagement and collaboration. Ambitious goals lie ahead of us – and we firmly believe that together, we can accomplish them.

Together, we are building an organisation that can perform effectively today – and think long-term.

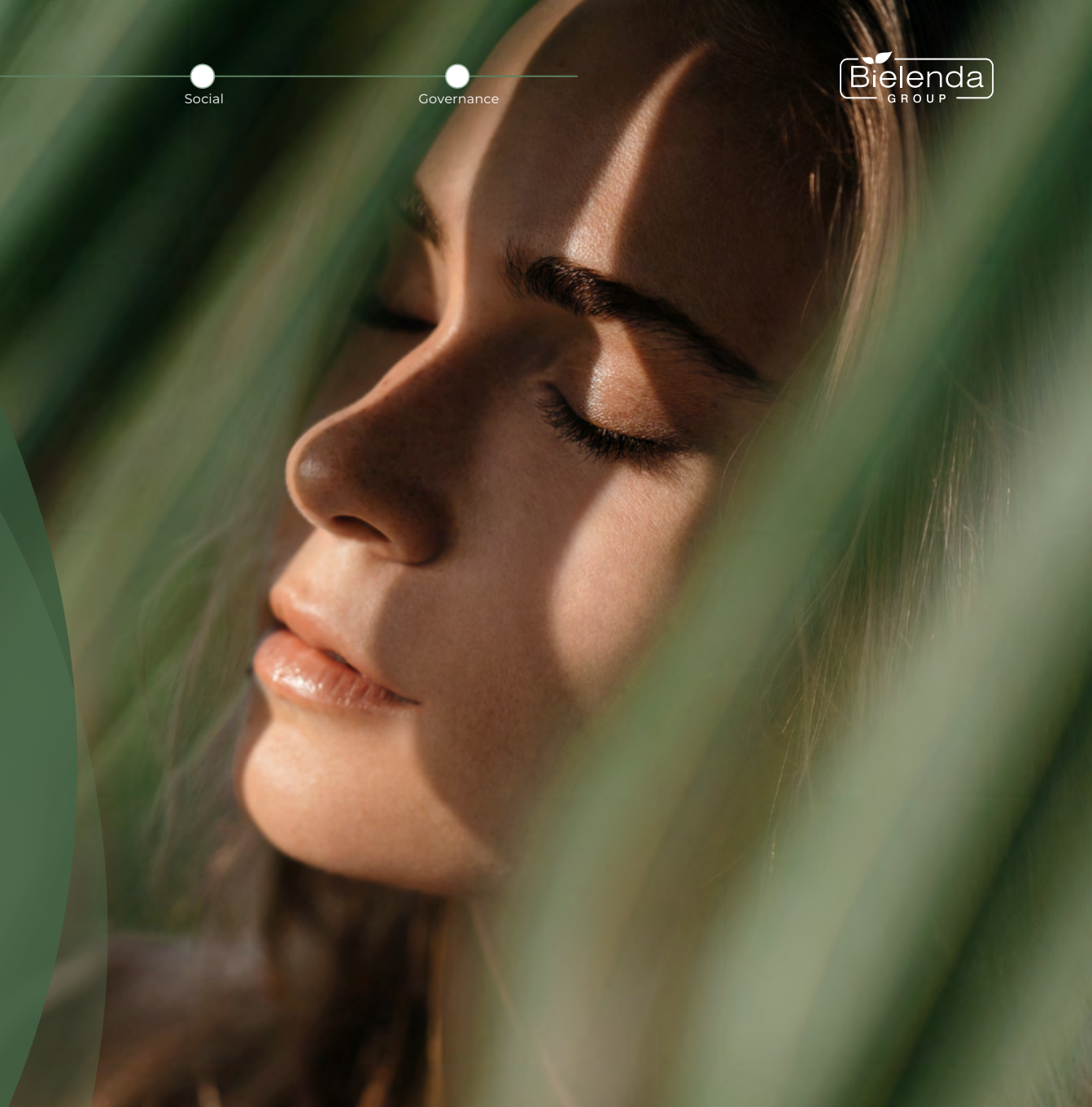
MAREK BIELEND

President of the Management Board of Bielenda Group



INTRODUCTION

The history of Bielenda Group is one of consistently combining passion and expertise with the courage to embrace change. This synergy has enabled us not only to become a leader in the Polish skincare market but also to build brands that are recognised and valued by consumers both in Poland and abroad.



About Bielenda Group

Leading Polish Cosmetics Manufacturer

Bielenda Group is a leading Polish manufacturer of skincare products for women and men of all ages, offering a broad portfolio of brands produced in two state-of-the-art manufacturing facilities.

The Group comprises both well-established market brands and young, innovative labels. Bielenda Group's product offering is di-

verse and designed to meet the needs of all skin types, various skin-care expectations, age groups, and consumer purchasing power. Our products are available in over 55 countries worldwide – across both retail (B2C) and professional (B2B) channels.

Sales are conducted through drugstore and supermarket chains, our proprietary e-commerce platform, and a wide network of trade partners operating both online and offline.

Bielenda Group continuously expands its product lines across facial care, body care, and hair care categories, as well as in the dermocosmetics and professional skincare segments.

The Group's growth is supported by a modern research and development infrastructure and specialised expertise in formulation, technology, and regulatory compliance. This enables the company to respond swiftly to evolving market needs, introduce product innovations, and compete effectively in international markets.



Bielenda in numbers



PRODUCTION PLANTS



KRAKÓW

- ✓ The company's headquarters is equipped with office and technological facilities
- ✓ 112 employees



RADZYMIN

- ✓ The production hall with office facilities was built in 1994 and expanded in 2012.
- ✓ 9,500 m²
- ✓ 13 packaging lines and 21 mixers
- ✓ Specialised in the production of facial, body and hair care cosmetics - mainly for the **Soraya**, **Dermica** and **Bielenda** brands
- ✓ 191 employees



KĄTY WROCŁAWSKIE

- ✓ Production hall with office facilities, built in 1972 and expanded in 2015.
- ✓ 7,248 m²
- ✓ 17 packaging lines and 16 mixers
- ✓ It specialised mainly in the production of facial, body, hair and oral care products, mainly for brands from the **Totpa**. and **Miya** portfolios.
- ✓ 216 employees

The history of Bielenda

A Company with Family Roots

Bielenda Group Has Been Operating in the Polish Cosmetics Market for **Over 30 Years**. Its founder, **Barbara Bielenda**, at the turn of the 1980s and 1990s, leveraged her cosmetology expertise and experience to develop the first cosmetic formulations. She personally supervised both the production and distribution processes, supported in achieving success by her immediate family.

From the very beginning, Barbara Bielenda's goal was to create cosmetics based **on the best natural ingredients, distinguished by quality and effectiveness**. Today, Bielenda Group's products continue to be characterised by high quality, resulting from meticulous formulation processes and a significant proportion of skin-beneficial functional and active ingredients.

In 2004, the **Bielenda Professional** brand was established, targeting beauty salons and professionals. Five years later, the founder's sons, **Marek and Jacek Bielenda**, joined the management board, focusing on building an organisational culture based on growth, employment stability, and the company's long-term development. In 2012, a significant rebranding was undertaken, modernising the brand image and enabling better alignment of marketing and communication activities with market needs and consumer expectations.

In subsequent years, the company's portfolio expanded significantly. In 2017, the **Bielenda Professional** and **Supremelab** brands were launched, and in 2019, the company acquired **BodyBoom**.

The year 2020 saw further important acquisitions – well-known brands **Dermika** and **Soraya** joined the Group. Supported by the strategic investor **Innova Capital**, these acquisitions enabled the revitalisation of both brands through the introduction of new products and expansion of sales channels. Along with these brands, the company acquired a modern production facility in Radzymin, which allowed for further optimisation of processes within the Group. In the same year, the **FaceBoom** brand was launched, targeting younger consumers.

In 2021, the portfolio was further enriched by **SheCosmetics** products, enabling growth in the hand and foot care category and entry into foreign drugstore chains. In 2023, the premium brand **SKINARTÉ** was introduced, followed by the debut of the **SKINARTÉ proesthetic** line in the following year. In 2024, the Group acquired the **tołpa.** and **Miya** brands, which not only broadened the already diverse portfolio but also increased production capacity, facilitated the realisation of operational synergies, and enabled the implementation of unified quality standards and operational systems. Thanks to the collaboration between R&D, sales, and marketing departments, both newly acquired brands expanded their product offerings by entering new categories and reaching new customer segments, resulting in dynamic sales growth.

BARBARA BIELENDĄ,
Founder of the Bielenda brand



The history of Bielenda

Founding of
the company
by Barbara
Bielenda

Purchase of Florina,
relocation of the
company
to Kraków

First TV
campaign

SUPREME LAB

Bielenda joins the global
community of members
of the international organisation
PETA (People for the Ethical
Treatment of Animals).

Innova Capital becomes
a strategic investor
and partner.

SKINARTÉ

1990

2004

2005

2009

2010

2012

2017

2019

2020

2021

2023

2024

Bielenda
PROFESSIONAL

Marek Bielenda and
Jacek Bielenda join the
Management Board and
take over the leadership
of the company.

Rebranding
Bielenda

Baby
Boom

SHECOSMETICS

MIYA
COSMETICS

tołpa.®

ON

Bielenda Group in 2024

Market Leader in Facial Care in Poland

The year 2024 was a period of breakthrough decisions and dynamic growth for Bielenda Group – both in business and organisational terms.

The company strengthened its position as the market leader in skincare cosmetics in Poland, achieving a

9%

wincrease in market share in the facial care category and securing the number one spot among all manufacturers operating in the domestic market.

In the largest category – face creams – the company recorded a

15%

value growth, while the overall market grew by 10%.

In the second-largest category – serums – the company recorded a

27%

value growth, while the overall market grew by 22%.

In both of these categories, Bielenda Group is a leader driving category value.

Today, Bielenda Group is **the largest Polish manufacturer of facial care cosmetics and a leader in segments such as creams, serums, masks, scrubs, and cleansing products.**

For the brands acquired in previous years, 2024 marked continued intensive development. **Dermika** introduced new SKUs and packaging, **Soraya** launched new formulations and expanded its presence in the discount channel, while **Tolpa** and **Miya** brought dozens of new products to market, supported by extensive marketing campaigns.

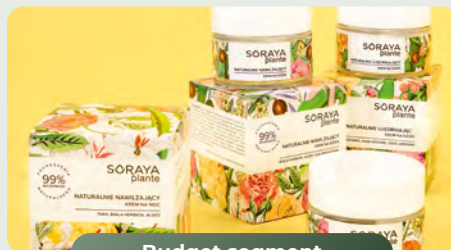
The company also continued its international expansion – in addition to the **Bielenda brand**, **Tolpa** and **BodyBoom** made their debut abroad.



BIELENDAGROUP ECOSYSTEM**Product segments**

BIELENDAGROUP ECOSYSTEM

Brand portfolio architecture



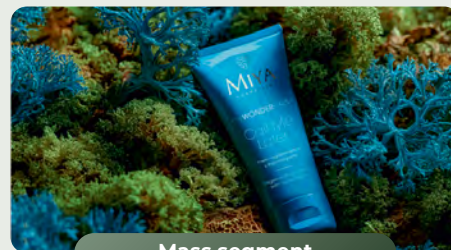
Budget segment

Products from the lowest price segment, focused on meeting basic functional needs; extremely price-sensitive consumers guided primarily by price and availability criteria.



Economy segment

Brands with local or regional recognition, offering a minimal quality standard; consumers make rational purchasing decisions, often driven by impulse and promotional offers.



Mass segment

Widely available products offering a balanced price-to-quality ratio; consumers expect reliability, consistent brand communication, and broad distribution.

Kanały sprzedaży



B2C

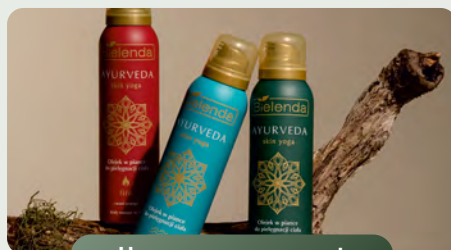
own e-commerce.



B2B

pharmacies and retail chains; e-commerce; professional channels: beauty salons spas, specialised wholesalers

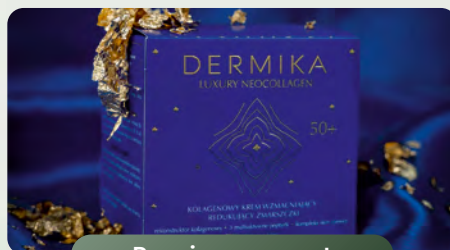
SORAYA



Upper mass segment

Cosmetics positioned in higher price tiers within the mass market; consumers seek products with a clear value proposition, innovative formulations, and a tangible promise of effectiveness.

Bielenda

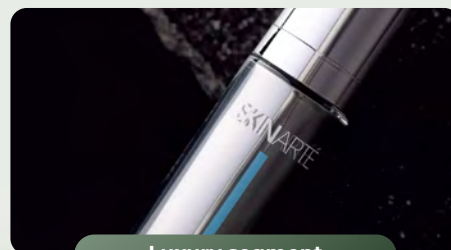


Premium segment

A segment that combines accessibility with a perception of premium quality; conscious consumers willing to pay a higher price for effectiveness, design, brand storytelling, and distinctive functional features.



SHECOSMETICS



Luxury segment

An exclusive offering with strong emotional and symbolic foundations; consumers seek an experience of luxury, high prestige, personalisation, and a distinctive brand image.

tołpa.



SUPREME LAB

DERMIKA

SKINARTÉ

Industry Awards and Recognitions

Our efforts and products are recognised and appreciated by industry organisations and consumers alike.

2

in a row awarded the title of Strongest Media Brand in Poland in the Top Marka ranking.

over 10

brands and product lines awarded across various categories.

22

awards and distinctions received in 2023–2024, including:



In the **Vogue Beauty Awards 2024 poll**, two products from the Bielenda Group portfolio were awarded – the **Hydro Cream SPF 50 from the Bielenda C Marine Care line** and the **SKINARTÉ Ageless Bio-Stimulating Anti-Wrinkle Cream**. These distinctions are granted to cosmetics with the best formulations and the most effective performance introduced to the market in recent months.

Scale, expansion, and investment in innovation

In the past year, the Group welcomed the well-established **tolpa.** and **Miya** brands, which enabled it to broaden its portfolio and consolidate operational resources. Since 2019, Bielenda has acquired or created a total of seven brands, including **SKINARTÉ** – a premium brand. Common quality standards have been implemented, two production plants have been integrated, and operational management systems have been modernised, significantly improving efficiency and organisational resilience.

At the same time, the company has made significant investments in **R&D laboratories, new technological lines, and export development.** In 2024, the company also began the construction of a modern raw materials warehouse in Radzymin.

All activities are carried out with respect for the unique DNA of each brand, enabling **Bielenda Group** to effectively respond to the needs of diverse consumer groups – from young customers to beauty professionals. The company continues to adapt its formulations and processes to evolving EU regulatory requirements, particularly those concerning cosmetic composition and safety.



Strategic Goals of Bielenda Group



Systemic Approach to Sustainable Development

Parallel to market expansion, Bielenda Group has initiated the development of a mature sustainable development management system. In 2024, an ESG Committee was established, a double materiality analysis was conducted, an ESG strategy was developed, and key projects were launched – including activities related to decarbonisation, eco-design of packaging, development of a responsible supply chain, and the promotion of an organisational culture based on engagement and diversity.

Awards and Recognitions – Sustainable Development



Bielenda Group was recognised for its ESG initiatives during the final gala of the BASF Polska **“Razem dla Planety”** Customer Programme. The aim of the **“Razem dla Planety”** initiative was to showcase and acknowledge BASF clients' efforts to protect the climate and to present projects supporting sustainable development.



Bielenda Group was awarded **the EcoVadis Bronze Medal** for its ESG efforts in 2024. **The EcoVadis assessment** evaluates a company's sustainability performance across four key areas: environment, labour and human rights, ethics, and sustainable procurement. It examines policies, processes, and achieved results, providing a comprehensive and globally recognised evaluation of sustainability performance.

KANTAR

Bielenda Group received **the Diamond Planet award** for first place in **the Innovator of the Year category**, as well as a distinction from KANTAR for **Grupa Bielenda S.A.** and **the tołpa** brand for their increasingly sustainable approach and innovative initiatives.



Bielenda received **the Polish Private Equity and Venture Capital Association (PSIK) award** in the **“ESG Initiative 2024”** category. This recognition is the result of Bielenda's comprehensive double materiality assessment and the update of its long-term sustainable development strategy.

ESG Strategy

Integrated Approach to Sustainable Development

The Bielenda Group ESG strategy has been developed in response to growing environmental, social, and regulatory challenges. It considers both the dynamics of the cosmetics market and the expectations of consumers and business partners. The document sets the framework for supporting the Group's responsible growth following the consolidation of companies and brands – covering all production facilities and the entire brand portfolio.

Strategy Based on Double Materiality Analysis

The directions and priorities of the ESG strategy were defined based on a comprehensive **double materiality assessment** conducted in accordance with the CSRD Directive requirements and

ESRS guidelines. This analysis identified ESG topics of **greatest significance from two perspectives: both the company's impact on the environment and society, and the impact of external factors on the Group's financial situation**. Key topics include greenhouse gas emissions, product composition and safety, sustainable packaging, gender equality, and working conditions.

Time Horizon and Strategic Goal

The ESG strategy adopted in 2024 sets targets to be **achieved by 2030**, with a long-term perspective extending to 2050 – particularly regarding climate neutrality. The overarching goal is to **build competitive advantage through responsibility** – towards the environment, society, and business partners.



"I perceive sustainable development not as a separate initiative, but as an integral part of our business strategy – on par with our financial, operational, and innovation goals. We will continue our efforts to reduce our carbon footprint, promote a circular economy, support diversity and inclusivity, and build transparent and ethical corporate governance."

IRENEUSZ SUDNIK

Chief Executive Officer,
Vice President of the Management
Board, Bielenda Group

Key Pillars and Actions

The strategy addresses sustainable development challenges that are important for the market and the cosmetics industry.



Covers the **2025-2050 perspective** in **7 strategic commitments**



It includes indicator-based actions designed to achieve each commitment.



It takes into account market trends and the level of good practices among competitors, addresses investor expectations, and **prepares the company for upcoming regulatory requirements.**



It assumes the Management Board's **responsibility** for the implementation and regular monitoring of the ESG Strategy's performance.

PILLAR 2

PARTNERSHIP AND COOPERATION (Auxiliary ingredients)

We aim to build lasting relationships with our stakeholders, particularly with local communities, customers, and suppliers, by sharing the knowledge and resources at our disposal.



PILLAR 1

PRODUCT AND PRODUCTION (Active ingredients)

Flexibility and innovation are Bielenda's key strengths. We actively leverage these qualities to promote and integrate the principles of sustainable development across both our cosmetic products and production processes.

PILLAR 3

ESG TEAM AND MANAGEMENT (base)

The foundation of our development lies in the unique competencies of our team and in an effective approach to ESG management. We strive to ensure that the company's growth supports the continuous enhancement of employee competencies and fosters greater job satisfaction. At the same time, we have established a solid framework for effective ESG management within the organisation.

Key assumptions of the ESC Strategy

	Commitment	KPI	Target 2025	Target 2030	Target 2050
1. PRODUCT AND PRODUCTION (Active ingredients)	We will source raw materials in a sustainable way.	% of strategic suppliers verified against ESG criteria	60%	100%	100%
		% of certified deforestation-free raw materials ¹	72%	95%	100%
	Quality and safety of Bielenda products are our priority.	% of raw materials in products without microplastics ¹	98%	99%	100%
		% of raw materials in products without harmful nanomaterials ²	100%	100%	100%
		% of raw materials in products without cyclic silicones ¹	97%	100%	100%
	Decarbonisation and climate neutrality as an integral part of doing business.	Carbon footprint in scope 1 and 2	Building a carbon footprint reduction strategy for Scope 1 and Scope 2	Reduction of 55% from 2021	Reduction of 100% from 2021
		Carbon footprint in scope 3	Starting data collection to calculate the carbon footprint for Scope 3	Tbd	Tbd
	We will create an Ecodesign Code to evaluate our products and to guide new implementations – caring for natural resources, minimising pollution, and supporting a closed-loop economy.	% of products in conformity with ecodesign principles	Creating an eco-design code	50%	100%
		% (content) of recycled material in packaging ¹	Developing a packaging management tool	>35%	>65%
2. PARTNER-SHIP AND CO-OPERATION (Auxiliary ingredients)	We want to build socially responsible brands that respond to the new needs of consumers, business partners and local communities	% of employees involved in volunteering/community activities	>15%	20%	20%
		% of strategic suppliers covered by the Supplier Code	70%	100%	100%
3. ESG TEAM AND MANAGEMENT (Base)	We will always put the safety of our employees first. We want to create a friendly workplace for every employee regardless of gender, age, background or beliefs. At the same time, our aim is to grow the business through the development of our employees.	Wage gap (unadjusted)	<5% (adjusted pay gap), calculation of the unadjusted pay gap	<5% (adjusted pay gap)	<5% (adjusted pay gap)
		Number of serious accidents at work	0	0	0
		Staff members included in the appraisal and staff development programme	50% employee performance evaluation and 100% of staff covered by development plans	100%	100%
		Indicator of baseline employee engagement following engagement survey	>60%	>70%	>70%
	We embed sustainability in our management model	Number of ESG meetings held with Supervisory Board and Management Board (2 x year ESG at Supervisory Board meetings, 1 x 3msc ESG at Management Board meetings)	6	6	6
		Ecovadis certification	Bronze Medal	Gold Medal	Platinum Medal

1. Values calculated based on indexes

2. Excluding UV filters (the risk of developing skin cancer in humans is considered more serious than the potential contamination of the aquatic environment caused by UV filters). Suppliers are understood as providers of raw materials, packaging, and finished products.

Progress in Implementing the ESG Strategy

In 2024, Bielenda Group began executing its ESG strategy, achieving measurable results across all three pillars:

1. Product and Production

Over 80% of strategic suppliers were ESG-assessed, and **71% of raw materials** were certified deforestation-free. The share of raw materials free from microplastics and nanomaterials exceeded **95%**, while the share of raw materials without cyclic silicones reached **94%**.

By volume, these three raw material groups account for nearly

100%

Greenhouse gas emissions (Scope 1 and 2) totalled 2,689.67 tonnes of CO₂e.

2. Partnerships and Collaboration

In 2024, Bielenda Group introduced a Supplier Code of Ethics, primarily defining the values and principles governing cooperation with Bielenda suppliers. To date, **70% of suppliers** have signed the Code, with a goal to cover all strategic Bielenda Group suppliers.

Collaboration with suppliers and other stakeholders is a key element of our ESG strategy. The Bielenda team actively participates in social initiatives implemented by the Company. In 2024, 15% of employees took part in social initiatives addressing important issues such as flood relief, animal shelter fundraising, volunteering at Rakutowskie Błota as part of joining the UPM Raflatac, WWF Poland, and Alauda Nature Society initiatives, as well as supporting the local government initiative in Kąty Wrocławskie under the motto **“Entrepreneurship is Female”**.

Projects supporting the development of brands that respond to social and environmental needs were also launched.

3. Team and ESG Governance

In 2024, Bielenda Group implemented a comprehensive ESG management system. The newly established ESG Committee consists of interdisciplinary representatives from various departments. The Committee meets regularly to monitor progress in implementing the ESG strategy. In 2024, four meetings were held between ESG Committee representatives, the Management Board, and the Supervisory Board.

For its overall ESG efforts in 2024, the Group was awarded the EcoVadis Bronze Medal.

As part of its ESG initiatives, the company also launched several employee-focused programmes. Currently, 25% of employees participate in a performance evaluation and development programme, with plans to extend this programme to the entire Bielenda Group team.

For the first time, we conducted an employee engagement survey. The survey covered general job satisfaction, sense of safety, quality of teamwork and relationships with supervisors, as well as working conditions, availability of resources, and development opportunities. The survey results helped us identify our strengths and areas for improvement. Employees rated the quality of products and services, relationships with direct supervisors, friendly work atmosphere, job stability, and timely salary payments the highest. Safety on company premises, flexible work arrangements, and offered benefits were also appreciated. The overall employee engagement index reached **66%**. Based on the survey, an action plan for 2025 was developed. Our ambition is to improve the engagement index annually.

Diversity and inclusion are also integral elements of Bielenda's ESG strategy. Women make up 68% of the total workforce and account for 50% of the Management Board and 25% of the Supervisory Board. The gender pay gap has been maintained at a low level (3.4%).³

The above information related to ESG strategy implementation is described in greater detail in this Sustainability Report.

3. In 2025, Ireneusz Sudnik joined the Management Board as Vice President/General Director, as a result of which women will represent 40% of the Management Board in the new reporting year.

“THINK ABOUT YOURSELF AND ACT!” Campaign

In 2024, Bielenda Group launched the social campaign **“THINK ABOUT YOURSELF AND ACT!”** aimed at empowering women’s self-confidence, motivating them to take on new challenges, and supporting their pursuit of mental well-being and full life satisfaction – in line with the pro-age philosophy.

To support this initiative, we created a range of valuable materials for reading, listening, and watching – developed with the participation and support of esteemed experts: psychologists, psychotherapists, personal development coaches, university lecturers, and special guests. This has resulted in a multifaceted social programme that serves as a source of knowledge, motivation, and inspiration for taking action towards self-development and strengthening self-confidence in everyday life.

The educational and inspirational activities conducted as part of the campaign will be evaluated through qualitative and quantitative research carried out by an independent, certified market

and opinion research agency. This reflects a responsible approach to social marketing and the assessment of its real impact. Simultaneously, analyses of communication reach will be conducted, covering Bielenda Group’s owned channels, social media, and partner media activities.

The updated total reach of the campaign materials published so far currently stands at 1,393,348 audience contacts. This figure includes the cumulative reach of digital publications, social media broadcasts, and print circulation in magazines.

Key examples of audience engagement include:

- ✔ **Podcast with Kasia Miller** – views on the YouTube platform exceeded 67,000, more than triple the minimum target of 20,000 listens per episode, confirming high interest and engagement.
- ✔ **Promotional reel for the podcast featuring Ewa Woydyłło** – the most popular social media publication, reaching nearly 450,000 views and achieving the highest engagement rate in the history of Bielenda Group’s social media channels.

- ✔ **Article in the “Zwierciadło” magazine (January 2024)** – the first press publication summarising the campaign’s progress, discussing the inaugural podcasts and event coverage. The magazine’s circulation of 120,000 copies significantly increased the campaign’s reach in print media.

These activities demonstrate an effective communication strategy and a high level of social resonance, translating into strong consumer engagement.

All materials are available on:

- ✔ The dedicated campaign website: bielendagroup.com/zrownowazonyrozwoj,
- ✔ Podcast platforms YouTube, Spotify, Apple Podcasts (on Zwierciadło’s profiles),
- ✔ zwierciadlo.pl and in the print edition of the magazine.





INFORMATION ABOUT THE ORGANISATION

and Reporting Framework

A well-structured organisation is not only about order but also about direction. It allows us to act with intention, measure results, and build a company that connects everyday actions with a long-term vision.



Management Approach

GOV-1 – Role of Governing, Executive, and Supervisory Bodies

Management Board of Bielenda Group S.A.

The Management Board of Bielenda Group plays a key role in supervising the implementation of the sustainability strategy in line with the requirements of the European Sustainability Reporting Standards (ESRS). It is responsible for defining strategic ESG objectives, integrating environmental, social, and corporate governance matters into the Company's operations, as well as monitoring risks and opportunities related to sustainable development.

Within its remit, the Management Board ensures an appropriate governance structure, supports the creation of policies, and supervises ESG reporting processes. It strives to ensure transparency, accountability, and long-term value creation for all stakeholders.



Marek Bielenda

President of the Management Board of Bielenda Group S.A.



Robert Dobrowolski

Vice President of the Management Board for Finance and Strategy Implementation, Bielenda Group S.A.

Katarzyna Butrymowicz-Knap

Vice President of the Management Board and Marketing Director, Bielenda Group S.A.



Marzena Kalinowska

Vice President of the Management Board and Commercial Director, Bielenda Group S.A.

Ireneusz Sudnik

Vice President of the Management Board and General Director, Bielenda Group S.A.⁴



4. A new member was appointed to the Management Board in 2025.

Supervisory Board of Bielenda Group S.A.

The Supervisory Board oversees the implementation of the ESG strategy and monitors the Company's activities in the area of sustainable development. Its members bring diverse experience and expertise that support effective supervision of environmental, social, and corporate governance matters. The Board assesses ESG risks, monitors progress in achieving goals, and supports the creation of long-term value for stakeholders. Currently, the Board does not include any independent members.



Jacek Bielenda

Chairman of the Supervisory
Board of Bielenda Group S.A.



Leszek Muzyczyszyn

Vice Chairman of the Supervisory
Board of Bielenda Group S.A.



Katarzyna Marchlewska-Sieczek

Member of the Supervisory Board
of Bielenda Group S.A.



Paweł Wojas

Member of the Supervisory Board
of Bielenda Group S.A.



Marcin Czarnecki

Member of the Supervisory Board
of Bielenda Group S.A.



Adam Jabłoński

Member of the Supervisory Board
of Bielenda Group S.A.



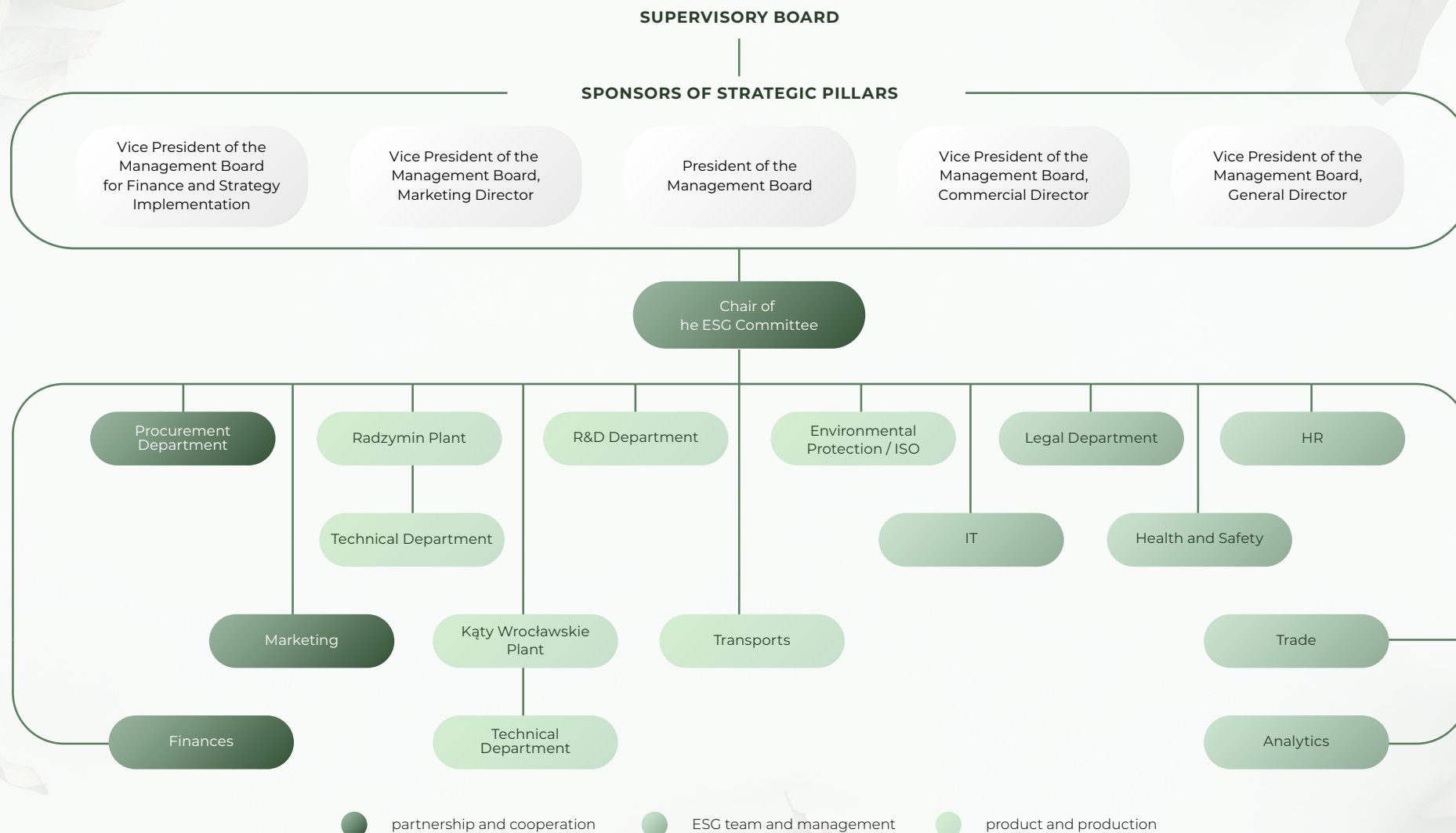
Leszek Kłosiński

Member of the Supervisory Board
of Bielenda Group S.A.



Magdalena Kowalska

Member of the Supervisory Board
of Bielenda Group S.A.



ESG Responsibility Structure:

Role	Responsibility
Supervisory Board	- Supervision of the ESG strategy and its alignment with the company's and stakeholders' long-term objectives. - Assessment and monitoring of ESG risks and the adequacy of related management mechanisms. - Evaluation of ESG progress and performance against established targets. - Oversight of investments and initiatives supporting sustainable development.
Management Board	- Implementation of the ESG strategy and approval of key ESG policies and objectives. - Integration of ESG into business decisions and long-term development. - Management of ESG risks and dialogue with key stakeholders. - Accountability for the company's ESG performance and the implementation of related actions.
Chair of the ESG Committee	- Coordination of the ESG Committee's work and supervision of ESG projects. - Development and updating of the ESG strategy, reports, and indicators. - Reporting on ESG progress and risks to the Management Board and Supervisory Board. - Ensuring that the organization's internal policies comply with regulations and best practices. - Promoting ESG awareness across the organisation.
Members of the ESG Committee	- Collaboration in the development and implementation of the ESG strategy and reports. - Monitoring ESG risks and opportunities within assigned areas. - Implementing actions in line with the ESG framework. - Incorporating stakeholder feedback into ESG activities. - Promoting compliance with the organisation's adopted policies.

GOV-2 – Information Provided to the Company's Governing, Executive, and Supervisory Bodies and Their Engagement on Sustainability Matters

Meetings regarding ESG management within the Group are held regularly at various organisational levels according to a predefined schedule. The purpose of this meeting schedule is **to manage sustainable development in an integrated manner with our regular processes and risk management controls.**

During the reporting period, the ESG Committee collaboratively worked on identifying significant impacts, risks, and opportunities, resulting in the double materiality assessment. The conclusions of this assessment were presented to and approved by the Management Board and the Supervisory Board.

Meeting Participants	Frequency of Meetings
ESG Committee Members and ESG Committee Chair	Once a month
ESG Committee Chair and Management Board	Quarterly
ESG Committee Chair, Management Board, Supervisory Board	Twice a year

One of the major transactions in 2024 was the **acquisition of the brands tołpa. and ON**, along with the **purchase of a production facility** including a warehouse and office space. Prior to finalising the transaction, a **due diligence procedure** was conducted, which also included an evaluation of the ESG aspects.

Additional meetings between ESG Committee members and the Chair are held as needed, with attendance depending on

ongoing projects. The composition of the ESG Committee is presented in the infographic in section GOV-1.

The Supervisory Board, together with the Management Board and the ESG Committee Chair, convenes twice a year to review ongoing ESG activities, verify their progress, make necessary adjustments, and approve subsequent steps. In December 2024, a meeting was held where the results of **the double materiality assessment, the ESG strategy, and the status of key initiatives** were presented. Following approval, **responsibilities for implementing specific actions** were assigned to relevant departments according to their thematic scope.

As part of ESG management, regular meetings are held for ESG Committee members to discuss the status of ongoing initiatives, identified project risks, proposed solutions, and plans for upcoming phases of work.

GOV-3 – Incorporating Sustainability Performance into Incentive Systems

At Bielenda Group, we have implemented a performance-based remuneration system for select members of the senior management team that is linked to the achievement of ESG strategy objectives. These variable components of compensation depend on the level of ESG strategy implementation. In cases of partial fulfilment of a given target, remuneration may be awarded proportionally to the degree of its achievement.

Due to the confidential nature of certain financial information, including detailed remuneration amounts, such data are not disclosed as they constitute a business secret.

GOV-4 – Statement on Due Diligence

Bielenda Group exercises due diligence in several key areas of its operations, including **social and labour issues, environmental protection, and governance**. All these aspects are detailed in this report within the sections listed in the table below:

One of the key transactions in 2024 was the acquisition of the **tołpa** and **ON** brands, as well as the purchase of a production facility including a warehouse and office space. Prior to finalising the transaction, a due diligence process was carried out, which also included an **assessment of ESG aspects**.

Key Elements of the Due Diligence Process	Impact in the Areas of Social and labour Issues, Environmental Protection, and Governance
Incorporation of due diligence in corporate governance, strategy, and business model	• Environmental policies • Policies related to own human resources • Policies related to consumers and end-users
Engagement with stakeholders influenced by the entity at all key stages of the due diligence process	• SBM-2 – Interests and views of stakeholders • Collaboration during the double materiality analysis, described in the subchapter regarding the process of identifying and assessing material impacts, risks, and opportunities
Identification and assessment of adverse impacts	• Remediation processes and whistleblowing channels for own employees • Remediation processes and whistleblowing channels for consumers and end-users
Actions taken to mitigate identified adverse impacts	• Actions and resources related to climate policy • Actions and resources related to water and marine resources • Actions and resources related to resource use and circular economy • Actions related to significant impacts on own human resources and application of approaches to managing significant risks and opportunities related to own human resources, including effectiveness of such actions • Actions related to significant impacts on consumers and end-users, and application of approaches to managing significant risks and opportunities related to consumers and end-users, including effectiveness of such actions
Monitoring the effectiveness of these efforts and providing relevant information in this regard	Risk management and internal controls over sustainability reporting

GOV-5 – Risk Management and Internal Controls over Sustainability Reporting

The bodies responsible for overseeing ESG implementation are the Supervisory Board and the Management Board.

The ESG Manager reports directly to both the Management Board and the Supervisory Board – providing regular updates on the progress of initiatives and projects carried out by individual members of the ESG Committee, in accordance with the schedule outlined in GOV 2.

In 2024, a double materiality assessment was conducted, serving as the basis for the development of the Group's ESG strategy. Progress on ESG-related actions is tracked using the ESG Action Matrix, a key tool in the monitoring process. Each designated ESG Committee member is responsible for collecting relevant data at the required level of quality and granularity. These data points are then verified by the ESG Manager.

Internal control procedures include an annual review and update of the materiality assessment process, to ensure alignment with evolving regulatory requirements and market dynamics.

Business Model and Operations of Bielenda Group

SBM-1 – Strategy, Business Model, and Value Chain

About the Company

Bielenda Group is a company with over **34 years of experience in the cosmetics industry**. It specialises in developing innovative skincare products for both professional use (e.g. beauty salons, SPA centres) and the retail market (including pharmacies and e-commerce platforms).

Infrastructure

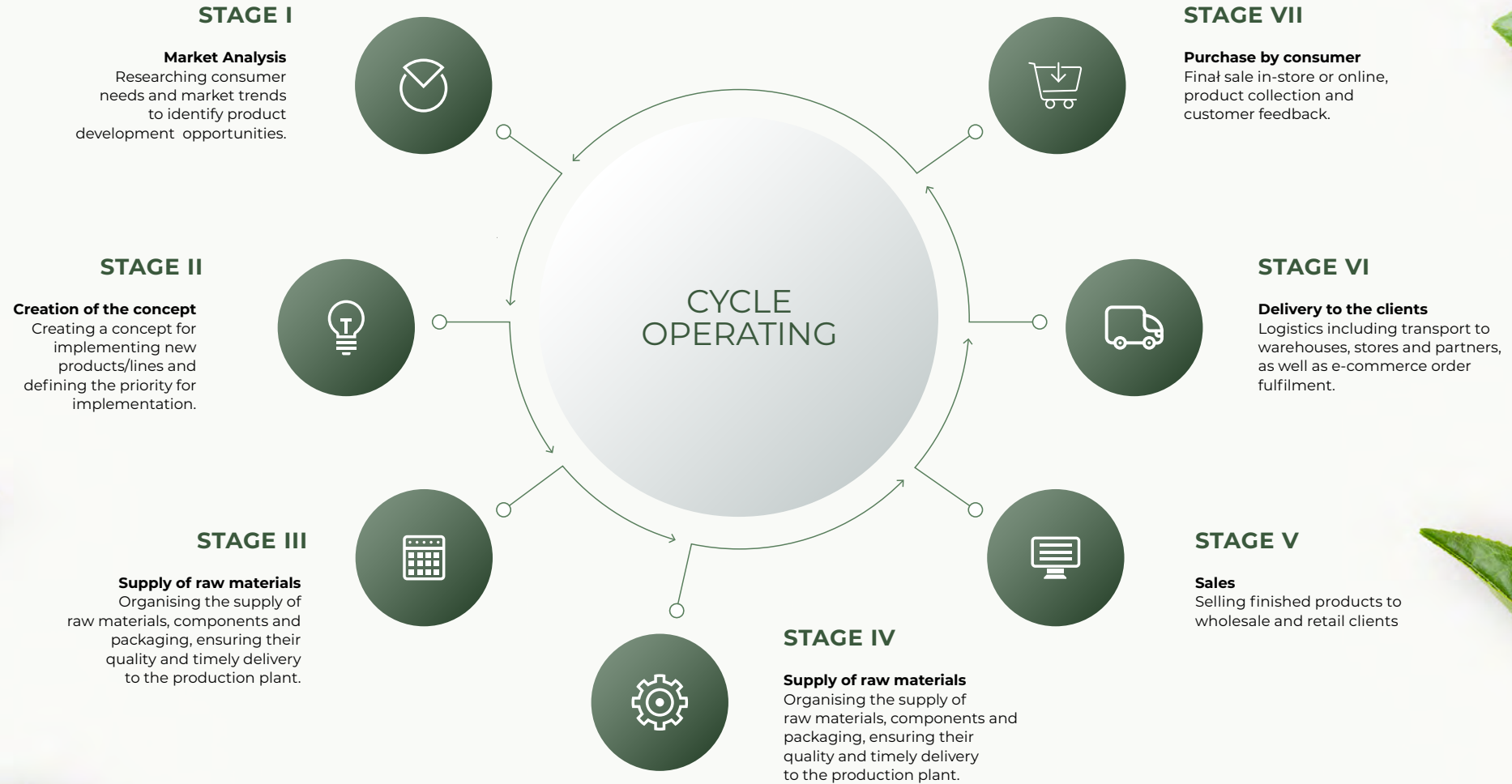
The company operates **two state-of-the-art production facilities and a headquarters equipped with an advanced R&D and technology hub**. Its team of chemists, biotechnologists, and product engineers enables the execution of proprietary R&D projects, patent development, and rapid implementation of innovations.

Business Model

Bielenda's business model is driven by the **synergy between innovation and product development, closely aligned with market trends and evolving consumer needs**. The company consistently invests in the growth of both retail and professional brands, strengthening its portfolio through strategic acquisitions – recent additions include **Soraya, Dermika, BodyBoom, SHEcosmetics, tołpa., and Miya**. These efforts are supported by equity partner Innova Capital, which has served as Bielenda's strategic investor since 2020. Bielenda is also expanding its international footprint, adapting its product offering to the preferences of consumers in over 50 countries. The company places a strong emphasis on sustainable development, investing in renewable energy, certified raw materials, and waste reduction – with ESG being fully integrated into its corporate strategy.

Operationally, the company follows an **end-to-end** business model that encompasses the full value chain: from responsible

sourcing of raw materials and components, through production, warehousing, logistics, and distribution. The process begins with the procurement of packaging, components, and raw materials, which are directed to either in-house production or outsourced manufacturing partners. Finished goods are stored under controlled conditions to ensure product integrity and continuous availability for customers. Subsequent stages include logistics and distribution, involving transportation to business partners, retail networks, professional beauty salons, and e-commerce platforms. The final stage of the value chain is the purchase by the end user, through both online and offline sales channels. Each step of the process is designed to: ensure high product quality and safety standards, maintain supply chain resilience and product availability, align with diverse consumer expectations in a responsible and sustainable manner.



Bielenda Group Value Chain

Bielenda Group operates within a comprehensive value chain that encompasses the upstream procurement phase, internal operations, distribution, and the end-of-life stage of its products (downstream). The business model is centred on the development and sale of cosmetics while maintaining high standards of quality and

social responsibility. The company invests in building internal competencies – particularly in R&D, production, and quality control – while also engaging external partners for the supply of raw materials, packaging, and contract manufacturing services.

UPSTREAM			OWN OPERATIONS			DOWNSTREAM	
SUPPLIERS (raw materials)	SUPPLIERS (materials)	SUPPLIERS (services)	PRODUCTION PROCESSES	NON-PRODUCTION PROCESSES	SALES & MARKETING	USE OF PRODUCTS	END OF LIFE
Resources for production: • Cosmetic ingredients (bases, fragrance compositions, and others) Energy resources: • Energy • Electric • Natural gas • Compressed air	Suppliers of production materials: • Packaging • Labels • Collective packaging (Suppliers located in the EU and Asia)	Providers of services enabling implementation of production and sales processes and customer service, including: • Warehouse rental • Services • Transport • Park services • Machine production • Custom cosmetics	Processes and activities performed by each production plant: • Development of new products • Sourcing of raw materials • Packaging • Testing and certification • Preparation and planning • Production • Quality control • Packaging • Warehousing and logistics • Inventory management	• Administration • HR • Training and development • BHP (Health & Safety) • Security • Environment • Finance and checking • Management and investor relations • Legal and compliance services	• Wholesale and retail (B2B, B2C) • Customer service and complaints • Marketing • brand & trade	• Product management on the client side – retail chain • Usage of product by the B2C end customer	• After using up the packaging/product, the consumer (end user) and the customer (direct B2B client) generate waste and decide on the method of its segregation and disposal. The waste is then directed to appropriate forms of utilisation or recycling. • Presence of cosmetic ingredients in water/soil.

The Group's value chain can be divided into three key segments:

1. Upstream – Supplies and Services

Bielenda Group cooperates with numerous suppliers of raw materials (including cosmetic bases and fragrance compositions) and packaging materials from both domestic and international markets. The company also partners with service providers that support production activities, such as logistics, warehouse leasing, and contract manufacturing. Energy suppliers (electricity, gas, compressed air) play a critical role in powering industrial processes.

2. Internal Operations

The company manages key internal processes across research and development, planning, production, quality control, logistics, and administration. Bielenda Group invests in continuous upskilling of its teams through regular training, ensures compliance with legal regulations, and implements internal procedures for compliance management and investor relations.

3. Downstream – Distribution and Product End-of-Life

Bielenda Group addresses both business customers (B2B) and direct consumers (B2C). It executes sales and marketing activities, manages customer claims, and monitors product usage and environmental impacts post-consumption – including the presence of cosmetic ingredients in ecosystems. This model also involves shared responsibility with business partners (offline and online retail points) for the proper disposal and recycling of packaging materials.

Sales distribution of products



Sales Structure at Bielenda Group

The sales portfolio is predominantly composed of products in the “Lower Mass” and “Upper Mass” segments, reflecting the company's strong focus on the mass market. At the same time, the presence of “Value” and “Premium” segments indicates a gradual diversification of the portfolio to include a broader price range offering.

The facial care segment accounts for three-quarters of total sales and serves as the core pillar of Bielenda Group's product offering. The brand's development strategy is primarily focused around this segment. Body care products also hold a significant share (11%), while other cosmetics, although representing a smaller portion of sales, continue to enjoy steady market demand.

Stakeholders Engagement

SBM-2 – Interests and Perspectives of Stakeholders

The double materiality analysis included the interests and perspectives of stakeholders, encompassing the identification of key stakeholder groups, their objectives, and forms of engagement. The company maintains regular communication with stakeholders through marketing campaigns, social media, and newsletters.

Key Stakeholder	Purpose of Engagement and Integration into Company Strategy and Business Model	Engagement Methods and Organisation	Key Topics
B2B Customers	B2B customers, including pharmacies, play a crucial role in Bielenda Group's business model, accounting for a significant share of wholesale and retail sales. Through regular contact with business partners, the company continuously analyses their requirements regarding product quality, cooperation terms, and ESG standards. Aligning the offer with key clients' expectations supports sales growth, builds partner loyalty, and strengthens the brand's market position.	Continuous communication, including ESG requirements analysis	Quality standards, ESG criteria, commercial terms
Consumers (End Users)	End consumers are key stakeholders for Bielenda Group – their expectations regarding product quality, safety, and composition directly influence product design and development processes. The company monitors consumer needs, ensuring transparency, ingredient certification, and communication based on trust and reliable declarations. Consumer satisfaction, loyalty, and feedback are essential factors in building competitive advantage and implementing the brand's development strategy.	Marketing campaigns, PR, social media	Composition, safety, availability

Key Stakeholder	Purpose of Engagement and Integration into Company Strategy and Business Model	Engagement Methods and Organisation	Key Topics
Administrative and Office Employees	Bielenda Group employees – both administrative and production staff – play a key role in ensuring the continuity and quality of operational processes. The company focuses on creating a safe and stable working environment by offering transparent employment conditions, opportunities for professional development, and open dialogue with management. The company places particular emphasis on occupational health and safety, effective internal communication, and the systematic strengthening of organisational structures. Commitment to employee engagement and satisfaction directly enhances operational efficiency, the high quality of implemented processes, and the company's long-term organisational stability.	Meetings, newsletters, internal communications	Organisational change, structure, ESG
Production Employees and Temporary Workers	Production employees and temporary agency workers provide operational continuity and flexibility. The company ensures safe and stable working conditions, implements health and safety standards, and promotes engagement through communication, minimising disruptions and enhancing efficiency aligned with production goals.	Production meetings, notice boards	OHS, working conditions, job stability

Key Stakeholder	Purpose of Engagement and Integration into Company Strategy and Business Model	Engagement Methods and Organisation	Key Topics
Raw Material and Packaging Suppliers	Suppliers of raw materials, packaging, and logistics services play a key role in ensuring production continuity and quality at Bielenda Group. The company is committed to building long-term, partnership-based relationships founded on transparency, quality, and mutual growth. Such cooperation enables effective supply chain risk management, optimisation of procurement processes, and enhancement of product value – all contributing to the company's competitiveness and operational stability.	Audits, surveys, supplier assessments	Quality, delivery timeliness, certification
Production Subcontractors	Subcontractors support production during peak demand or capacity constraints, ensuring supply continuity while maintaining high quality and safety standards through flexible collaboration.	Orders, operational communication	Product quality, compliance with standards
Industry Associations	Industry associations provide forums for knowledge sharing, best practices, and regulatory influence. Participation enables proactive regulation shaping, readiness for legal changes, and faster response to market and regulatory trends.	Working groups, conferences	Legal changes, green claims, circular economy
Public Administration / Regulators	Public administration is a strategic partner in regulatory compliance. Collaboration ensures safe operations and effective management of regulatory risks.	Permitting, legal monitoring	Legal compliance, safety
Investors	Shareholders and Supervisory Board support company growth strategy and oversee ESG progress. Regular reporting enables strategic management and transparent communication on development.	Supervisory Board meetings, ESG reporting	Business objectives, ESG goals
Financial Institutions	Financial institutions provide operational and investment financing, enabling growth and flexible capital access.	Agreements, reporting	Creditworthiness, ESG
Media	Media play a key role in brand image, recognition, and communication with consumers and partners through PR and marketing activities.	PR campaigns, media relations	Brand image, media activities, social impact

Key Stakeholder	Purpose of Engagement and Integration into Company Strategy and Business Model	Engagement Methods and Organisation	Key Topics
Local Communities and NGOs	Local communities and NGOs are vital from a social responsibility perspective. Through charitable and local initiatives, Bielenda Group builds social acceptance and a reputation as a responsible and engaged corporate citizen.	Donations, CSR initiatives, partnerships	Local support, relationship building
Natural Environment	The natural environment is foundational to Bielenda Group's operations. Raw materials are nature-derived, and production/logistics impact ecosystems. The company actively manages environmental risks, reduces impacts, and promotes sustainable practices across the value chain.	Emissions, waste, raw materials management	Environmental impact, climate change



Double Materiality Assessment: Impacts, Risks, and Opportunities

SBM-3 – Material Impacts, Risks, and Opportunities and Their Interrelations with the Strategy and Business Model

Double Materiality Assessment is the process of evaluating sustainability topics that hold the greatest significance both in terms of the company's impact on the environment and society, as well as the influence of ESG factors on the company's operations. Its purpose is to identify material impacts, risks, and opportunities related to the

company's sustainable development. At Bielenda Group, this process was conducted in 2024 in compliance with the CSRD Directive requirements and ESRS standards. The assessment considered both actual and potential impacts of the company's activities on the environment and society, as well as the company's exposure to sustainability-related risks and opportunities across short-, medium-, and long-term horizons.

The analysis identified key topics critical to the ESG strategy and non-financial reporting. The collected insights informed the update of the Group's sustainability strategy and the preparation of this report. A detailed description of the process used to identify and assess material impacts, risks, and opportunities is provided in IRO-1.

Type		Time Horizon	Location of Significant Impact, Risk or Opportunity	Current and Future Effects, Including Financial	Response
ESRS E1 Climate Change					
Climate Change Mitigation – Scope 1 and 2 GHG Emissions					
Impact: Greenhouse gas emissions (Scope 1 and 2), including gas, heating oil, and energy consumption in production plants, and fuel use in transportation	Actual negative impact	Short-, medium-, and long-term	Own operations	Planned purchase of green energy and further investments in resource efficiency entail additional financial expenditures related to budgeting modernisation projects and energy transition of production facilities.	Since 2023, the company monitors Scope 1 and 2 GHG emissions and implements actions according to an environmental improvement plan. Initiatives focus on increasing energy efficiency in production plants as part of broader environmental goals. The company has set long-term emission reduction targets and plans to develop a comprehensive decarbonisation strategy to effectively reduce climate impact and fulfill sustainability commitments.
Climate Change Mitigation – Scope 3 GHG Emissions in the Value Chain					
Impact: Indirect GHG emissions (Scope 3) from supply chain activities, including cultivation, extraction, and production of materials such as plastics, paper, cosmetic ingredients, transportation, and product export. This poses significant challenges but also opportunities to reduce emissions by using raw materials from sustainable crops like palm oil, avocado, and coffee.	Actual negative impact	Short-, medium-, and long-term	Higher levels of the value chain	Currently, the company does not incur additional costs related to Scope 3 emissions, but future regulatory requirements and stakeholder expectations may necessitate investments in emissions monitoring, sourcing more sustainable raw materials, and supplier collaboration on carbon footprint reduction, potentially affecting operational and capital expenditure structures.	The company has started monitoring GHG emissions in the supply chain and implementing sustainable sourcing initiatives to mitigate climate impact. Efforts include engaging suppliers in the sustainability strategy, gradually implementing environmental standards, and collaborating to reduce emissions across the value chain.

Type		Time Horizon	Location of Significant Impact, Risk or Opportunity	Current and Future Effects, Including Financial	Response
ESRS E3 Water and Marine Resources					
Water Consumption					
Impact: Water use in production processes, both as a cosmetic ingredient and as process water which is not returned to the natural water cycle. High water consumption also occurs during cultivation of plants used in cosmetic ingredient production, potentially affecting water availability in production regions.	Actual negative impact	Short-, medium-, and long-term	Own operations and higher value chain levels	Over the past two years, the company invested in water recovery and reduction technologies in production plants. Future investments in efficient water management may incur additional operational and capital costs, especially amid increasing environmental regulations and resource conservation pressures.	The company monitors water consumption and invests in water recovery and efficient use in production. Responsible water management is a priority within the ISO 14001 system. While the company has no direct influence on water use at raw material cultivation, it aims to select suppliers applying sustainable practices in this area.
Water Withdrawal					
Impact: Water withdrawal for technological processes, cosmetic ingredient formulation, and social purposes at production facilities.	Actual negative impact	Short-, medium-, and long-term	Own operations	Water withdrawal is currently stable and controlled, but increasing environmental requirements and potential changes in water resource availability may require additional investments in water-saving technologies and optimisation of water use in production.	Same as above.
Wastewater					
Impact: Wastewater generated from water use in social and production processes is discharged to sewage systems or treated as waste per regulations. Additionally, cosmetic product use by consumers affects wastewater quality, posing treatment challenges in later stages.	Actual negative impact	Short-, medium-, and long-term	Own operations and lower value chain levels	Currently, wastewater management does not generate significant operational or capital costs. Future tightening of environmental regulations may require process adjustments and wastewater parameter monitoring.	The company manages wastewater according to environmental permits, ensuring proper discharge without direct impact on surface waters. It also monitors regulatory developments regarding substances in cosmetic products and their effects on water and sewage systems.
ESRS E5 Resource Use and Circular Economy					
Input Resources, including Cosmetic Ingredients					
Impact: Compliance with legal requirements regarding prohibited ingredients, including phase-out of microplastics, nanoscale ingredients, and silicones, plus updated allergen procedures. The company has implemented safety assessment processes analysing cosmetic formulations for compliance with internal excluded ingredient lists (both legally banned and voluntarily eliminated). Growing consumer interest in natural ingredients presents opportunities for products based on upcycled, biodegradable, and certified raw materials.	Actual positive impact	Short-, medium-, and long-term	Own operations, higher and lower value chain levels	Current adaptation actions do not generate significant costs, but future stricter regulations and increasing consumer demands may require product reformulations. Using certified and biodegradable raw materials may impact raw material procurement costs.	The company regularly updates excluded ingredient lists, monitors regulatory changes, and implements raw materials compliant with current standards. The safety assessment process ensures formulations comply with excluded and hazardous substances lists. Simultaneously, the company develops a portfolio of products based on upcycled, biodegradable, and certified raw materials aligned with market demands and sustainability.

Type		Time Horizon	Location of Significant Impact, Risk or Opportunity	Current and Future Effects, Including Financial	Response
Output Resources Related to Products and Services: Packaging					
Impact: Use of non-renewable materials, including petroleum-based plastics, in packaging production, and paper consumption for product and secondary packaging.	Actual negative impact	Short-, medium-, and long-term	Own operations and lower value chain levels	New EU regulations on packaging and eco-design may result in additional costs for legal compliance, material changes, and potential fees for non-ecological packaging.	The company already offers several cosmetic lines in more sustainable packaging, including monomaterials and recyclable options. Plans include adopting an eco-design policy and further inventory of packaging to enhance alignment with sustainability requirements.
Packaging Waste					
Impact: The company markets a significant volume of packaging, with only a small proportion containing recycled materials. Multi-material and non-recyclable packaging is also used, complicating recycling efforts. Improper packaging waste management by customers and end-users challenges the circular economy.	Actual negative impact	Short-, medium-, and long-term	Own operations and lower value chain levels	Existing and forthcoming regulations on packaging responsibility may lead to increased costs related to eco-design, higher packaging waste fees, and the need for more sustainable solutions. Investments in innovative materials and production adjustments may affect operational cost structure.	The company implements recycled and bio-based materials in selected product lines' packaging, seeking alternatives to non-renewable and non-recyclable materials, including certified materials. It participates in the RafCycle program supporting label material recycling. Packaging inventory and packaging strategy development have started to improve circular economy compliance.
Production Waste					
Impact: Generation of production and municipal waste at production sites.	Actual negative impact	Short-, medium-, and long-term	Own operations	Waste management currently does not generate significant costs, but future regulatory tightening and rising disposal costs may increase operational expenses.	The company has implemented waste segregation systems and monitors waste management processes at production sites according to applicable regulations. Efforts focus on improving waste storage and minimising generation.
ESRS S1 Own Workforce					
Work-Life Balance					
Impact: Provided access to parental leave, flexible working hours, childcare, and regulated remote work. Organisational growth may lead to periodic increases in overtime and work-life balance disruptions.	Actual positive impact	Short-, medium-, and long-term	Own operations	Financial impacts are minor and do not require additional planning.	The company operates in accordance with applicable laws and internal regulations on flexible working hours and remote work.
Occupational Health and Safety					
Impact: Exposure of employees to hazards such as contaminants, hazardous substances, working at heights, moving machine parts, and traffic. Potential risk of workplace accidents and health consequences.	Actual negative impact	Short-, medium-, and long-term	Own operations	Financial impacts are minor and do not require additional planning.	Prevention and regular OHS training per legal requirements, including workplace-specific training, safe work instructions, and focused lessons. Use of personal protective equipment and initiatives improving ergonomics and work efficiency, such as automation, job rotation, and sit-stand options.

Type		Time Horizon	Location of Significant Impact, Risk or Opportunity	Current and Future Effects, Including Financial	Response
Equal Treatment and Equal Opportunities for All					
Impact: Female majority in the organisation, presence on Management Board and Supervisory Board, and maintenance of a low gender pay gap.	Actual positive impact	Short-, medium-, and long-term	Own operations	Financial impacts are minor and do not require additional planning.	Actions promoting equal opportunities and transparent remuneration policy in line with internal regulations and ESG standards.
Diversity					
Impact: Diverse workforce in terms of gender, age, and other aspects such as ethnicity, religion, sexual orientation, or disability. Lack of formal guidelines on diversity and inclusion policy for employees regardless of personal characteristics.	Actual positive impact	Short-, medium-, and long-term	Own operations	Financial impacts are minor and do not require additional planning.	Planning inclusion and equal treatment initiatives, incorporating diversity principles into internal policies, and future development of a DEI (Diversity, Equity & Inclusion) strategy.
Training and Skills Development					
Impact: Lack of regular performance reviews and career development paths. Ensured equal access to training within available budget, including OHS, technical skills, language courses, coaching, and qualification programmes supporting competency development.	Actual negative impact	Short-, medium-, and long-term	Own operations	Planned increase in training and development investment entails additional operating costs but may improve work efficiency and employee engagement.	Expansion of training programmes, introduction of systematic competency assessments, and development of a strategy supporting long-term employee development.
ESRS S4 Consumers and End-users					
Impact of information on consumers and/or end users: Product composition information					
Impact: Ensuring that consumers have access to complete information about the product, including its composition, country of origin, properties, allergens, and other labelling requirements mandated by law. The use of appropriate warnings and explanations enables safe and proper use of products.	Actual positive impact	Short-, medium-, and long-term	Own operations and lower tiers of the value chain	No significant financial effects; adjusting product labelling to regulatory and consumer requirements may involve minor operational costs.	Continuous monitoring of product labelling regulations and ensuring compliance with legal requirements and consumer expectations.
Personal safety of consumers or end-users: Product safety (cosmetics)					
Impact: Implementation of safety assessment procedures for products, including mandatory and voluntary laboratory testing (such as application tests). Management of consumer complaints and reports of adverse effects, as well as formula adjustments based on consumer feedback.	Actual positive impact	Short-, medium-, and long-term	Own operations and lower tiers of the value chain	No material financial impacts; costs related to testing and complaint handling are included in regular operational activities.	Products are assessed by a qualified safety assessor, and formulas are tested in accordance with regulatory requirements. A complaint management system aligned with ISO 9001 ensures effective response to consumer issues.

Type		Time Horizon	Location of Significant Impact, Risk or Opportunity	Current and Future Effects, Including Financial	Response
Social inclusion of consumers or end-users: Access to products and services					
Impact: Ensuring wide access to products through a diversified pricing strategy, availability across various sales channels, and a broad portfolio of cosmetics tailored to different consumer segments. In addition, product donations support people in need.	Actual positive impact	Short-, medium-, and long-term	Own operations and lower tiers of the value chain	No material financial impacts; product and pricing diversification supports market development and product accessibility without additional operational costs.	Ongoing expansion of product assortment, pricing optimisation, and multi-channel distribution. Continued social engagement through product donations.
Social inclusion of consumers or end-users: Responsible marketing practices					
Risk: Risk of greenwashing allegations, including potential consumer lawsuits, due to miscommunication regarding environmental and sustainability claims in marketing materials.		Short-, medium-, and long-term	Own operations and lower tiers of the value chain	Potential costs associated with aligning marketing communication with regulatory requirements, and risk of financial penalties or reputational damage resulting from inaccurate or misleading claims.	Adjustment of marketing strategies to comply with legal regulations, use of transparent and evidence-based communication, and ongoing monitoring of alignment with responsible marketing principles.
ESRS G1 Business Conduct					
Corporate culture: Code of ethics					
Impact: Strengthening of ethical corporate culture through the implementation of a code of ethics defining organisational conduct standards.	Actual positive impact	Short-, medium-, and long-term	Own operations and lower tiers of the value chain	No material financial costs	Implementation of training programmes and initiatives aimed at promoting the principles of the code of ethics across the organisation.
Supplier relationship management, including payment practices					
Impact: Procurement of raw materials from various regions globally, including high-risk countries, which may result in indirect impacts on environmental and human rights issues within the supply chain. Lack of ESG-specific clauses in supplier contracts.	Actual positive impact	Short-, medium-, and long-term	Own operations and upper tiers of the value chain	No material financial impacts; planned actions may influence the structure of procurement processes.	An existing supplier code of conduct is in place, along with monitoring of countries of origin and high-risk countries. Continued efforts to strengthen collaboration with key suppliers on social and environmental matters. Payments are executed according to contractual terms and issued documentation.

IRO-1 – Description of the Process for Identifying and Assessing Material Impacts, Risks, and Opportunities

Description of the methodologies and underlying assumptions applied in the process of identifying and assessing material impacts, risks, and opportunities

Bielenda Group has conducted a Double Materiality Assessment in line with the European Sustainability Reporting Standards (ESRS), specifically ESRS 1, and the EFRAG Implementation Guidance 1 “Materiality Assessment”. The process was carried out using an approach based on market best practices and the principles of due diligence. The assessment evaluated material ESG matters both from an impact perspective – i.e., the company’s effects on people and the environment – and from a financial materiality perspective – i.e., how ESG factors may affect the company’s financial position and performance.

In accordance with the defined reporting boundaries, the assessment covered the company’s own operations in Poland, including two production facilities located in Kąty Wrocławskie and Radzymin, as well as the company’s headquarters in Kraków. Additionally, the assessment encompassed the entire value chain, from raw material sourcing to end-of-life and recycling of products.

The analysis focused on two dimensions of materiality: impact materiality, referring to the significance of the company’s actual or potential impacts on the environment and society, and financial materiality, assessing how sustainability-related risks and opportunities could affect the company’s financial performance. The objective of the assessment was to ensure alignment of ma-

terial ESG topics with the company’s strategy, regulatory requirements, and stakeholder expectations.

The Double Materiality Assessment (DMA) process was structured along the entire value chain – covering both upstream activities, such as supplier relations and raw material sourcing, and downstream activities, including customer engagement and product end-of-life management. This approach enabled a comprehensive understanding of potential ESG-related risks and opportunities across the business ecosystem.

The process was fully documented to allow for annual review and continuous improvement in line with the evolution of the company’s ESG management systems. The assessment was designed around four key phases, aimed at delivering an in-depth analysis of material impacts, risks, and opportunities linked to ESG factors. The Double Materiality Assessment process consisted of the following four main stages:

1. **Understanding the context and developing a stakeholder engagement strategy,**
2. **Identification of potentially material sustainability topics, impacts, risks, and opportunities,**
3. **Materiality assessment and prioritisation,**
4. **Summary of the process and validation of results.**

A combination of quantitative and qualitative methods was applied throughout the process. This included the analysis of historical data, industry benchmarking, and broad stakeholder engagement.

The process was conducted based on the following key assumptions and parameters, which are described in detail in the subsequent sections of this chapter:

- ✔ The assessment covered Bielenda Group’s operations, including its headquarters in Kraków and production facilities in Poland, and took into account the entire value chain,
- ✔ A quantitative approach was applied to identify and prioritise key stakeholders (as detailed below),
- ✔ A defined time horizon was established for the assessment,
- ✔ Both qualitative and quantitative criteria were used for evaluating materiality,
- ✔ Benchmarking analysis and stakeholder feedback were incorporated to support the company’s evaluation,
- ✔ A representative of the Management Board, specifically the Vice President of the Management Board for Finance and Strategy Implementation, was actively involved in the process and contributed to key decision-making,
- ✔ The process was thoroughly documented in Excel spreadsheets and supplemented with partial conclusions and notes, including benchmarking results and stakeholder input.



Impact Materiality

The impact materiality assessment was based on four key criteria:



Scale of impact

assesses the magnitude of change the impact may cause (e.g., on the environment, society, or economy). Rating scale: 1 (minimal impact) to 5 (absolute impact)



Scope of impact

refers to the number and diversity of affected entities and areas. Rating scale: 1 (local) to 5 (international); in the social context, this included the percentage of individuals or locations affected by the impact.



Irremediability

assesses the extent to which the impact can be reversed or remedied. Rating scale: 1 (easily reversible) to 5 (irreversible)



Likelihood of occurrence

evaluates the probability that the impact will actually materialise. Rating scale: 1 (very low) to 5 (very high)

The assessment covered four types of impact:

1

**Actual
negative
impact**

2

**Potential
negative
impact**

3

**Actual
positive
impact**

4

**Potential
positive
impact**

Each type of impact was assigned weighted criteria. For example: for actual negative impacts, the highest weight was given to the scale of impact (40%), for actual positive impacts, scale and scope were weighted equally at 50% each.

Financial Materiality

Financial materiality was assessed through a qualitative analysis of ESG-related risks and opportunities, using historical data from Bielenda Group where available. The assessment considered the potential financial implications of ESG factors over the short, medium, and long term – both negative and positive. Key assessment criteria included:

1. Impact on budget (weight: 70%)

Evaluation of ESG's effect on the company's operating budget and financial performance. Rating scale (1–5):

- ✓ 1 – minimal impact, barely noticeable in the budget
- ✓ 5 – very significant impact, potentially causing financial destabilisation

For positive financial effects, the score reflected the ability to generate savings, increase revenues, or enable market expansion. A score of 5 indicated substantial financial benefits such as improved financial stability, growth potential, or market leadership.

2. Likelihood of occurrence (weight: 30%)

ESG-related risks and opportunities were rated from 1 (very low) to 5 (very high) in terms of their probability.

Calculation Method

Final ESG scores were calculated based on a weighted average using the assigned weights for each criterion.

Materiality Threshold

ESG topics were classified as follows based on the final scores: Material: Average score between 3.8 and 5.0 (material topics), Moderately material: Score between 2.1 and 3.7 (moderately material), Non material: Score below 2.0 (Non-material topics). The applied evaluation criteria and thresholds were reviewed and approved by the internal team and Vice President of the Management Board for Finance and Strategy Implementation of Bielenda Group.

Time Horizon

The materiality assessment considered the following time frames:

- ✓ Short term (up to 1 year): focused on immediate risks and operational changes
- ✓ Medium term (1 to 5 years): included evolving regulations, market trends, and technology
- ✓ Long term (beyond 5 years): concentrated on future sustainability trends and sector transformation potential

Identification of Key Stakeholders

To identify its key stakeholders, Bielenda Group conducted a survey among its management staff, with

25

participants taking part.

Based on their responses, the company defined its most relevant stakeholder groups.

Results from benchmarking analysis and stakeholder opinions were used as supportive elements in assessing impacts, risks, and opportunities. These insights were not included in the mathematical scoring of materiality but informed expert judgment.

The entire process – including stakeholder prioritisation, benchmarking, stakeholder input, and the scoring of impacts, risks, and opportunities – was documented using Excel.

Review of Impact Identification, Assessment, Prioritisation, and Monitoring

The analysis focused on Bielenda Group's operations in Poland, including facilities in Kąty Wrocławskie, Radzymin, and the headquarters with laboratories in Kraków. The scope included: Existing management systems, Internal processes, Legal permits, System reviews, Corrective actions and their implementation status.

In parallel, data was gathered and analysed for each identified ESG topic.

The double materiality analysis also included key business relationships across the entire value chain, including contractors, suppliers, and subcontractors. The process used available information on the cosmetic industry's impacts on ESG areas and factored in future regulatory changes likely to influence the scale of impacts, risks, and opportunities for Bielenda Group and its value chain partners.

Identification and Assessment of ESG Risks and Opportunities

Bielenda Group identified and assessed ESG-related risks and opportunities by examining their links to company operations and dependencies. The likelihood and severity of these risks and opportunities were evaluated in accordance with ESRS 1 and the adopted assessment criteria. Supporting materials included: benchmarking results, stakeholder input, source documentation.

The assessment was conducted by an internal expert team, including representatives from departments such as: R&D, Marketing, HR, Procurement, Production, Environmental protection, Customer complaints, Management systems, Plant management. The evaluation was expert-based, drawing on industry knowledge and operational experience in the cosmetics sector.

To ensure proper prioritisation of ESG risks, the company aligned the assessment with risks identified under its existing ISO-based management systems. As the company does not yet operate a comprehensive enterprise risk management system, no additional tools or frameworks were applied to the double materiality assessment.

Decision-Making Process and Internal Controls

Decisions on ESG topic materiality were made with input from:

- ✔ **The ESG Committee** (experts from Bielenda Group representing departments such as R&D, Marketing, HR, Purchasing, Production, Environmental Protection, Customer Complaints, Management Systems, and Heads of Production Plants),

- ✔ **A representative of the Management Board** – Vice President of the Management Board for Finance and Strategy Implementation,

- ✔ **ESG Manager.**

The Management Board representative was directly involved in decisions concerning:

- ✔ Project team composition
- ✔ Selection of assessment criteria, time horizons, and materiality thresholds
- ✔ Review of the ESG topic list and assigned scores, including comparison with stakeholder and benchmarking input
- ✔ Approval of the final results

The results of the double materiality analysis were discussed and approved by the Management Board and the Supervisory Board. Internal control procedures provide for the periodic verification of the materiality analysis process and its updates based on evolving regulations and the business environment.

Integration with Risk and Opportunity Management

Currently, the results of the Double Materiality Assessment have not been integrated into the company's overall risk management system due to the lack of a structured corporate risk management framework. Integration is planned once such a framework is established.

Integration of Opportunities into Strategic ESG Management

The identification and assessment of ESG opportunities were integrated into Bielenda Group's strategic ESG management process. Based on the results of the Double Materiality Assessment, the company's ESG Strategy was updated with a horizon extending to 2030. The teams responsible for ESG-related impacts, risks, and opportunities also oversee the implementation of strategic ESG goals.

Input Parameters Used in the Assessment

The company used a variety of data sources, including:

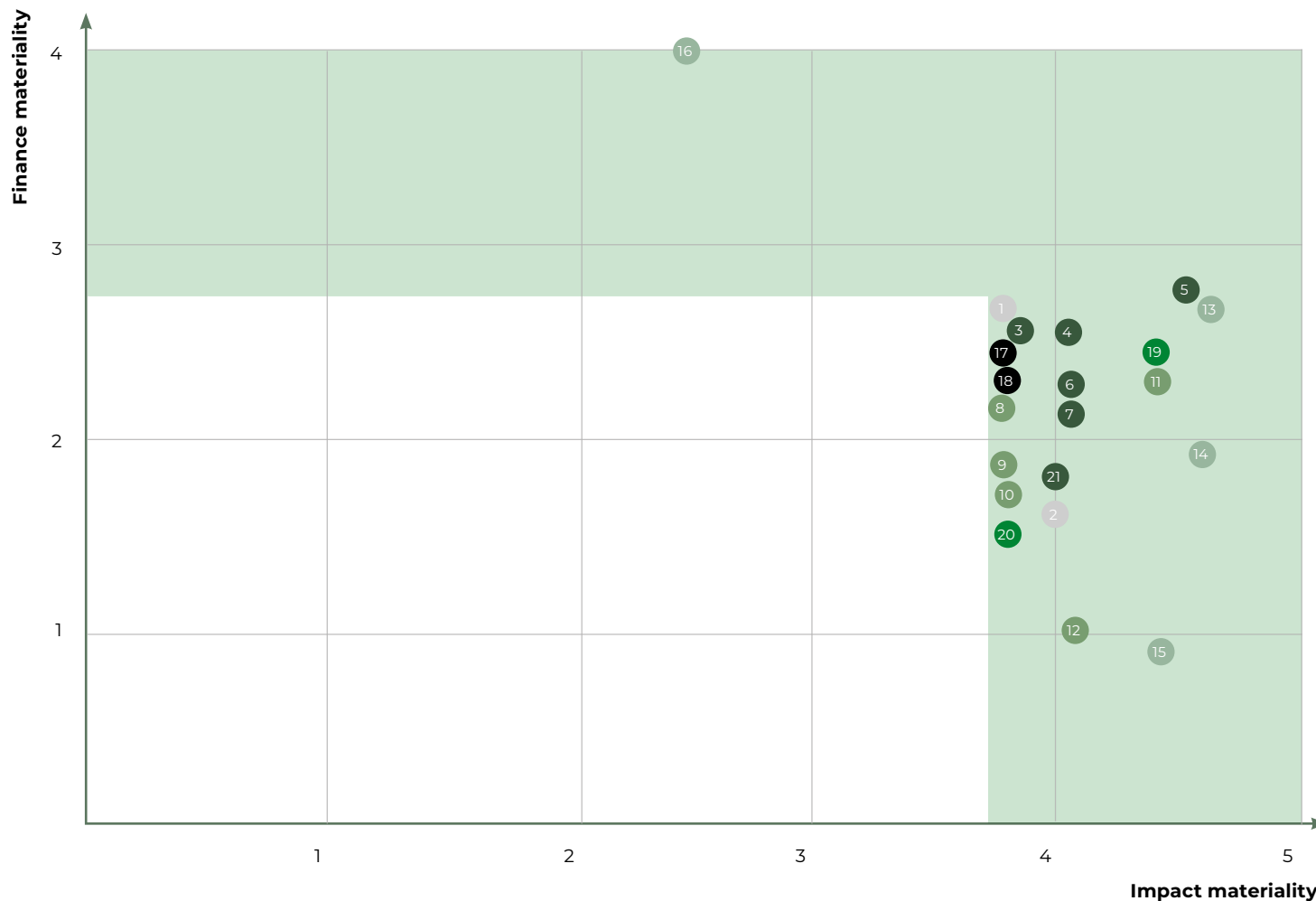
- ✔ Internal policies, codes, ISO and other management system documentation, and permits
- ✔ Operational data for specific ESG topics
- ✔ Stakeholder survey and interview results
- ✔ Industry benchmarking
- ✔ Regulatory and market forecasts

The scope of operations covered by the analysis included both own production facilities and key value chain business relationships.

Process Evolution Compared to the Previous Period

In 2024, Bielenda Group conducted its first double materiality analysis, with an update planned for 2026.

DOUBLE SIGNIFICANCE ANALYSIS



- 1 Water consumption (own operations and value chain)
- 2 Water withdrawal (own operations)
- 3 Sustainable cosmetic ingredients
- 4 Circular economy in packaging
- 5 Cosmetic ingredients
- 6 Plastic packaging (virgin plastic)
- 7 Paper packaging
- 8 Diversity
- 9 Work-life balance
- 10 Training and skills development
- 11 Gender equality and equal pay for work of equal value
- 12 Occupational health and safety
- 13 Product composition information
- 14 Access to products and services
- 15 Product safety (cosmetics)
- 16 Responsible marketing practices
- 17 Greenhouse gas emissions from own operations
- 18 Greenhouse gas emissions in the value chain
- 19 Supplier collaboration
- 20 Code of Ethics
- 21 Safe cosmetic formulations

Summary

The Double Materiality Assessment at Bielenda Group constitutes a key component of the company's ESG strategy, supporting informed decision-making in the management of social, environmental, and financial impacts. A systematic review and regular updates of the process enable the company to remain agile and responsive to evolving regulatory requirements and market dynamics.

IRO-2 – Disclosure Requirements under the ESRS Covered by the Undertaking's Sustainability Statement

No significant adverse impacts related to emissions to air, water, or soil were identified in **Bielenda Group's operations**. The company's manufacturing processes are fully compliant with applicable environmental regulations and are subject to regular inspections. **The scale of emissions is limited, and the technologies and purification systems in place minimise environmental risks.** Consequently, this topic has not been deemed material from the standpoint of environmental impact or potential financial risks such as sanctions or remediation costs.



ESRS E4 – Biodiversity and Ecosystems

Biodiversity is relevant to Bielenda Group primarily in the context of the responsible sourcing of plant-based raw materials for cosmetic production. The company engages with suppliers to better understand the value chain's impact on ecosystems. However, at the current stage of business development, this impact does not meet the thresholds of scale, scope, or irremediable character that would justify its classification as material under the ESRS definition. Furthermore, no significant financial risks have been identified in this area – the assessment indicates a medium level of impact materiality and low financial materiality.



ESRS S2 – Workers in the Value Chain

Bielenda Group recognises its indirect influence on working conditions within the supply chain. However, the scale of outsourced production is limited, and collaboration is primarily based on long-standing relationships with trusted local partners. As a result, the risk of human rights violations or unethical labor practices has been assessed as low. The company applies due diligence procedures and supplier management policies, but in the current reporting cycle, this topic was not classified as material.



ESRS S3 – Affected Communities

The company's operations do not involve direct or systematic impacts on local communities in the areas of operation. Bielenda Group operates in well-established urban and industrial environments, and its scale of operations does not create significant social risks or tensions. Community initiatives are voluntary and supportive, rather than compensatory in nature. As such, this topic has not been deemed material.



Forward-Looking Statement

In the coming years, Bielenda Group plans to continue its transition toward climate neutrality, in line with its ESG strategy. The company aims to reduce **Scope 1 and Scope 2** greenhouse gas emissions by **55% by 2030**, compared to the baseline year 2021. **By 2025, the company intends to finalise its carbon footprint reduction strategy and begin collecting data to calculate Scope 3 emissions.**

Bielenda Group is systematically working toward the increased use of renewable energy sources at its production facilities. The company is currently analysing the feasibility of installing solar panels at the warehouse facility in Zgierz, near Łódź, as well as at its current manufacturing plants. These projects are under review. In parallel, **the company is investing in energy efficiency improvements**, including the implementation of heat recovery systems and modern energy-saving technologies.

In the area of products, we consistently reduce our negative impact on the environment:

We plan that by 2025,

98%

of raw materials used in our products will be free from microplastics.

At the same time, we aim for

100%

of ingredients to be free from harmful nanomaterials.

By 2030, we strive for

100%

of our products to be free from cyclic silicones as well.

The company is also developing an **Eco-Design Code** and a Packaging Management Tool, aimed at increasing the recycled content in packaging to above **65% by 2050**.

As part of its social responsibility approach, the company aims to ensure that 100% of strategic suppliers are covered by **the Supplier Code of Conduct by 2030**. Bielenda Group is also committed to maintaining a high level of employee engagement, both in volunteer activities and in the competency development system, which includes individual evaluation and development paths for each employee.

Strategic ESG management is treated as an **integral part of the company's business model** – ESG indicators are regularly reviewed by the Management Board and Supervisory Board, and the company has set a target to achieve **the Ecovadis Gold Medal by 2030**.

The forward-looking information presented in this report reflects the company's current assumptions and plans. Due to the dynamic nature of regulatory, market, and technological environments, actual results may differ from those projected. The report has been prepared using data and information currently available to the company.



Framework and Reporting Approach

BP-1 – General Basis for Preparing the Sustainability Statement

This Sustainability Report of Bielenda Group has been prepared in accordance with the European Parliament and Council Directive (EU) 2022/2464 of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC, and Directive 2013/34/EU as regards sustainability reporting by companies, as well as Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and Council with regard to sustainability reporting standards. This report represents the first prepared under the CSRD Directive and ESRS guidelines.

The Company's financial year follows the calendar year, and this report covers the year ended 31 December 2024. Details regarding entities included in Bielenda Group's consolidated financial statements are presented in the explanatory notes to the financial statements and are consistent with this sustainability report. The Company is registered in the National Court Register of the District Court in Kraków, maintained for Kraków-Śródmieście, XI Commercial Division of the National Court Register under number KRS 0000982226.

The ultimate parent company in relation to the Company is Innova Central Holding SCA (Innova Capital), with the highest-level ultimate controlling entity being Innova/6 SICAV RAIF, managed by

the general partner Innova/6 GP, which is indirectly controlled by individuals – owners of Innova/6 Carry SCSP. These entities are based in Luxembourg. No sustainability reports are prepared at the highest group level. The fund prepares its sustainability report separately.

For the purposes of the ESG report, it was assumed that data covers the entire year regardless of the timing of individual companies joining the Group. In preparing this statement, Bielenda Group did not exercise the option to omit information relating to intellectual property, know-how, or innovation outcomes.

This sustainability report was approved by the Company's Management Board for publication.

BP-2 – Disclosure of Information Regarding Specific Circumstances

This is the first sustainability report prepared by Bielenda Group in accordance with CSRD; therefore, no publicly reported comparative data exist.

All quantitative data have been sourced from internal tools used for data management, and calculations were performed with the utmost diligence. In some cases, due to data gaps or inconsistencies, estimates were used.

In preparing this statement, the company refers to information presented in the relevant sections of the document.

The current report does not include taxonomy disclosures in accordance with Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on establishing a framework to facilitate sustainable investment, amending Regulation (EU) 2019/2088.

The value chain is described in more detail in SBM-1.

Incorporation by reference

Required Disclosure	Reference Present in Subsection:
SBM-1 – Strategy, Business Model, and Value Chain	Bielenda Group Strategy
BP-2 – Disclosure Regarding Specific Circumstances	Further detailed within SBM-1 – Strategy, Business Model, and Value Chain
E3-1 – Policies Related to Water and Marine Resources	E1-2 – Policies on Climate Change Mitigation and Adaptation
E5-1 – Policies on Resource Use and Circular Economy	E1-2 – Policies on Climate Change Mitigation and Adaptation
S1-1 – Policies Related to Own Workforce	G1-1 – Business Conduct Policies and Corporate Culture
S1-3 – Remediation Processes for Negative Impacts and Whistleblowing Channels for Own Workforce	G1-1 – Business Conduct Policies and Corporate Culture
S1-3 – Remediation Processes for Negative Impacts and Whistleblowing Channels for Own Workforce	S1-1 – Policies Related to Own Workforce
S1-3 – Remediation Processes for Negative Impacts and Whistleblowing Channels for Own Workforce	S1-2 – Collaboration Procedures with Own Workforce and Employee Representatives on Impact Issues
S1-4 – Actions on Material Impacts on Own Workforce and Management Approaches to Material Risks and Opportunities Related to Own Workforce, Including Effectiveness of Such Actions	S1-3 – Remediation Processes for Negative Impacts and Whistleblowing Channels for Own Workforce
S4-1 – Policies Related to Consumers and End Users	G1-1 – Business Conduct Policies and Corporate Culture

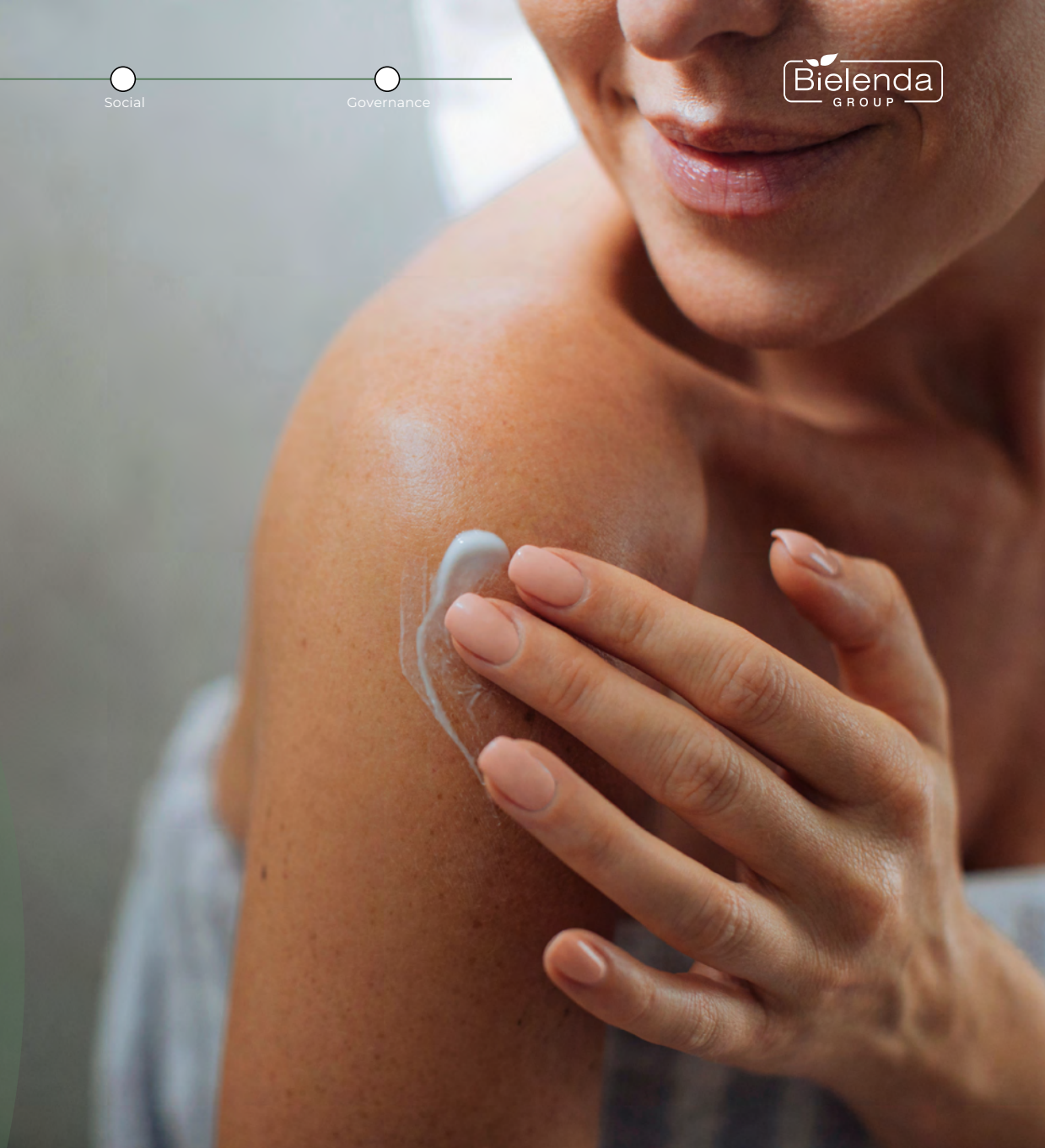
In this statement, Bielenda Group has exercised the option of phased disclosure of information as specified in Annex C to the ESRS 1 standard.

ESRS DR	Disclosure
E1-6	Gross Scope 3 greenhouse gas emissions
E1-9	Anticipated financial impacts resulting from material physical and transition risks and potential climate-related opportunities
E3-5	Anticipated financial impacts resulting from risks and opportunities related to water and marine resources
E5-6	Anticipated financial impacts resulting from risks and opportunities related to resource use and circular economy
S1-13	Training and skills development – phased disclosure of total training hours



ENVIRONMENT

Environmental responsibility is not an addition to our business but an integral part of it. We believe that progress only makes sense when it goes hand in hand with care for nature. That is why we strive to grow in a way that allows beauty to exist in harmony with the planet that inspires us.



ESRS E1 – Climate Change

Greenhouse gas emissions are one of the key areas of environmental impact for Bielenda Group. The main sources of emissions are fuel and energy consumption at production facilities (direct and indirect emissions – Scope 1 and 2), as well as activities across the entire value chain (Scope 3), including raw material and packaging production, logistics processes, and product use by end customers.

The company is undertaking a range of measures to **reduce emissions**, including investments in improving energy efficiency (e.g., lighting upgrades, implementation of energy-saving technologies) and reducing the use of heating oil. The use of energy from renewable sources is also planned.

In the long term, Bielenda Group aims to reduce greenhouse gas emissions by

55%

by 2030 compared to 2021 levels and to achieve climate neutrality in Scope 1 and 2 by 2050, following a market-based methodology.

Climate-related risks have been included in the double materiality analysis, although detailed climate scenarios have not yet been developed.

Between 2021 and 2024, the Group achieved a nearly

22%

reduction in Scope 1 and 2 greenhouse gas emissions (market-based method), while simultaneously increasing revenue.

In 2024, the company also began reporting emissions from the use of electric vehicles.

E1.GOV-3 – Integration of Sustainability Performance in Incentive Schemes

Selected ESG Targets—including the Scope 1 and 2 Decarbonisation Plan – have been incorporated into incentive schemes for selected members of the Management Board, thereby reinforcing the implementation of Bielenda Group's long-term climate strategy.

The management of climate-related impacts, risks, and opportunities is based on both ongoing initiatives within the framework of the Group's environmental policy and planned investments aimed at improving energy efficiency and reducing greenhouse gas emissions.

E1-1 – Transition Plan for Climate Change Mitigation

Bielenda Group monitors its greenhouse gas emissions and is currently in the process of evaluating specific investment opportunities that could be implemented as part of its decarbonisation efforts.

Although a formal transition plan towards a low-carbon economy has not yet been adopted, the Group is **already implementing technological and organisational solutions** aligned with its ambition to achieve climate neutrality.

E1.SBM-3 – Material Impacts, Risks and Opportunities and Their Interlinkages with the Strategy and Business Model and E1.IRO-1 – Description of Processes for Identifying and Assessing Climate-Related Material Impacts, Risks, and Opportunities

Bielenda Group identifies and assesses climate-related impacts, risks, and opportunities as part of its ongoing double materiality analysis and greenhouse gas emissions monitoring.

Currently, the company focuses on monitoring emissions within Scope 1 and 2, in line with the requirements of ESRS E1-6, and plans to start collecting data for Scope 3 emissions calculations in 2025. The conducted double materiality analysis considered both physical and transitional climate risks. However, this analysis was limited to a basic level and did not include a detailed review of the impact of climate change on the company's strategy or business model.

To date, no comprehensive assessment has been carried out regarding the resilience of the business model to climate-related risks, nor has a scenario analysis been performed to evaluate the potential effects of climate change on operational activities, supply chain, and long-term development directions.

Actions undertaken so far have primarily focused on identifying general climate-related threats and opportunities. Bielenda Group plans to further develop its climate risk management approach by expanding the scope of analysis to cover more detailed aspects and by aligning with increasing regulatory requirements and market best practices.

E1-2 – Policies Related to Climate Change Mitigation and Adaptation

All currently implemented actions stem from the implementation of the framework guidelines outlined in the Environmental Policy. At present, the organisation does not have specific policies

addressing individual climate change issues, as the execution of investment activities related to decarbonisation is integrated into the management processes under ISO 14001.

Policies related to mitigating and adapting to the effects of climate change.

Policy Name	Description	Scope	Responsibility
Bielenda Group Environmental Policy	The main objective of the policy is to reduce the organisation's negative impact on the environment. The document addresses key topics such as: - climate change mitigation, - rational use of fuels, energy, and water, - modernisation of technologies to improve environmental efficiency, - sustainable resource management, - support for the circular economy (CE), - and other areas defined within the remaining ESRS standards. The policy has been in effect since September 2024 and is updated every two years or as needed. It refers to: - national regulations, - ISO 14001 guidelines regarding the international environmental management standard, - and the United Nations Sustainable Development Goals (SDGs).	Our Environmental Policy focuses on complying with applicable environmental protection regulations and continuously reducing the negative impact of our operations on the environment. According to its provisions: - we strive for the rational use of resources such as raw materials, energy, and water, - we implement technologies that reduce emissions and the amount of waste generated, - we modernise our machinery to optimise energy and resource consumption, - we carry out waste management activities as well as education and awareness-building among employees. To effectively implement the policy, we engage both employees and suppliers, jointly creating the foundation for sustainable development.	The person responsible for the policy is the ESG Manager. All employees are accountable for implementing the policy's objectives.

E1-3 – Actions and Resources Related to Climate Policy

Actions to improve energy efficiency and decarbonisation

Electric Energy

Bielenda Group implements a range of initiatives aimed at reducing electricity consumption, significantly supporting the company's climate strategy. At the production facility in Radzymin, the machine cooling system was modernised through the installation of a chilled water system with a **Free Cooling function**, which – according to estimates – **reduces electricity consumption by 45 MWh annually**.

This year, a project replacing traditional lighting with modern LED lighting in both production units was completed, resulting in an additional energy consumption reduction of

40 MWh

A new investment has also commenced in Łódź – the construction of a new warehouse hall in cooperation with Panattoni Development Company. The building's roof will be reinforced to accommodate the potential installation of photovoltaic panels with a capacity of 50–100 kWp. This investment is currently under analysis. Simultaneously, studies are ongoing regarding the feasibility of installing photovoltaic panels with a capacity of 150–300 kWp at the production plant in Kąty Wrocławskie.

Gas Consumption Reduction

Bielenda Group has implemented advanced technological solutions to reduce gas consumption, including the installation of heat pumps in the new warehouse in Radzymin and a heat recovery system from compressors for heating domestic hot water. According to estimates, heat recovery from compressors reduces gas consumption by approximately 25 MWh annually.

The use of heat pumps is expected to further reduce gas demand by up to

20%

compared to baseline values, marking a significant step toward decarbonisation.

At the production plant in Radzymin, energy recovery from the hot condensate water in the Ruths tank has been implemented, which is used to supply steam generators.

According to calculations conducted by the company, this solution enables energy savings of approximately 200 MWh annually.



Newly Established Warehouse in Radzymin



Heat Pumps Installed in the New Warehouse in Radzymin

Additional Emission Reduction Measures

Additional initiatives include, among others:

- 🌿 thermal insulation of steam installation pipes,
- 🌿 waste heat recovery from the compressor room,
- 🌿 purchase of a new, more efficient compressor.

Bielenda Group continuously collaborates with logistics operators who implement solutions to **reduce CO₂ emissions and regularly conducts periodic energy efficiency audits in accordance with applicable regulations.**

The planned warehouse in Zgierz near Łódź will incorporate solutions supporting the achievement of Bielenda Group's environmental goals and sustainable development strategy. The facility will be designed with the aim of obtaining a **BREEAM certificate** at the excellent level, confirming the building's high environmental efficiency. The warehouse infrastructure will enable a partial replacement of the combustion engine fleet with electric vehicles – charging stations with capacities of 50 kW DC, 22 kW AC, and two 11 kW AC stations are planned. The project also includes designated parking spaces for a car-sharing system, which will constitute at least **5%** of the available parking area. Among the planned amenities will be bicycle shelters, air curtains, tilt windows, and the use of blinds and glazing that minimise the risk of overheating office spaces. Implementing these solutions supports the achievement of Bielenda Group's environmental goals and the effort to minimise the operational environmental impact.



Bielenda's central warehouse (Łódź Voivodeship), source: Panattoni / press materials / panattonieurope.com

Actions in the company's value chain

Bielenda Group has initiated efforts to better understand the ESG maturity level of its suppliers. The analysis showed significant variability in the level of advancement in environmental management, energy, and emissions. These differences directly affect the ability to reliably estimate scope 3 emissions.

The study results serve as a starting point for building a systematic approach to managing climate impact throughout the entire supply chain.

As part of this effort, in 2024, an ESG survey covering key environmental, social, and governance issues was created and sent to all suppliers. The results of the responses to climate action-related questions are presented below, while the results related to supply chain responsibility are discussed in section G1-2.1.

The results of the responses to questions related to climate action are presented below. The results concerning supply chain responsibility are presented in section G1-2. Calculating the carbon footprint remains one of the greatest challenges across the entire supply chain. Although most key suppliers are already taking action in this area, further efforts are needed to support transparency of emission data (particularly in Scopes 1 and 2), driven, among other factors, by regulatory requirements.

1. Environmental Management System

The results of the survey conducted among strategic suppliers regarding environmental management indicate significant variation in maturity within this area:

- **40%** of top suppliers do not have and do not plan to implement an EMS,
- **28%** hold an ISO 14001:2015 certificate,
- **21%** plan to implement the system,
- **6%** are currently in the process of implementation.

40%

28%

21%

6%

2. Energy Management System (ISO 50001)

The results of the survey on energy management among strategic suppliers show a low level of implementation of systemic solutions:

- **64%** do not have and do not plan to implement an energy management system,
- **6%** have a certified energy management system,
- **11%** are in the planning stage of implementation.

64%

6%

11%

3. Carbon Footprint Calculation

Among strategic suppliers:

- **34%** calculate their carbon footprint,
- **6%** declare their intention to implement such actions,
- **2%** do not take any steps in this area.

34%

26%

32%

4. Carbon Footprint Reduction Strategy (Decarbonisation Strategy)

Among top suppliers:

- **30%** have implemented a carbon footprint reduction strategy,
- **30%** plan to implement one,
- **28%** have no such actions in place.

30%

30%

28%

E1-4 – Climate Change Mitigation and Adaptation Targets

Scope 1 and 2 emissions

Bielenda Group, aware of the impact of its operations on climate change and committed to the EU sustainable development framework, has set a medium-term target to reduce its Scope 1 and 2 greenhouse gas emissions by 55% by 2030, compared to the base year 2021, using the market-based method. **The long-term objective is to achieve climate neutrality (Net Zero) by 2050.** These targets have been defined in alignment with the goal of limiting global warming to 1.5°C, as outlined in the Paris Agreement.

Progress toward the target is monitored using annual emission indicators expressed in tonnes of CO₂e, measured against production volumes and energy consumption. The year 2021 serves as the baseline for emission trend analysis.

In 2022, at the production facility in Kąty Wrocławskie, the Climate Strategies Poland Foundation carried out calculations and confirmed the alignment of the carbon footprint assessment with the GHG Protocol – A Corporate Accounting and Reporting Standard, revised edition, March 2004, developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). The analysis covered Scope 1 and 2 emissions based on 2021 data. In subsequent years, emis-

sion monitoring and reporting have continued in accordance with these standards. In 2024, the assessment scope was extended to cover newly acquired companies within the Bielenda Group.

The company is currently analysing various decarbonisation levers, including: sourcing renewable electricity via Power Purchase Agreements (PPAs), investments in energy efficiency, and development of on-site renewable energy installations.

Scope 3

In 2025, Bielenda Group will begin the process of identifying and collecting data necessary to calculate Scope 3 emissions. This effort will lay the foundation for setting reduction targets for indirect emissions across the entire value chain.

E1-5 – Energy Consumption and Energy Mix

Bielenda Group monitors the consumption of primary and secondary energy, analysing both the volumes used and the structure of energy sources.

These data allow the company to assess the energy intensity of its operational activities within the cosmetics sector.

This information is also critical in the context of planned decarbonisation initiatives and Bielenda Group's broader energy transition strategy.

Energy consumption and energy mix	2024
1. Consumption of coal and coal-derived fuels	0
2. Consumption of oil and petroleum-based fuels, incl. diesel, gasoline, LPG, heating oil	2,964
3. Consumption of natural gas	2,047
4. Consumption of other fossil fuel sources	0
5. Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil-based sources	2,803
6. Total fossil fuel energy consumption (sum of rows 1–5)	7,814
Share of fossil fuels in total energy consumption (%)	100%
7. Consumption of nuclear energy	0
8. Consumption of renewable fuels, incl. biomass (including biogenic industrial/municipal waste, biogas, renewable hydrogen, etc.)	0.00
9. Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	0.00
10. Self-generated renewable energy without fuel combustion	0.00
11. Total renewable and low-carbon energy consumption (sum of rows 8–10)	0.00
Share of renewable energy in total energy consumption (%)	0%
Total energy consumption (sum of rows 6, 7, and 11)	7,815

In 2024, total consumption of both primary and secondary energy sources originated exclusively from fossil fuels and grid-supplied electricity. No energy was sourced from alternative origins such as:

- renewable energy sources (no renewable electricity purchased, no in-house renewable generation),
- nuclear energy,
- biomass.

The electricity consumption intensity for 2024 amounted to **5.5 MWh** per million PLN of net revenue, while the total energy consumption intensity reached **15.32 MWh** per million PLN. These indicators were calculated based on the energy consumption data and net revenue reported in the financial statement.

E1-6 – Gross Scope 1, Scope 2, and Scope 3 Greenhouse Gas Emissions, and Total GHG Emissions

Bielenda Group monitors and reports greenhouse gas emissions in Scopes 1 and 2 in accordance with the GHG Protocol methodology, using both the market-based and location-based calculation approaches. The reported data covers all production facilities and offices in Poland, serving as a basis for evaluating emission efficiency and planning reduction initiatives.

At present, Scope 3 emissions are not calculated at the organisational level.

Parameters	Emissions			Changes		Targets	
	Base Year 2021	Previous Year 2023	2024	Change 2024 vs. 2021 [%]	Change %	2030	2050
Scope 1	1,524	1,210	1,188	-22%	-2%	Scope 1 + Scope 2 – market-based method – 55% reduction vs. base year 2021	Scope 1 + Scope 2 – market-based method – 100% reduction vs. base year 2021
Including: stationary combustion	1,048	791	839	-20%	6%		
Including: mobile combustion	476	419	349	-27%	-17%		
Including: process emissions	0	0	0	0%	0%		
Including: fugitive emissions	0	0	0	0%	0%		
Scope 2 – location-based	1,964	1,509	1,666	-15%	10%		
Scope 2 – market-based	1,917	1,596	1,425	-26%	-11%		
Total Scope 1 + 2 (location-based)	3,488	2,719	2,854	-17%	2%		
Total Scope 1 + 2 (market-based)	3,441	2,806	2,689	-24%	-7%		

Despite an increase in total emissions in 2024 (based on the location-based method) by 2% compared to 2023, it is important to highlight that the market-based method – considered more accurate in terms of actual costs and procurement decisions – shows a consistent downward trend.

In 2024, total emissions calculated using the market-based method amounted to **2,611 t CO₂e**, representing a decrease of:

- 7% compared to 2023
- 24% compared to the base year 2021

The increase in emissions under the location-based method is mainly due to the national energy mix – a factor beyond Bielenda Group's direct control. Nevertheless, **total emissions in this approach remain lower** than in 2021 (a decrease of 17%).

During the reporting period, electricity (Scope 2) represented the largest share of total emissions (market-based method), accounting for **54–58%** of the organisation's overall carbon footprint.

The calculations are based on actual data collected directly from Bielenda Group, and where primary data was not available, estimates were used.

Bielenda Group's operations are not subject to reporting obligations under the EU ETS (European Union Emissions Trading System).

Reported greenhouse gas emissions include:

- ✔ **Scope 1:** Direct emissions from owned sources, including combustion of natural gas, heating oil, gasoline, diesel, LPG, electricity used by electric vehicles, and leakage of refrigerants such as R410A and R407C
- ✔ **Scope 2:** Indirect emissions from purchased electricity, reported using both the location-based approach (using the national average emission factor from KOBiZE) and the market-based approach (based on the actual supplier mix, e.g., PGE, Tauron)

Emissions are expressed in metric tons of CO₂e. Emission factors used in the calculations include IPCC, DEFRA, NIR, KOBiZE, and URE. There are no process-related emissions from industrial activities. The report does not include biogenic emissions, such as those from biomass combustion or degradation.

In 2024, emissions related to electric vehicles were included in the GHG inventory for the first time. The calculations cover emissions of CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, and NF₃, using the latest available IPCC Fifth Assessment Report (AR5) factors. IPCC indicator values consistent with the Fifth Assessment Report.

E1-7 – GHG Removals and GHG Mitigation Projects Financed via Carbon Credits

Bielenda Group does not currently engage in greenhouse gas (GHG) removal or storage activities, nor does it utilise carbon credit mechanisms for emission offsetting.

The company has not implemented any carbon sequestration projects or GHG storage solutions within its operations or value chain. Furthermore, no carbon credits originating outside of the value chain are used to neutralise the organisation's own emissions.

E1-8 – Internal Carbon Pricing

Bielenda Group does not currently implement internal carbon pricing mechanisms, such as a shadow price or internal carbon fee. The company has no system in place for assigning a monetary value to greenhouse gas (GHG) emissions within its operations or value chain.

At present, GHG emissions are not factored into investment decisions, strategic planning processes, or the evaluation of emission reduction projects.

E1-9 – Anticipated Financial Effects of Material Physical and Transition Risks and Potential Climate-Related Opportunities

Under disclosure E1-9, the Company has made use of the transitional period. At present, no calculations have been carried out regarding the anticipated financial effects of material physical risks, transition risks, or climate-related opportunities.



ESRS E3 – Water and Marine Resources

Access to clean water and responsible management of water resources are among the key environmental challenges of the modern world. In the cosmetics sector – where water is both a formulation ingredient and an essential component of technological processes – conscious water resource management is particularly critical. Bielenda Group views water not only as a raw material, but as a resource that requires protection, consumption rationalisation, and mitigation of secondary impacts, including wastewater containing ingredients that may affect aquatic ecosystems.

In line with the requirements of ESRS E3, an assessment of the company's direct and indirect impacts on water resources was carried out. Areas of material importance were identified, particularly in the context of efficiency and resilience to changing climatic and regulatory conditions. Although the company's produc-

tion facilities are not located in high water-stress areas, Bielenda Group is undertaking specific actions, including:

- ✔ reducing water consumption in production processes,
- ✔ introducing rinse-free cosmetic formulations,
- ✔ gradually phasing out ingredients that burden aquatic environments, such as microplastics, nanomaterials, and cyclic silicones.

This section presents an overview of the company's water-related impacts, risks, and opportunities, along with a description of policies and actions implemented as part of its sustainability strategy. It also outlines areas of planned investments and the analysis of their feasibility in response to upcoming regulations and stakeholder expectations.

ESRS 2 IRO-1 – Description of Processes for Identifying and Assessing Material Impacts, Risks, and Opportunities Related to Water and Marine Resources

Bielenda Group has not previously conducted separate analyses of risks and opportunities related to water and marine resources beyond assessments required by existing environmental permits.

However, a hydrological review was carried out at the production site locations, confirming the absence of areas with high water stress and indicating a moderate level of risk related to hydrological and hydrogeological drought.

To date, activities have not included consultations with local communities regarding the Company's impact on local water resources. Nevertheless, significant water-related impacts have been identified both within the Company's own operations and across its value chain. These impacts include water consumption and withdrawal, as well as wastewater generation. Detailed information on the nature of these impacts, associated risks, and the measures undertaken by the Company are presented in the following sections.

E3-1 – Policies on Water and Marine Resources

Water Resource Management at Bielenda Group is based on the assessment of local hydrological conditions as well as compliance with applicable legal regulations and environmental standards. None of the production sites are located in areas of high water stress. At one location, a deep well is used for controlled water extraction. All sites also utilise water supplied by municipal water networks. According to data from the National Hydrological Protection System (Hydroportal), a moderate risk level of hydrological and hydrogeological drought (Class II) has been identified for the units located in Kąty Wrocławskie and Radzymin.

Given the absence of high risk, the Company does not currently have a dedicated water policy but is prepared to implement one if necessary. At present, water management issues are incorporated within the ISO 14001 environmental management system. However, Bielenda Group's operations in the cosmetics sector are subject to numerous European Union regulations directly related to the protection of water resources, with particular emphasis on reducing water pollution caused by chemical substances.

The key regulations include:

- ✔ In response to microplastic risks, since 17 October 2023, the marketing of cosmetics containing microbeads (e.g., in scrubs) is prohibited. Transitional periods apply for other products: until 2027 for rinse-off cosmetics, until 2029 for leave-on cosmetics, and until 2035 for colour cosmetics.⁵
- ✔ Under the REACH regulation, since 2020, nanomaterials used in cosmetics are subject to detailed reporting obligations. Manufacturers and importers must provide data on the properties of these substances and conduct risk assessments for human health and the environment.⁶
- ✔ Restrictions have been introduced on the use of cyclo-siloxanes D4, D5, and D6 in leave-on cosmetics and D6 in rinse-off

cosmetics. The maximum allowable concentration for these substances is 0.1%.⁷

Bielenda Group continuously monitors legislative changes and adapts its production practices and product formulations to comply with current regulations, treating the protection of water resources as a key element of its environmental responsibility.

E3-2 – Water and Marine Resources: Actions and Resources

Water Consumption: Technological Optimisations

Industrial dishwashers have been installed in laboratory areas, contributing to water consumption reduction. In 2025, the company plans to extend the acquisition of industrial dishwashers to production processes, where Thermal sterilisers are also utilised. These devices not only minimise sewerage usage but also reduce the amount of detergents required for cleaning.

Looking ahead, Bielenda Group will continue to explore investments aimed at reducing water consumption and minimising wastewater discharge. Previous investment analyses indicated that certain initiatives were either insufficiently effective or entailed prohibitively high implementation costs.

Investment in Closing the Demineralised Water Loop

The investment focused on optimising the operation of the water treatment plant, with particular emphasis on reducing water consumption in production and auxiliary processes. The project targeted the production of demineralised water, where historically approximately 500 litres of wastewater were generated per 1,000 litres of demineralised water produced. Since January 2023, the installed system has enabled the recovery and reuse of 50% of this waste, significantly decreasing wastewater volumes.

Further planned actions include valve replacements to enhance the cooling system's tightness, expected to reduce water consumption by approximately 20–25 m³ per day. Additionally, condensed steam will be redirected back into the process for heating purposes, yielding daily water savings of 4–5 m³. These measures are projected to increase equipment efficiency by around 20% and reduce gas consumption in generators by approximately 15%. These initiatives aim to ensure continuous steam supply for production, improve operational efficiency, and create a safety buffer for potential increases in production capacity.

5. Regulation on synthetic micro-particles (microplastics): Commission Regulation (EU) 2023/2055 of 25 September 2023 amending Annex XVII to Regulation (EC) No 1907/2006 of the European Parliament and of the Council concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) with regard to synthetic polymer microparticles.

6. Regulation on nanomaterials: Commission Regulation (EU) 2024/858 of 14 March 2024 amending Regulation (EC) No 1223/2009 of the European Parliament and of the Council as regards the use in cosmetic products of nanomaterials: styrene/acrylate copolymer, sodium styrene/acrylate copolymer, copper, colloidal copper, hydroxyapatite, gold, colloidal gold, gold with thioethylamine and hyaluronic acid, acetyl heptapeptide-9 with colloidal gold, platinum, colloidal platinum, acetyl tetrapeptide-17 with colloidal platinum, and colloidal silver.

7. Regulation on cyclic silicones: Commission Regulation (EU) 2024/1328 of 16 May 2024 amending Annex XVII to Regulation (EC) No 1907/2006 of the European Parliament and of the Council concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) with regard to octamethylcyclotetrasiloxane (D4), decamethylcyclopentasiloxane (D5) and dodecamethylcyclohexasiloxane (D6) provides for a three-year transition period for implementation. As of 7 June 2027, the placing on the market of non-compliant products (rinse-off products containing D6 / leave-on products containing D4, D5, or D6) will be prohibited.

Wastewater Management

Effective wastewater management is a critical element of environmental stewardship within the cosmetics industry. This responsibility spans both manufacturing processes and the everyday use of cosmetic products. Similar to other industrial sectors, cosmetics production generates aqueous waste streams that may contain chemicals, nanomaterials, and microplastics. In response to heightened environmental awareness and tightening regulatory requirements, the cosmetics industry is progressively adapting its approach to these challenges.

Currently,

95%

of raw materials used have been verified as free from microplastics, with a target of reaching 98% by 2025.

Microplastics in cosmetics pose a significant threat to aquatic environments by contributing to water pollution, endangering aquatic organisms, and disrupting ecosystems. Their presence typically stems from synthetic polymer microparticles used to enhance product stability, functionality, and rheology.

Unfortunately, microplastics are difficult to remove from water, exhibit toxicity to aquatic life, and can enter the food chain, posing health risks to humans. Regulatory frameworks are increasingly addressing this issue, and Bielenda Group, as a responsible cosmetics industry participant, is committed to replacing microplastics with more sustainable, eco-friendly alternatives.

At present,

95%

of raw materials are free from nanomaterials, with the objective of achieving 100% by 2025.

Products containing UV filters are excluded from this goal, given the higher health risk associated with skin cancer compared to the potential environmental impact of these substances.

Nanomaterials in cosmetics present environmental challenges, especially concerning water protection. These particles enter the environment primarily through rinsing during bathing or showering. While they offer benefits such as enhanced biological activity and improved protective efficacy, their presence in surface and groundwater poses potential risks. Nanoparticles are difficult to

remove using conventional water treatment methods, tend to bioaccumulate in aquatic organisms, and may trigger toxic effects that disrupt ecosystem balance.⁸

Although cyclic silicones significantly improve the application properties of products, they are difficult to biodegrade and may accumulate in aquatic organisms, posing a threat to the environment.⁹

Currently,

94%

of raw materials used in products are free from cyclic silicones. The target for 2025 is to increase this share to 97%.

Despite their significant contribution to product performance, cyclic silicones are resistant to biodegradation and can accumulate in aquatic organisms, representing an environmental hazard.

8. Source: Shin H.S., Park J.E., Lee S.H. (2023). Cyclic Volatile Methyl Siloxanes (D4, D5, and D6) as Emerging Pollutants: Environmental Distribution, Fate, and Toxicological Assessments. Environmental Science and Pollution Research, DOI: 10.1007/s11356-023-25678-9.

9. Source: Shin H.S., Park J.E., Lee S.H. (2023). Cyclic Volatile Methyl Siloxanes (D4, D5, and D6) as Emerging Pollutants: Environmental Distribution, Fate, and Toxicological Assessments. Environmental Science and Pollution Research, DOI: 10.1007/s11356-023-25678-9. The regulation concerning decamethylcyclopentasiloxane (D5) and dodecamethylcyclohexasiloxane (D6) provides for a three-year transition period for implementation. As of 7 June 2027, the placing on the market of non-compliant products (rinse-off products containing D6 and leave-on products containing D4, D5, or D6) will be prohibited.



Product Reformulations

Our portfolio includes rinse-free cosmetics such as leave-in conditioners, serums, micellar waters, and oils. These product types are important both environmentally and for everyday personal care because they:

- ✓ Reduce water consumption in households,
- ✓ Lower energy demand related to heating water,
- ✓ Support more sustainable lifestyles, particularly in water-scarce regions.



Bielenda Group develops formulations and application solutions that help minimise water usage during product use. Examples include:

2

Formulations that can be removed with a wipe or fully absorbed without the need for rinsing (e.g., SHEHAND paraffin hand treatment, SHEFOOT cracked heel ointment).

3

Optimised care routines such as 2-in-1 treatments or sachet systems where consumers perform only a single rinsing step, minimising water use (e.g., SHEHAND Rejuvenating Gloves – steps 1 and 2).

1

Rinse-free products (e.g., SHEHAND Luxury Golden Gloves, SHEFOOT Nourishing and Moisturising Socks infused with masks, SHECARE Clean Skin Therapy – Acidic Essence).

4

On-the-go or spot-application formats (e.g., SHECARE zinc paste), enabling precise and economical use often without requiring full skin rinsing afterward.



Our product range also includes algal gel masks, which, although requiring water addition during preparation, do not require rinsing after application. Once dried, these masks can be easily removed in one piece, making them quick and convenient to use.

When designing new products, we strive to reduce water use both in production and during consumer use. **These solutions support not only climate and environmental objectives but also promote simpler and more sustainable personal care routines.**

MIYA – superHairday
Suci Shampoo – 2in1
Styling Powder



Bielenda Professional
- Hydro Jelly Mask



Bielenda Professional – Lifting
Face Mask with Glow Effect and
Enzymatic Face Powder Peel



Noteworthy are the sachet mask formulations that require no rinsing, including:

- ✔ **Skin O3 Zone** – an oxygenating and brightening facial mask
- ✔ **Beauty Molecules** – a synbiotic facial mask
- ✔ **Firming Anti-Wrinkle Peptides** – a firming and nourishing facial mask
- ✔ **Skin Clinic Ceramidy** – a restorative and smoothing facial mask

For hair masks such as O3zon, rinsing with cold water is recommended, which also helps reduce energy consumption.

From a production standpoint, Bielenda Group is committed to **reducing water consumption early in the product development phase**. Examples include waterless formulas such as cleansing oils and butters (e.g., Skin Harmony) and body oils from the Lumiere line, which require no water during manufacturing. Furthermore, Lumiere products, designed as multifunctional cosmetics for face, body, and hair, support a minimalist approach to skincare. This indirectly helps reduce the number of products and skincare steps used, thereby contributing to overall water savings.

Rinse-free cosmetic formulas represent a **key element** in advancing sustainability within the cosmetics industry. They not only reduce water consumption but also **help decrease the carbon footprint of products**.

Carbon footprint analysis results (Scope 3) for the Pure Trends line demonstrate that heating water for rinsing accounts for a significant share of total CO₂ emissions. For rinse-off products, up to 90% of the carbon footprint is generated during the product use phase.¹⁰ Reducing water consumption throughout the product lifecycle aligns with the global pursuit of a more sustainable lifestyle and conscious use of natural resources.



Tołpa. White ON
toothpaste line



Bielenda Beauty Molecules
Molecular Synbiotic
Face Mask



HairBoom
Ozone Treatment Mask

¹⁰ Calculations developed in collaboration with the Climate Strategies Poland Foundation in 2023, in accordance with the GHG Protocol Product Life Cycle Accounting and Reporting Standard, September 2011, World Resources Institute and World Business Council for Sustainable Development.

E3-3 – Targets Related to Water and Marine Resources

Although the Company has not set a measurable target for reducing water consumption, it has committed in its Environmental Policy to ensuring its rational use. The Company undertakes actions in line with Quality Improvement Plans as well as environmental objectives and tasks defined for individual production facilities in accordance with the ISO 14001 standard. Designated employees from various departments are responsible for implementation, monitoring progress, and adapting production processes to applicable standards.

With regard to the products offered, the Company pursues environmental objectives related to the use of nanomaterials and microplastics, as described under disclosure E3-2.

E3-4 – Water consumption

Water consumption data are collected from the facilities in Kąty Wrocławskie, Radzymin, and Kraków. It is estimated that approximately 3–4% of the total water consumption is accounted for by water that is subject to reuse.

E3-5 – An Anticipated Financial Effects Arising from Material Water- and Marine-Related Risks and Opportunities

The Company has made use of the transitional period provided under disclosure E3-5. At present, no calculations have been carried out regarding the anticipated financial effects of material risks and opportunities related to water and marine resources.

Water consumption and resource management parameters in 2024

Parameter	2024
Total water consumption [m ³]	36,891
Total water consumption in areas exposed to water-related risks [m ³]	0
Total volume of water recycled and reused [m ³]	1,291
Total volume of water stored [m ³]	0
Water intensity [m ³ / million PLN]	72



ESRS E5 – Resource Use and Circular Economy

Resource use and circular economy (CE) represent one of the key areas of environmental impact for Bielenda Group, particularly in the context of production activities as well as product and packaging design. In the cosmetics industry, which is characterised by intensive raw material consumption, increasing regulatory requirements and growing consumer expectations are driving companies to implement measures aimed at reducing waste, improving material efficiency, and adopting eco-design principles. Aware of its responsibility, **Bielenda Group is developing initiatives that minimise resource waste and support material circularity throughout the product life cycle.** Examples of these initiatives are described in the subsequent part of this disclosure.

The approach to circular economy is pursued on two levels:

- ✔ **Operational level** – through reducing material losses, optimising raw material consumption, and introducing innovations in production processes.
- ✔ **Design level** – through the development of product offerings based on upcycled raw materials and more sustainable packaging solutions.

In 2024, particular emphasis was placed on eliminating ingredients such as nanomaterials and microplastics, **recovering raw materials from labels, optimising material use in production facilities, and increasing the use of certified paper and recycled packaging.**

E5.IRO-1 – Description of Processes for Identifying and Assessing Material Impacts, Risks, and Opportunities Related to Resource Use and the Circular Economy

As part of the analysis of impacts, risks, and opportunities, Bielenda Group conducted a review of its operational processes and the raw materials and substances used. The objective was to identify actual and potential impacts, risks, and opportunities related to the circular economy, both within the Company's own operations and across the value chain. The analysis covered key areas related to the use of raw materials and cosmetic ingredients, the design and life cycle of packaging, as well as the generation and management of production and packaging waste. The Company did not conduct separate social consultations regarding the impacts of its operations on resource circulation and waste management.

Significant environmental impacts as well as business risks and opportunities were also identified, arising, among other things, from the need to eliminate microplastics and silicones, implement eco-design principles, reduce the share of non-recyclable packaging, and adapt to increasing regulatory and consumer expectations concerning sustainable resource management. Detailed information on the identified impacts and the actions undertaken is provided in the subsequent sections.

E5-1 – Policies Related to Resource Use and the Circular Economy

Bielenda Group's Environmental Policy, described in section E1-2, covers key issues related to the circular economy. In this document, we declare our commitment to the rational use of resources – such as raw materials, energy, and water – as well as the implementation of technologies aimed at reducing emissions and waste generation.

To support these objectives, we are modernising our machinery to optimise energy and raw material consumption. Our actions also include responsible waste management and promoting environmental awareness among employees. In 2025, the introduction of the Eco-Design Code, described in more detail in section E5-3, is planned.

E5-2 – Actions and Resources Related to Resource Use and the Circular Economy

The circular economy is of key importance to the cosmetics industry, as it focuses on minimising the negative environmental impact of production and consumption. Like other sectors, the cosmetics industry faces increasing regulatory pressure and growing consumer demand for environmentally friendly solutions.

At Bielenda Group, we have consistently aimed to **reduce production losses and avoid unnecessary material consumption – both from an economic and environmental perspective**. This approach is applied by all employees, regardless of department or organisational level.

As part of our strategy, we implement a range of measures to minimise resource waste and support process circularity throughout the product life cycle. Our approach to CE encompasses operational, design, product, and educational activities.

Operational activities in production facilities

Optimising material flow between production facilities is one of the key actions we take to increase the efficiency of raw material use, reduce overproduction, and improve inventory management. This approach allows us to effectively reduce the amount of waste already at the generation stage.

- Optimising material flows between production facilities is one of the key measures we undertake to improve raw material efficiency, reduce overproduction, and streamline inventory management. This allows us to effectively reduce waste at the source.
- Optimising material flows between facilities to enhance production efficiency and reduce raw material surpluses.
- Replacing cardboard interlayers with shredded recycled paper and similar reusable packaging solutions.
- Reducing the use of single-use materials, such as bags for raw materials.

- Extending the shelf life of raw materials after additional testing and approval by technologists, in accordance with procedures at Radzymin and Kąty Wrocławskie, which in 2024 prevented the disposal of over 14 tonnes of raw materials.
- Analysing production non-conformities to prevent complaints and reduce disposal.
- Ensuring microbiological quality, particularly in the production of sensitive masses, in line with ISO 9001 standards.
- Maintaining technical efficiency of production equipment through regular inspections and replacement of spare parts.
- Modernising production lines to improve operational efficiency and reliability.

Actions related to formulations and ingredients

The use of upcycled and sustainably sourced raw materials allows us **not only to reduce consumption of primary resources but also to meet consumer expectations for ethical and conscious choices**.

In 2024, we used

55.98 tonnes

of upcycled raw materials, including oils from fruit seeds, extracts from agricultural residues, and zero-waste components.

We also launched a new product line, Bless The Less by Miya, developed under the less-waste philosophy, respecting natural resources and embracing refined simplicity. The formulations include ingredients sourced from upcycling.



Procurement of plant-based raw materials and supply chain control

Bielenda Group conducts systematic **monitoring of plant-based raw materials**, with particular attention to geographic origin, cultivation methods, environmental and social certification, and potential supply chain risks. Special attention is given to so-called critical raw materials, as defined in EU implementing acts, including cocoa, coffee, soy, and palm oil.

In 2024, a detailed analysis was carried out on raw materials containing cocoa, coffee, and soy, considering:

- ✔ Existing certifications,
- ✔ Origin from organic or extensive cultivation,
- ✔ GMO status,
- ✔ Share of upcycled ingredients,
- ✔ Availability of complete supplier data.



Coffee

Two raw materials containing coffee (Arabica and Robusta) were included in formulations:

- ✔ None had environmental or social certification,
- ✔ 1 was sourced from controlled cultivation,
- ✔ 1 was obtained through upcycling.

Despite the lack of certification, the supplier declares transparency of the process and the possibility of considering certified coffee for higher volumes or dedicated product lines.



Cocoa

During the reporting period, 4 cocoa-containing raw materials were identified:

- ✔ 3 were covered by environmental or social certifications (Fair Trade, Cocoa Horizon, COSMOS Organic),
- ✔ 1 raw material was uncertified.

This means that 3 out of 4 (75%) cocoa raw materials used were certified. For some products, supplier declarations allow the selection of raw materials compliant with purchasing policies, e.g., Cocoa Horizon.



Soy

12 soy-based raw materials were identified:

- ✔ 4 included upcycled ingredients,
- ✔ 3 came from extensive cultivation (requiring minimal fertilisation),
- ✔ 2 were GMO or could not be verified as non-GMO,
- ✔ For the remaining suppliers, complete information on certification or cultivation type was unavailable.

The diversity of sourcing methods for soy highlights the importance of further supply chain data collection and supporting suppliers in documenting origin and agricultural practices.

Palm oil

Palm oil sourcing in 2024 included:

- ✔ 212 certified raw materials,

This means that 212 (71%) palm oil raw materials used were certified. The variety of sources indicates the need to further increase the share of certified ingredients and verify supplier practices throughout the supply chain.



In response to the challenges of responsible resource management, Bielenda Group is consistently expanding its portfolio of upcycled ingredients. In the past year alone, **55.98 tonnes of such raw materials** were used as alternatives to primary ingredients – those obtained directly from natural resources without prior use in the production cycle. These include, among others, plant oils derived from fruit waste, extracts from agricultural residues, and components developed in line with **the zero-waste philosophy**. Such solutions not only support environmental goals but also enhance transparency and innovation in cosmetic formulations.

Monitoring activities

To ensure consumer safety and minimise environmental impact, Bielenda Group systematically monitors the presence of so-called prohibited ingredients, such as microplastics, nanomaterials, and cyclic silicones. These activities form an integral part of the eco-design approach and the achievement of long-term ESG goals.

In 2024, a total of 267 active SKUs from Kąty Wrocławskie and Radzymin facilities were analysed, revealing that:

- ✔ **95%** of SKUs were already free from microplastics,
- ✔ **95%** of SKUs contained no nanomaterials (100% elimination achieved in Kąty Wrocławskie),
- ✔ **94%** of SKUs were free from cyclic silicones.

The results confirm a high level of compliance of products with the established environmental criteria. Overall, only 10% of products still contain any of the prohibited ingredients, demonstrating that achieving further targets is not only feasible but also easy to monitor and assess.

Specific reduction targets for each type of ingredient have been set for 2025:

98%

of SKUs free from microplastics,

100%

elimination of nanomaterials (excluding UV filters – the risk of skin cancer is more serious than the potential contamination of the aquatic environment with UV filters),

97%

elimination of cyclic silicones.

As part of the review of substances of special concern, the Company analysed the materials included in purchased raw materials during the reporting period, with a focus on microplastics, nanomaterials, and cyclic silicones, in accordance with REACH regulations and the EU Waste Framework Directive.

Microplastics

The share of materials containing microplastics in the total mass of purchased raw materials amounted to **only 0.01%**, while 99.99% of materials were free from microplastics.

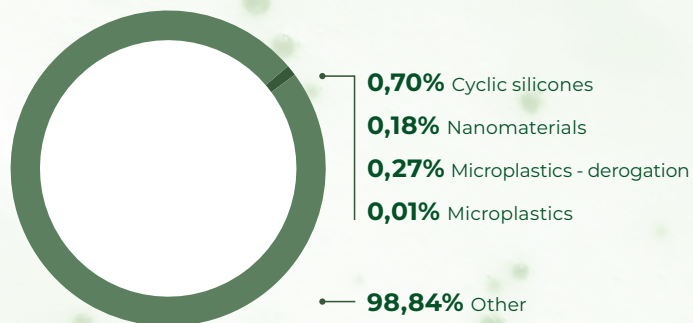
Microplastics under derogation

Under current regulations, the use of a limited amount of microplastics is allowed under derogation. This accounted for **0.28% of all purchases**. The total share of microplastics, including both standard and derogated, was **0.29% of the total mass** of purchased raw materials.

Nanomaterials

Nanomaterials accounted for **0.18% of the total mass of purchased raw materials**, with the remaining 99.82% free from such ingredients, confirming their limited and controlled use.

Share of special risk substances in the quantity of purchased raw materials [kg]



Cyclic silicones

Cyclic silicones accounted for **0.70% of the total mass of purchased raw materials**. Their presence is systematically monitored for potential impacts on aquatic environments and human health.

Additional information: Compliance with the EUDR (Regulation on deforestation-free products)¹¹

As part of preparations for full compliance with the EUDR, a preliminary assessment was conducted to evaluate the availability of data regarding the compliance of purchased raw materials with the requirements to eliminate those originating from deforested areas after the reference year. While the EUDR itself does not cover cosmetic products, it clearly specifies that the regulation applies only to certain raw materials.

The results indicate that in 2024:

32%

of the purchased raw materials are covered by the EUDR regulation. Of these, 23% are RSPO certified, while 9% are under review or lack the required documentation.

¹¹ Regulation (EU) 2023/1115 of the European Parliament and of the Council of 31 May 2023 on the making available on the Union market as well as the export from the Union of certain commodities and products associated with deforestation and forest degradation, and repealing Regulation (EU) No 995/2010 (Text with EEA relevance) <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32023R1115>

By volume,

525.17 tonnes

are RSPO-certified, representing 71%, while 218,939.70 tonnes (29%) are under review or lack adequate documentation.

68%

of all raw materials were identified as not covered by the EUDR.

This data will be progressively supplemented as part of the supply chain transparency improvement strategy and the implementation plan for measures aligned with due diligence obligations.

Circularity of water, materials, and packaging

Closing the loop for water, materials, and packaging represents another pillar of our circular economy strategy.

These activities encompass both production processes and supporting actions related to distribution and internal materials management.

Key actions:

- Returning DEMI water to the technological cycle, accounting for 3–4% of total water intake at the facilities,
- Collecting and using rainwater for irrigation of greenery around the facilities,

- Using equipment to reduce waste volume (e.g., compactors) to minimise the number of transports to external recipients,
- Rotating large-capacity packaging (e.g., pallet containers) to prevent disposal,
- Donating products with short shelf life and conducting internal clearance sales to reduce waste,
- Collaborating with UPM Raflatac on the recovery of label backing materials – in 2024, 21.6 tonnes of material were sent for reuse, resulting in a reduction of 8.7 tonnes of CO₂e emissions.

E5-3 – Targets Related to Resource Use and the Circular Economy

As part of its sustainability initiatives, Bielenda Group is developing an Eco-Design Code, which will serve as an internal standard for product design in accordance with circular economy (CE) principles. The Code will address aspects such as responsible use of natural resources, minimisation of pollution, and rational management of materials at every stage of the product life cycle.

% of products compliant with eco-design principles

Target 2030 **50%** → Target 2050 **100%**

% (content) of recycled material in packaging

35% → **65%**

These activities are part of Bielenda Group's strategic goals for sustainable resource management and deforestation prevention.

The company closely monitors legislation related to the implementation of the EUDR. Despite successive postponements of its enforcement by the European Commission, Bielenda Group is committed to making every effort to meet all legal requirements in this area in the future.

At the same time, the company plans for 98% of raw materials used in its products to be microplastic-free by 2025, and 100% by 2050.

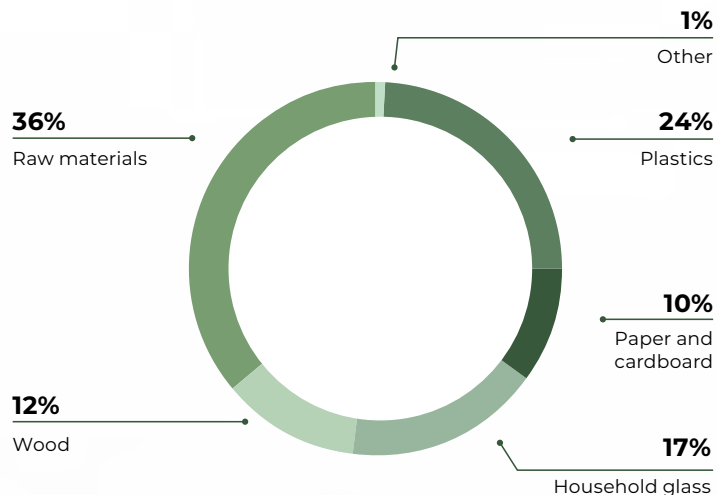
By 2025, all raw materials are to be free from harmful nanomaterials, excluding UV filters, whose use is justified by human health protection. Additionally, 97% of raw materials are to be free from cyclic silicones by 2025, with full elimination of this group of ingredients planned by 2030.

The company does not currently have targets that incorporate ecological thresholds.

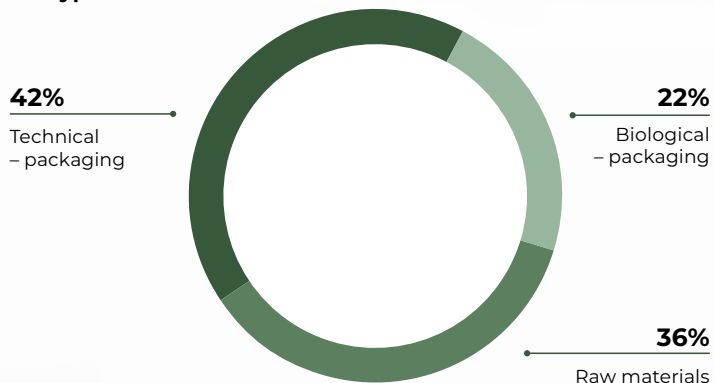
E5-4 – Resources Introduced

Bielenda Group introduced the resources necessary for operational activities, including materials used for product packaging and logistical support processes. Key materials included both technical and biological raw materials, primarily used in the form of primary and secondary packaging.

Structure of material consumption by type in 2024 (T)



Structure of packaging materials consumption by raw material type in 2024



Among biological materials, paper, cardboard, and wood were predominant, primarily used in product packaging and distribution processes. Biological materials differ from technical materials in that they can undergo natural decomposition processes and are linked to the biological cycle of resources.

Raw materials are classified as a separate group due to the current lack of categorisation within the two groups mentioned above.

The total mass of packaging materials introduced into Bielenda Group in 2023 amounted to 6,459.87 t. Of this total:

42%

2,709.87 t were technical materials: plastics, glass packaging, aluminium, and steel sheet,

22%

1,417.75 t were biological materials: paper, cardboard, and wood,

36%

2,332.25 t were raw materials.

The data on the mass of materials introduced into the organisation originates from the company's internal packaging material records and procurement documentation. Most of the figures are based on direct measurements and weight reports, while for certain items estimates were applied, using average unit weights and sales volumes. The adopted assumptions reflect the typical weights and dimensions of components, in line with the technical specifications provided by suppliers.

Resource category	Unit	2024
Total mass of products introduced into the organisation	t	6,459.87
Total mass of technical materials used in packaging introduced into the organisation, including:	t	2,662.15
Plastics	t	1,531.68
Aluminium	t	17.44
Steel sheet	t	6.31
Glass (packaging)	t	1,106.71
Multilayer packaging	t	47
Packaging for hazardous substances	t	0.23
Total mass of biological materials used in packaging introduced into the organisation, including:	t	1,417.75
Paper and cardboard	t	634.00
Wood	t	783.75
Total mass of packaging materials introduced into the organisation	t	4,079.90
Share of secondary/recycled materials	%	35.00
Raw materials	t	2,332.25

The main technical materials included plastics, aluminium, steel, and glass packaging.

E5-5 – Outputs of Resources

Waste management represents a key aspect of Bielenda Group's environmental responsibility, particularly in the context of production activities. The Company monitors the waste it generates, classifying it in accordance with applicable regulations and ensuring its appropriate transfer for recovery or disposal. The data presented below reflects the actual scale and structure of waste generated in 2024.

For Bielenda Group, an important aspect of environmental impact is the waste generated. The main waste streams originate from operational activities, particularly production processes. The total amount of waste generated within the organisation amounted to 738.67 t, of which 395.98 t (53.60%) was not recycled.

In 2024, a total of 2.85 t of waste was sent for disposal, including 2.34 t of hazardous waste and 0.51 t of non-hazardous waste. Waste was primarily disposed of through incineration and other disposal processes.

For Polish subsidiaries, waste data is mainly sourced from the BDO registers. Bielenda Group continuously monitors the quantity of waste generated and analyses historical data, which helps identify sensitive areas. The actual amount of waste generated is monitored, collected, and processed in spreadsheets. Based on this analysis, decisions are made regarding the management and disposal of waste. The data presented in the table were collected from actual records and reported to the BDO platform.

In accordance with ISO 14001, we define environmental aspects in which the type of waste is identified as a relevant aspect, including the point of generation and waste code. The procedures for waste handling, required documentation, and its storage are also specified.

Each of our product packages indicates the product's shelf life. Depending on the type of formulation, the type of active ingredients, as well as the packaging design and application method, products generally have a shelf life of 2 to 3 years.

E5-6 – Expected Financial Effects Resulting from Impacts, Risks, and Opportunities Related to Resource Use and the Circular Economy

Under disclosure E5-6, the Company has made use of the transitional period. At this stage, no calculations have been carried out regarding the anticipated financial effects arising from material risks and opportunities related to water and marine resources.

Resources discharged from the organisation	2024 [t]	2024 [%]
Waste directed to recovery	735.82	99.61%
Hazardous waste	8.50	1.15%
Preparation for re-use	0.00	0.00%
Recycling	2.90	0.39%
Other recovery processes	5.60	0.76%
Non-hazardous waste	727.32	98.46%
Preparation for re-use	0.00	0.00%
Recycling	339.80	46.00%
Other recovery processes	387.52	52.46%
Waste directed to disposal	2.86	0.39%
Hazardous waste	2.35	0.32%
Incineration	2.35	0.32%
Landfilling	0.00	0.00%
Other disposal processes	0.00	0.00%
Non-hazardous waste	0.51	0.07%
Incineration	0.51	0.07%
Landfilling	0.00	0.00%
Other disposal processes	0.00	0.00%
Total amount of waste	738.67	100.00%
Total amount of radioactive waste	0	0.00%
Total amount of non-recycled waste	395.98	53.61%



SOCIAL

Social responsibility begins with everyday decisions – in the workplace, in relationships, and within the environment we help shape. We believe that a company's growth only makes sense when it also benefits the people around us. That's why we strive to foster a culture of mutual support and open dialogue.



ESRS S1 Own Workforce

The year 2024 was a period of significant organisational change for Bielenda Group, driven by the integration of the **tolpa.** and **Miya** brands into a single capital group. The merger process posed a number of operational challenges, particularly in the area of human resources management. Key actions included the consolidation of databases, the standardisation of operating systems, and the harmonisation of internal procedures and regulations. This process was carried out in dialogue with employee representatives, including active participation from Trade Unions.

As part of building a unified organisational culture, a range of integration initiatives were implemented, such as **Kindness Week, Quality Day, volunteering campaigns, thematic events, and holiday gatherings.**

Bielenda Group consistently cultivates a professional environment based on safety, diversity, and inclusion. The company has implemented policies supporting work-life balance, including flexible working hours and the option to perform tasks remotely. At the same time, it monitors pay equity, maintaining an unadjusted gender pay gap at 3.4%. The Group also offers development programmes and training in occupational health and safety (OHS) as well as technical competencies.

Despite the advanced integration efforts, the company recognises the need for further harmonisation of processes, strengthened knowledge-sharing across locations, and deeper team integration within the new structure. Regular employee needs assessments and the continued development of engagement initiatives remain

key pillars of the organisation's strategic plans for the coming years.

ESRS 2 SBM-2 – Stakeholder Interests and Opinions

The interests, opinions, and rights of Bielenda Group employees – including respect for human rights – are a key element of the company's business model, as detailed in ESRS 2 SBM-2. The company incorporates employee perspectives into human resource management processes.

Trade unions operate within Bielenda Group, and an ongoing dialogue is maintained to address employee needs, professional situations, and matters arising from applicable labour laws. Employees can voice their concerns to their direct supervisors, and raised issues are discussed either with the management team or the HR Department, depending on their nature and significance.

In 2024, the company conducted an employee satisfaction survey, with results presented in section S1-2.

Bielenda Group also conducts return-to-work interviews following sick leave, using a standardised form. The purpose of these conversations is to understand the employee's experience during the absence, support their reintegration process, and identify any further needs. Additionally, the organisation carries out exit interviews to analyse the reasons behind employee departures.

In line with ISO standards, the organisation has established procedures and processes for personnel management. These are

currently under review and being updated in connection with the ongoing integration of the companies within the Group.

ESRS 2 SBM-3 – Material Impacts, Risks, and Opportunities and Their Interrelation with the Strategy and Business Model

As part of the activities conducted in 2024, employees were actively involved in **identifying material ESG topics through the double materiality assessment process.** This included an employee survey that gathered opinions on environmental, social, and governance-related matters.

Bielenda Group operates in three locations across Poland and adheres to the principles of labour ethics. The company does not employ minors in violation of the law, and in cases where juvenile employees are hired, it fully complies with applicable national regulations. Currently, there is no workforce-related transition plan in place. No instances of forced labour or child labour were identified within the company's operations. Bielenda explicitly prohibits forced labour and the employment of minors, both within its own facilities and throughout its contract manufacturing processes. The disclosure scope covers all employees directly employed by the organisation. Employee-related issues were also addressed in the double materiality analysis. Detailed information on related impacts, risks, and opportunities is presented in ESRS 2 IRO-1 and in the description of the double materiality assessment process.

Furthermore, when analysing the potential impacts of the strategy and business model on the workforce, the company identified

challenges specific to certain employee groups. These include the risk of work overload among employees in shift-based roles, as well as development needs among production staff and individuals returning after extended absences.

S1-1 – Policies Related to the Own Workforce

Below are the policies related to the own workforce currently in effect at Bielenda Group

Policy Name	Description	Scope	Responsibility
Occupational Health and Safety Policy	The objective of the Occupational Health and Safety (OHS) Policy is to foster a culture of safety by building employee awareness and engagement in activities aimed at ensuring a safe working environment, as well as to ensure compliance with applicable legal and regulatory requirements. The OHS Policy, in force since December 2024, addresses the key issue of occupational health and safety. It was developed based on national legislation and industry standards in the cosmetics sector, and its provisions are reviewed every two years or as needed. As part of the Double Materiality Assessment, OHS topics were evaluated from the stakeholders' perspective, and the policy itself was reviewed and approved by trade unions. The document is made available to employees on information boards and, starting in 2025, will also be accessible through the employee portal.	The OHS Policy defines the main commitments as follows: Main commitments: • Compliance with legal and internal regulations. • Identification and monitoring of hazards. • Implementation of OHS principles at all organisational levels. • Employee training in occupational health and safety. • Prevention of accidents and occupational diseases. • Regular monitoring and evaluation of OHS activities. • Consultation with employees and trade unions. • Promoting a culture of shared responsibility for safety. Scope of application: • All employees of Bielenda Group S.A. • Contractors and visitors across all company locations.	The implementation of the policy is the responsibility of the OHS Department Responsibility for complying with the commitments outlined in the policy lies with the employer, management at all levels, and every employee.
Recruitment and Employment Procedure	The purpose of the procedure is to recruit qualified employees and ensure equal access to the recruitment process within Bielenda Group. Recruitment is conducted objectively and based solely on a substantive assessment of qualifications and professional competencies. Each stage of the process is designed to guarantee equal treatment of candidates and eliminate any form of discrimination unrelated to competence or alignment with the company's organisational culture The procedure addresses key topics such as gender equality, equal pay for work of equal value, and diversity. It is currently being standardised across all company locations, is based on established market standards, and has not been subject to stakeholder consultation.	The scope of the procedure includes: • reporting staffing needs, the recruitment process, • the employee hiring process, introductory training, • and arrangements for providing the equipment necessary for performing duties in the designated position.	The Director of Human Resources and Payroll is responsible for implementing the procedure. Its execution is ensured by the entire HR Department and managers supervising employees.

Policy Name	Description	Scope	Responsibility
Employee Appraisal Procedure (currently only in Kąty Wrocławskie)	The procedure aims to standardise performance and competency assessments of production employees to support skill development and increase work efficiency. The periodic appraisal system seeks to: • define employee qualification levels; • identify development needs; • improve communication between supervisors and subordinates. enhance communication between supervisors and subordinates. The appraisal system is an internally organised set of techniques, criteria, and principles aligned with company goals. The procedure currently applies only in Kąty Wrocławskie and is planned to be implemented in Radzymin in 2025. It is available for review at the HR Department.	The initial appraisal phase covered 25% of employees in Kąty Wrocławskie (production staff). In 2025, the target is 50% of employees appraised, with full coverage planned in subsequent years.	The HR Director is responsible for implementation, while Department managers and HR oversee execution.
Training and Employee Development Procedure	The procedure aims to enhance employee qualifications. It addresses the material topic of training and skills development. Currently being standardised for the entire group, the procedure is available in the HR Department.	The procedure includes: • Identifying training needs. • Evaluating training effectiveness.	The HR Director is responsible for implementation. Department managers and HR oversee execution.
Work Regulations	The purpose of the Work Regulations is to define the rules governing the organization and order of work within Bielenda Group units, as well as the rights and obligations of both the employer and employees. The Work Regulations address key topics such as: • occupational health and safety; • gender equality; • diversity; • training and skills development. The updated version of the regulations, effective as of April 2024, has been developed in accordance with national legislation and is available on the employee portal. It is presented to employees before they commence work, and they confirm their familiarity with it by signing an acknowledgment.	The document regulates working hours, attendance, breaks, OHS and fire protection obligations, The anti-discrimination policy, the disciplinary system, employee material liability, and the use of company equipment. It also covers salary payment terms, employer's information duties, and rules regarding shift work, overtime, and task-based working time.	The HR and Legal Departments are responsible for implementation. Compliance is required from both the employer and all employees, regardless of position or contract type.
Remuneration Regulations	The agreement on work-life balance, updated as of January 2025, has been prepared in accordance with national legislation and in consultation with trade unions. It is available at the HR Department, from supervisors, and on the employee portal.	The regulations govern, among other things, the structure of remuneration (base salary, bonuses, commissions, and allowances), the rules for payments related to vacation, sickness, downtime, business trips, as well as the granting of awards and additional benefits. The document also sets out the rules for payroll deductions, including mandatory deductions required by law, as well as voluntary deductions made with the employee's consent, such as contributions to voluntary insurance schemes or other payments agreed upon by both parties.	The implementation of the remuneration regulations is the responsibility of the Director of Human Resources and Payroll, and compliance with them applies to all employees.

Policy Name	Description	Scope	Responsibility
Remote Work Agreement	The document defines rules for remote work, including employee and employer obligations, OHS requirements, and work organisation outside the office. It addresses the material topic of work-life balance. The updated agreement has been in effect since January 2025 and is based on national legal requirements. It was consulted with trade unions. The agreement is available in the HR Department, with supervisors, and on the employee portal.	The agreement regulates: • Remote work application procedures. • Hybrid work schedules. • Control mechanisms. • Equipment requirements. • Data protection. • Reimbursement of energy and internet costs. Occasional remote work (up to 24 days per year). It also specifies situations when the employer may unilaterally mandate remote work (e.g., during epidemics) and obligations concerning confidentiality and office availability.	The HR Director and Legal Department are responsible for implementation. Compliance applies to employees eligible for remote work (e.g., administration, HR, marketing, IT, ESG, logistics) and positions suitable for remote work.
GDPR Compliance Regulations	The regulations ensure compliance with GDPR and implementation of personal data protection principles. The document applies organisation-wide and is updated as legal or internal procedure changes occur. It is available in the HR Department and with the Data Protection Officer.	The regulations cover IT equipment use, password policy, access management, paper documentation protection, internet and email usage rules, incident response, and confidentiality obligations.	The Legal Department is responsible for implementation. Compliance is mandatory for all employees, collaborators, and system users with access to personal data.
Code of Ethics	Described in detail under disclosure G1-1		
Anti-Bullying Policy	Described in detail under disclosure G1-1.		

S1-2 – Procedures for Engagement with Internal Human Resources and Employee Representatives on Impact-Related Issues

Trade unions play a vital role in representing employee interests. Bielenda Group cooperates with the trade union organisation in identifying and addressing employee expectations.

Consultations with trade union representatives provide an opportunity to discuss organisational matters, employment conditions, work-

place safety, and other issues raised by employees. This collaboration promotes transparency and strengthens employee engagement.

Employee meetings with management representatives are organised at each company location.

Their aim is not only to share information about the company's development plans, but most importantly to discuss team challenges and expectations. These activities help in identifying employee needs in real time and implementing operational improvements.

The HR Department actively participates in internal company dialogue.

Employees have the opportunity to directly contact the HR team and raise matters related to working conditions, benefits, skill development, and work-life balance. These consultations complement formal mechanisms and provide a valuable source of insight into the organisational climate.

Employee Satisfaction Survey

At the end of 2024, an employee satisfaction survey was conducted to gather feedback on various topics, including internal collaboration, relationships with supervisors, workplace safety, benefits satisfaction, and employee wellbeing.

The survey results were thoroughly analysed by the HR Department and translated into an action plan focusing on areas for improvement. Based on the analysis, the organisation implemented, among other initiatives, a new benefit – a platform of-

fering psychological support and continuous access to wellbeing resources, including diversity and work-life balance.



Sample questions from the Bielenda Group employee satisfaction survey include:

Are you aware that Bielenda operates a whistle-blower system (to report irregularities)?

At Bielenda, I feel I am treated fairly.

I feel free to express my opinions at work, and my views are taken into account.

My immediate supervisor adheres to the principles of social coexistence in daily interactions.

Key aspects assessed in the Bielenda Group employee engagement survey:



Work engagement

how employees perceive their tasks, and whether they feel motivated and accountable for outcomes.



Relationships with supervisors and colleagues

evaluation of communication, collaboration, and team atmosphere.



Working conditions

understanding whether employees feel safe at the workplace, are satisfied with their work environment, benefits, development opportunities, and work-life balance.

The overall employee engagement score in 2024 was 66%, with a participation rate of 43%. The survey enabled us to identify the strengths and weaknesses of the Bielenda Group organisation

Attendance

43%

Overall score

66%

The outcome of the engagement survey is a corrective action plan aimed at addressing identified areas for improvement.

Bielenda Group continuously implements initiatives to strengthen relationships among employees, including Kindness Week, and St. Nicholas Day celebrations.

The main aspects examined in the Bielenda Group employee engagement survey:

What do employees value?



Working
atmosphere



Stability
and security



Flexibility



Benefits
and allowances



Taking care
of employees



Company
prestige



Investments
in development

Work areas



Organizational communication
and culture.



Work Organisation and tools



Training and remuneration

Occupational Health and Safety

Bielenda Group maintains ongoing communication with trade unions, engaging in discussions concerning actual and potential impacts on working conditions, particularly in the area of Occupational Health and Safety (OHS).

Prior to the merger of the companies, trade unions operated exclusively at one location, namely in Kąty Wrocławskie. Following the merger, steps were taken to enable trade union membership across all company units.

At Bielenda Group, quarterly meetings of the OHS Committee are held, with equal representation from employee representatives – including trade unions and social labour inspectors – as well as employer representatives and the occupational health physician.

The responsibilities of the OHS Committee, acting as an advisory and consultative body to the employer, include:

- 🌿 reviewing working conditions, including periodic assessments of occupational health and safety;
- 🌿 formulating recommendations for improving working conditions;
- 🌿 providing opinions on the employer's initiatives aimed at preventing workplace accidents;
- 🌿 cooperating with the employer in the performance of duties related to occupational health and safety (OHS).

It is standard practice within the company to conduct direct dialogues with employees at the team and production site levels. Both OHS and HR matters are regularly discussed in periodic meetings with the Management Board.

An annual analysis of the OHS status and safety improvement plans is conducted regularly with plant operations directors, the OHS service, and the Management Board in a dedicated meeting.

In the employee satisfaction survey, workers rated the OHS aspects within Bielenda Group highly (on a scale from 1 to 10, where 10 represents the highest level of satisfaction).

I have access to the necessary personal protective equipment (PPE)	7.9
I feel safe on the premises outside the buildings (parking area/around the warehouse)	7.9
I feel safe while performing my duties	7.8

Training

The HR Department and direct supervisors are responsible for overseeing the training process.

Training needs of Bielenda employees are determined based on the qualification requirements of the employed personnel and the business needs. In justified cases, each employee may request ad hoc training not included in the annual plan within the calendar year, subject to the approval of the Director of Human Resources and Payroll.

Internal training sessions are conducted by the Company's employees, carried out according to the annual plan, and are subject to ongoing evaluation. These include both internal activities led by employees and external training overseen by the HR Department. Each training session is assessed, and its effectiveness is monitored over time, enabling continuous improvement of the competency development process.

Following the review of employee satisfaction survey results, the Company identified the need to enhance the training process and plans to implement a corrective action plan in 2025.

The HR Department and direct supervisors are responsible for overseeing the training process

S1-3 – Processes for Remediation of Negative Impacts and Channels for Raising Concerns by Own Workforce

The organisation provides various channels for reporting violations, irregularities, and other concerns aimed at improving quality, employment conditions, and social coexistence principles. One such channel is the online tool – the Ethics Line platform. Employees may also submit reports directly to their supervisors or the HR Department. The operating principles of the Ethics Line and the Ethics Committee are described in section G1.

Occupational Health and Safety

a. Remedial Measures and Response to Negative Impacts

Upon receiving a report concerning an occupational health and safety (OHS) incident, a thorough analysis of the report is conducted, and preventive measures are established. The response to the report varies depending on the nature of the incident. If the incident is classified as high risk with significant probability, immediate actions are taken, which may include suspension of work – these situations are extremely rare, and employees are promptly informed.

Corrective actions in the area of OHS are implemented according to a defined hierarchy – first aiming to eliminate hazards at their source; if that is not feasible, technical, organisational, and personal protective measures are applied in sequence.

Corrective Actions in the Bielenda Group OHS Area:

- 1. Elimination of Hazards at the Source:** The most effective method of risk reduction, involving complete removal of the hazard from the work process or environment.
- 2. Substitution of Hazards:** When elimination is impossible, replacing a hazardous process, device, or material with a less dangerous one.
- 3. Technical Controls:** Including ventilation systems, protective screens, insulation, as well as machinery and equipment designed to reduce employee exposure to hazards.

4. Organisational Controls: Such as implementing procedures, training, machine operation instructions, and limiting exposure time to hazards.

5. Personal Protective Equipment (PPE): Equipment that protects employees from specific hazards, e.g., gloves, safety glasses, helmets. PPE is the last line of defence and is used only when other, more effective measures cannot be implemented.

In compliance with legal requirements, employees undergo initial, periodic, and control medical examinations to verify their medical fitness and determine eligibility for specific job roles.

Approximately 10% of Bielenda Group employees across various departments are trained in first aid, providing support throughout the company. Appropriate rescue equipment is also available. Furthermore, as part of fire safety efforts, regular technical inspections and evacuation drills – including trial alarms – are conducted. Designated employees are trained in evacuation management.

In 2025, the company plans to focus on employee mental health by introducing a new benefit that provides access to professional psychological support services.

b. Channels for Raising Concerns

In the highest-risk areas (production), daily meetings are held to review the previous day's work, including incidents and other OHS activities.

Every employee has the right to raise concerns personally or through the incident reporting system, via email or the FlexiProject application (software available at the Kąty Wrocławskie production site). We emphasise the importance of employee awareness regarding hazard reporting as a means to directly improve workplace safety. Reports are submitted to supervisors, who then inform the OHS Department.

Reports are analysed by the OHS Department in collaboration with supervisors, often using monitoring data. Preventive actions are determined based on this analysis, and employees are informed about incidents. The OHS Committee convenes quarterly to discuss safety issues, complaints, and grievances raised by trade unions, subsequently making joint decisions on corrective measures.

c. Monitoring and Effectiveness

The degree of implementation of preventive actions is verified differently depending on the location of individual workplaces – for example, during biweekly meetings between the OHS Department and area managers or ongoing site inspections. The organisation monitors the number of accidents and other key indicators, which are detailed in subsequent sections of this report.

Diversity and Work-Life Balance

1. Remedial Measures and Supportive Actions

Bielenda Group recognises diversity as a fundamental element of sustainable development and organisational culture. The company promotes a work environment that respects differences related to gender, age, ethnic origin, sexual orientation, disability, religion, beliefs, or lifestyle. This approach fosters a team built on mutual respect, inclusion, and the full utilisation of employees' potential. As part of efforts to support these areas, the Code of Ethics was established, which is described in more detail in section G1-1, alongside the implementation of appropriate reporting channels outlined below.

Bielenda Group supports work-life balance by offering flexible working hours and, where possible, remote or hybrid work models. Employees have access to tools and technological support that facilitate effective work outside the office.

In managing diversity, the company considers the individual needs of teams through the implementation of employee appraisal programmes and development plans, alongside employee satisfaction surveys. From 2025 onwards, programmes will also have access to psychological consultations and coaching support in cases of health, mental, or family challenges.

2. Reporting Channels for Concerns

The company has established procedures for reporting and addressing cases of discrimination, harassment, exclusion, or workload-related issues. Employees may report concerns anonymously through a dedicated internal channel in a formal manner (whistleblowing platform, known as the Ethics Line) or informally (reporting directly to a supervisor or the HR Department). Each report is analysed confidentially and impartially, and appropriate corrective measures are implemented when necessary. The employer is required, in accordance with the internal Anti-Harassment Policy and other relevant procedures, to resolve employee reports in a timely and effective manner.

3. Monitoring and Effectiveness

The implementation level of preventive measures was assessed, among others, based on the results of a survey, in which 73% of employees confirmed their awareness of the company's platform for reporting irregularities. Despite ongoing informational activities, there is a recognised need to reinforce communication in this area. Additional reminder actions are planned to increase awareness and accessibility of the tools enabling the reporting of irregularities.

To date, no reports of irregularities have been recorded through the available channels. In the event of a report, the applicable procedures guarantee full protection for whistle-blowers in accordance with legal regulations and internal policies. Any retaliatory actions against the reporting individual are strictly prohibited and constitute a violation of internal company procedures.

The company strives to maintain dialogue between employer and employees and ensures impartiality in handling reports, in line with the procedure described in S1-1.

Trainings

Trainings are described in more detail in subsection S1-2. The training process is currently being standardised across all locations.



S1-4 – Actions Taken to Address Significant Impacts on Internal Human Resources, Apply Approaches for Managing Material Risks and Leverage Key Opportunities, Along With an Assessment of Their Effectiveness.

Occupational Health and Safety (OHS)

Employee safety is a top priority for Bielenda Group; therefore, each location has dedicated Occupational Health and Safety (OHS) departments responsible for monitoring workplace safety and hygiene conditions, as well as reporting the current situation to the employer.

Key Occupational Health and Safety (OHS) initiatives include:

- ✔ Mandatory pre-employment medical examinations as well as periodic environmental condition assessments and monitoring;
- ✔ Introductory, periodic, and specialised training sessions (including first aid, evacuation procedures, chemical hazards, and working at heights), with a strong emphasis on practical exercises;
- ✔ Regular meetings between OHS departments and management, tailored to the specific characteristics of each facility;
- ✔ Collaboration and best practice exchange among OHS departments;
- ✔ Incident reporting system monitoring and streamlined procedures for handling hazardous situations;
- ✔ Access to up-to-date safety data sheets, including through the chemIQ app (currently piloted and planned for broader implementation);

- ✔ Consultations with employees and OHS departments during planning of workplace changes and procurement of new machinery and equipment;
- ✔ Opportunities for job position changes and rotation to reduce ergonomic strain;
- ✔ Automation of selected processes to physically alleviate employee workload;
- ✔ Comprehensive OHS status analysis prepared for all facilities and presented to the Management Board in 2024.

Monitoring and effectiveness are described in more detail in section S1-3.

Diversity and Work-Life Balance

As part of supporting work-life balance, Bielenda Group implements a range of measures, including a remote work policy (hybrid work arrangements for specific groups where feasible) and leave entitlements in accordance with applicable labour laws, such as maternity, parental, and childcare leave.

We actively encourage employees to take their annual leave by emphasising the importance of rest for health and work efficiency, offering flexible holiday scheduling, and fostering a supportive organisational culture that promotes a healthy balance between professional and personal life.

Training

In the cosmetics industry, where innovation, quality, and customer trust are key, people are the company's most valuable asset. Therefore, the development of Bielenda Group is based on investing in employee competencies, well-being, and engagement, which strengthens the organisational culture and supports long-term growth. At the beginning of each year, managers submit training needs and budget proposals, which are reviewed and approved by senior management, the HR Department, and the Management Board. Currently, the company is in the process of standardising the supervision, evaluation, and effectiveness assessment of training across all locations. In 2024, employee evaluations were initiated, and the introduction of management by objectives (MBO) is planned as part of employee development.

S1-5 – Objectives for Managing Significant Negative Impacts, Enhancing Positive Impacts, and Managing Key Risks and Opportunities

When setting the objectives, stakeholder feedback was taken into account based on the results of the double materiality analysis, the employee survey, and individual meetings. All objectives established by the Company are consistent with internal policies and form the basis for further actions in the area of sustainable development.

Strategic objectives of Bielenda Group

Topic/Objective	Occupational Health and Safety	Diversity and Work-Life Balance	Training
Objective	No serious or fatal accidents. We strive to ensure that all employees (100%) are covered by occupational safety initiatives.	Objective: reduce unadjusted gender pay gap to below 5% and calculate the adjusted pay gap.	Satisfaction survey objective: above 60% Objective: % of employees covered by performance and development programme; target 100% of employees.
Metrics and Monitoring of Effectiveness	The number of accidents and near-miss incidents is reported and monitored. Indicators such as injury severity, injury frequency, and the total number of injuries are also continuously tracked. Additionally, the Company monitors the rate of unused leave and employee absenteeism.	Monitoring of number of employed women and men, employees' origin, and age. The pay gap and number of irregularities are calculated. Unused leave and absenteeism indicators are monitored.	Overall indicator measured via satisfaction survey.
Progress in Achieving Objectives	Progress is measured quantitatively and illustrated with charts. A reduction in accidents compared to the previous year is visible (downward trend). Progress is measured on an annual basis.	In 2024, the unadjusted pay gap was 3.4%, achieving the set target.	In 2024, the first employee survey for the entire group was conducted. Actions aimed at improving results and addressing identified needs will be implemented in 2025.
Responsible Unit for Measuring and Monitoring Progress	The OHS Department is responsible for measurement; operational directors of individual units and Management Board are responsible for monitoring.	The HR Department is responsible for measurement; HR Department and Management Board are responsible for monitoring.	The HR Department is responsible for measurement; HR Department and Management Board are responsible for monitoring.
Base Year	2018	2024	2024
Method of Setting Objectives	Objectives were set based on market benchmarks and OHS analysis.	Setting pay gap objectives is a process based on systematic data analysis, enabling precise determination of wage disparities and planning actions to gradually reduce them.	Objectives were set based on market benchmarks and HR analysis.
Achieved Results and Progress Analysis	In OHS, the strategic goal and annual planned actions are verified once a year during the OHS Analysis. Result for the period: achievement of the goal of "zero serious or fatal accidents."	Pay gap objectives and actions are verified annually. In 2024, the target result was achieved: 3.4% unadjusted pay gap.	The baseline employee engagement indicator, measured by the 2024 engagement survey, reached 66%, with a target >60%. The target for 2025 remains >60%, and the goal for 2030 is set at >70%. The survey is conducted annually, and an action plan is developed based on responses. The Company's initiatives aim to increase employee job satisfaction.

S1-6 – Employee Profile of the Unit

The total number of 519 employees includes individuals employed at two production plants – in Kąty Wrocławskie and Radzymin – along with adjacent offices, as well as at the company's headquarters in Kraków, which houses the office and technological facilities. The increase in employment in 2024 is a result of the company's business growth, including the expansion of the portfolio with new brands.

Below is the total number of employees as of 31 December 2024. An employee is defined as a person employed under an employment contract. The Group does not employ workers on non-guaranteed working hours.

Due to the company's specifics, women constitute

68%
of the workforce.

Employee Profile at Bielenda Group – Breakdown by Contract Type and Working Time:

Employment Type	Women	Men	Other	Not Declared	Total	% of Employees
Total employees	353	166	0	0	519	100%
Permanent contract	258	133	0	0	391	75%
Fixed-term contract	95	33	0	0	128	25%
Full-time employment	352	163	0	0	515	99%
Part-time employment	1	3	0	0	4	1%

Employee breakdown by gender:

Gender	Number of Employees	Percentage of Employees [%]
Female	353	68%
Male	166	32%
Other	0	0%
Not Reported	0	0%
Total Employees	519	100%

Profile of non-employee individuals constituting the entity's contingent workforce resources:

Type of Contract	Number	Percentage [%]
Self-employed	19	37%
Regular contractors under mandate contracts	32	63%
Agency-provided workers	0	0%
Total	51	100%

Employee turnover at Bielenda Group in 2024:

Terminations/ Departures	Number	Percentage [%]
Total	109	100%
Employee-initiated	70	64%
Employer-initiated	33	30%
Retirement	6	6%
Death at the workplace	0	0%

Within Bielenda Group, there are no employees without guaranteed working hours.

The employee turnover rate was 21%

S1-7 – Characteristics of Non-Employee Individuals Constituting the Organisation's Own Workforce Resources

Flexible collaboration models serve as a strategic complement to Bielenda Group's core workforce, enabling dynamic alignment of human capital with evolving operational demands. Engagements with non-employee contributors primarily focus on specialised expertise and production support, with scope continuously calibrated to business scale and process seasonality.

Key Performance Indicators Within the Material Topic: Occupational Health and Safety

S1-14 – Occupational Health and Safety Metrics

In 2024, there were 5 minor workplace accidents recorded. The majority of these accidents were caused by human factors.

Monitored indicators include:

- ✔ **IR (Injury Rate)** – the total number of injuries per 100 employees,
- ✔ **LTIFR (Lost Time Injury Frequency Rate)** – the frequency of injuries resulting in lost work time, calculated per 1,000,000 hours worked,
- ✔ **LTISR (Lost Time Injury Severity Rate)** – severity of injuries measured by the number of lost days per 200,000 hours worked.

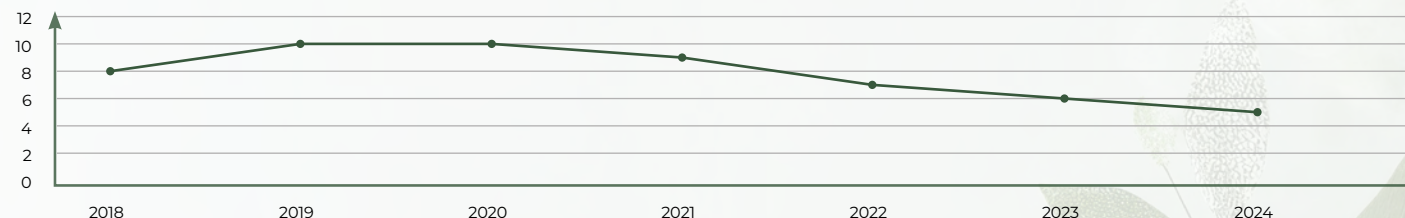
In 2024, these indicators were calculated for the first time both at the company-wide level and for individual locations on an annual basis. Moving forward, the scope of the matrix will be expanded to cover all locations, with reporting planned on a quarterly basis.

In 2024, a total of 24 Near Miss Incidents (NMI) were recorded – these are hazardous work-related events that did not result in injuries or health deterioration leading to sick leave.

Data on workplace accidents and accident rate indicators – 2024¹²

Number of Accidents Total	Fatal	Serious	Multiple	Severity Rate (LTISR – Lost Time Injury Severity Rate)	Frequency Rate (LTIFR – Lost Time Injury Frequency Rate)	Average Employment
5	0	0	0	4.8	33.6	514

Number of accidents across the organisation in the years 2018–2024.



¹² The indicators are calculated based on the average annual employment for the period from 1 January 2024 to 31 December 2024

Metrics within the material topic: Diversity

S1-9 – Diversity Metrics

Diversity metrics are presented as of 31 December 2024. Within the management structure, **men dominate the senior management team (66.7%), while women prevail in middle management (63.2%).**

Gender distribution in senior management is characterised as follows:

Category	Management Board	Supervisory Board	Total (Management Board and Supervisory Board)	Percentage [%]
Women	2	2	4	33%
Men	2	6	8	67%
Other	0	0	0	0%
Not disclosed	0	0	0	0%
Total	4	8	12	100%

Gender distribution in middle management:

Gender distribution in management team	Number of Employees	Percentage [%]
Women	43	63%
Men	25	37%
Other	0	0%
Not disclosed	0	0%
Total	68	100%

Age structure characteristics of employees:

Age Group	Up to 29 years	30–50 years	Over 50 years
Women	71	211	71
Men	27	106	33
Other	0	0	0
Not disclosed	0	0	0
Total	98	317	104
Percentage [%]	19%	61%	20%



Indicators related to the material topic: Diversity and work-life balance

S1-16 – Compensation Metrics (Pay Gap and Total Remuneration)

Calculations of the pay gap include all employees and types of employment, including part-time workers. Excluded from the analysis are: the CEO (or equivalent), non-binary individuals, employees with reported income of “0” in their profiles, and employees who worked less than 6 months during the given year.

All salary data are presented on an annualised and full-time equivalent (FTE) basis, which means:

- Part-time employees’ salaries are adjusted as if they worked full-time;
- Salaries of employees who worked more than 6 months but less than a full year are annualised accordingly.

In 2024, the unadjusted pay gap amounted to

3.4%

S1-15 – Metrics for Work-Life Balance

Every employee hired under an employment contract is entitled to use statutory annual leave. Family-related leaves – including maternity, parental, paternity, and childcare leaves, as well as those covered by Article 188 of the Labor Code with specified limits – are available only to eligible individuals.

Within the Company,

91.4%

of eligible employees took family-related leave (138 out of 151 individuals). Eligible employees accounted for 29.1% of the total workforce.

Leave Entitlement (Employment Contracts)	2024
Number of employees	519
Number of employees eligible for family-related leave	151
Percentage of employees eligible for family-related leave	29.1%

The pay gap within the organisation was calculated using the following formula

Unadjusted
pay gap

= (

Average total
remuneration of men

–

Average total
remuneration of women

) /

Average total
remuneration of men

× 100



ESRS S4 – Consumers and End Users

Care for product safety, quality, and availability is one of Bielenda Group's key priorities. The company has implemented internal procedures to ensure compliance with current legal regulations, aiming to protect consumers and build trust in the brand.

Bielenda Group identifies factors affecting customer experience and manages processes to optimise them at every stage of the product lifecycle – from design, through production and quality control, to distribution and marketing communication. Special emphasis is placed on **transparency regarding product composition and origin, the safety of cosmetic use, and the removal of access barriers** – both in physical retail and online sales channels.

This section of the report outlines Bielenda Group's approach to consumer relations and highlights the areas where we identify impacts, risks, and opportunities from the perspective of protecting the interests of end users.

ESRS 2 SBM-2 – Stakeholder Interests and Perspectives

Consumers expect clear and transparent communication regarding the ingredients and properties of cosmetics. Therefore, Bielenda Group tailors its informational and marketing materials to meet their needs and preferences. The company maintains **continuous engagement with consumers and end-users** through social media, email, and traditional correspondence. It actively monitors online feedback and comments, as well as analyses customer complaints. Consumer voices have a significant impact on the company's strategic direction, particularly in the areas of formulation and product quality. Their suggestions inform decisions related to product reformulation and the implementation of eco-design principles.

Regular assessment of market needs, demands, and signals from the environment provides valuable insights that support both operational models and long-term strategic goals. Bielenda Group listens attentively to its audience – their trust and loyalty represent not only a core value but also a key indicator of the effectiveness of its activities.

Through open dialogue with customers, the company has effectively identified areas requiring improvement and recognised new opportunities for innovation in creating safe, responsible, and forward-looking products. This approach enables the building of a **resilient business model** that responds to rapidly evolving social and market challenges.

ESRS 2 SBM-3 – Material Impacts, Risks and Opportunities and Their Interconnections with Strategy and Business Model

The impacts on consumers and end users are closely linked to the strategy and business model of Bielenda Group. The company offers a wide range of cosmetics available through various sales channels – both offline and online – resulting in a broad reach and direct influence on a large user base. Transparency regarding product composition and properties is a cornerstone of the brand's strategy, aligned with growing customer expectations around safety, accessibility, and reliability of information. Product safety management covers the entire lifecycle – from formulation design and laboratory testing through production processes to complaint handling – and shapes the company's operational models.

Identified material risks and opportunities carry both operational and reputational dimensions. Potential risks include:

- ✔ Incidental allergic reactions due to individual user sensitivities,
- ✔ Improper product use (e.g., disregarding usage instructions),
- ✔ Inappropriate storage conditions, both at points of sale and by end users.

Key opportunities for the company include **increased customer loyalty** driven by credible communication and offerings tailored to sensitive skin, allergies, or ethical preferences – such as vegan cosmetics. However, rising expectations for transparency also pose reputational risks, particularly when marketing communication may be perceived as imprecise or misleading (e.g., accusations of greenwashing).

The disclosure scope covers all consumers using Bielenda Group products, regardless of distribution channel. This impact is especially significant for consumers expecting product conformity with manufacturer claims and safe usage, as well as for those potentially vulnerable to the effects of improper cosmetic use.

The company also identifies particularly sensitive groups, including **individuals with skin allergies, pregnant women, children, or those with limited financial resources**. In response, affordable products are offered, and donations of cosmetics are made.

Bielenda Group undertakes various actions to minimise risks and enhance positive consumer impact. Key initiatives include:

- ✔ Ensuring compliance of product labelling with applicable legal requirements,
- ✔ Conducting mandatory laboratory testing,
- ✔ Handling complaints within the ISO 9001 quality management system,

- ✔ Aligning marketing activities with current and upcoming regulations (including environmental claims),
- ✔ Educating consumers through labelling, social media, and other brand communication channels.

These actions align with the outcomes of the materiality analysis, which identified **four key aspects of consumer relations**:

- ✔ Product composition transparency,
- ✔ Cosmetic safety,
- ✔ Accessibility,
- ✔ Responsible marketing.



S4-1 – Policies Related to Consumers and End Users

Policy Name	Description	Scope	Responsibility
Integrated Management System Policy ISO 9001, ISO 14001, ISO 22716	The main objective of the policy is to ensure the safety and high quality of products offered by the organisation. The policy relates to ISO 9001, ISO 14001, and ISO 22716 standards. The document describes the principles of designing, manufacturing, and selling cosmetics in compliance with regulations, quality standards, and customer expectations. The policy includes, among others: - care for formulation, - innovative recipes, - safe raw materials, - responsible marketing communication, - distribution development, - cooperation with suppliers. The policy has been effective since June 2024 and is updated at least annually or as needed. It was consulted with the Management Board and managerial staff prior to implementation. It was approved by the Management Board and made available internally.	The integrated management system policy relates to the design and development of cosmetic products, ensuring their quality and safety at every stage of the company's operations, and maintaining transparent communication with customers. It also covers cooperation with suppliers of raw materials, components, and packaging, as well as activities aimed at ensuring broad availability of our products on the market.	The person responsible for the policy is the Management and Claims Representative. All employees and the Management Board are responsible for implementing the assumptions, actions, and objectives contained in the policy.
P 2.01 Marketing Activities Procedure and P1 Marketing Analysis and Planning	The purpose of the procedure is to define the principles and methods of conducting marketing activities within the Company. The document specifies operational methods concerning: - marketing activity planning, - market research, - customer acquisition, - promotional activities. The procedure also provides guidelines for analysing the current marketing situation surrounding the company (industry trends, forecasts for strategic markets, competitor brands and products, consumer needs and behaviour analysis). Procedure P 2.01 has been effective since May 2017, while P1 since November 2024.	The procedure defines how strategic marketing activities are to be executed within established timeframes and budgets, including Management Board oversight. The marketing action plan is developed based on an analysis of cosmetic industry market trends, customer satisfaction levels, and the effectiveness of marketing efforts in previous years. The marketing plan is created based on the company's strategy set by the Management Board and outlines actions for the upcoming year aligned with the company's mission, goals, and tasks.	The person responsible for implementing the procedure is the Management and Claims Representative. The persons responsible for executing marketing activities are the Marketing Director and managers, including the Head of Product Department.
Procedure P 3.01 Implementation of New Cosmetic Products for Radzymin and P2 Product Design for Kąty Wrocławskie	The objective of procedures P3.01 (for the Radzymin facility) and P2 (for the Kąty Wrocławskie facility) is to ensure that the process of designing new products and modifying existing products complies with principles guaranteeing high product quality and safety as well as customer requirements. These documents define the rules and procedures for designing new products, modifying existing ones, and implementing them into production. These procedures also ensure product compliance with applicable industry regulations, including but not limited to: - The Act of October 4, 2018 on Cosmetic Products, - Regulation (EC) No 1223/2009 of the European Parliament and of the Council of 30 November 2009 on cosmetic products, - Commission Regulation (EU) No 655/2013 of July 10, 2013 laying down common criteria for justifying claims used in relation to cosmetic products. Procedure P3.01 has been effective since May 2017, and procedure P2 since October 2024.	The procedure relates to planning the implementation of new products or modifications to existing ones. After obtaining approval from the Marketing Director or a Management Board Member, an implementation order is initiated and documentation confirming product safety is compiled. This includes, among others:: - preparation of a product safety assessment report according to P2/PR5/I2, - product notification on the cosmetic product notification portal (CPNP / SCPN) according to P2/PR5/I3 Notification on the CPN portal.	The person responsible for implementation is the Technologist. The following are responsible for its execution: - Team of Technologists - Head of Formulation Development Department - Head of Product Compliance and Registration Department - Regulatory Affairs Manager

Policy Name	Description	Scope	Responsibility
Complaint Procedure P01.08 for Radzymin and P10 Customer Service for Kąty Wrocławskie	The purpose of procedure P1.08 is to define the handling process of complaints related to finished products and the method of documenting them. The procedure also regulates the handling of product returns that are not non-compliant products but have expired or been damaged at the customer's site. Every complaint reported will be accepted, examined, and assessed for validity. The purpose of procedure P10 (for the Kąty Wrocławskie facility) is to ensure proper fulfillment of customer orders in accordance with their requirements regarding product quality, delivery deadlines, and documentation. Procedure PR5 refers to quality complaints, while procedure PR10 relates to quantity complaints reported by customers.	The procedure defines how to ensure the handling of quality complaints reported by customers. It includes principles for clarifying claims and non-conformities, root cause analysis, and undertaking corrective or preventive actions.	The person responsible for the complaint procedure is the Integrated Management System and Claims Representative, while the proper execution of activities, controls, examinations, and root cause analysis is overseen by: • Head of Control and Management Department in Radzymin • Head of Control and Management Department in Radzymin
Code of Ethics	Refers to consumer safety during product use, which constitutes one of the ethical foundations of business activity – discussed in detail in G1-1.	n/a	n/a
Purchasing Policy	The main goal of the policy is to ensure responsible purchasing practices considering environmental, social, and ethical aspects. The policy includes, among others: • preferring suppliers who use sustainable raw materials, • eliminating forced labour and child labour, • actions aimed at reducing carbon footprint, • building relationships based on trust and shared values. The policy has been effective since September 2024.	The policy applies to all purchasing activities, including supplier selection, materials and component sourcing, assessment of compliance with ESG principles, verification of environmental strategies (e.g., carbon footprint reduction, sustainable raw material sourcing), cooperation on packaging waste reduction, and compliance with labour law and ethical standards in the supply chain.	The persons responsible for policy implementation are the ESG Manager and the Purchasing Director, with the Purchasing Department responsible for execution.
Supplier Code of Conduct	The purpose of the code is to define minimum standards of conduct regarding respect for human rights, environmental protection, and ethics in suppliers' activities. The code is based on UN, ILO, and OECD documents and imposes various obligations on suppliers, such as: prohibiting child labour, preventing discrimination and violence, and ensuring safe working conditions. The policy has been effective since September 2024.	The code applies to all suppliers and subcontractors cooperating with Bielenda Group. It includes the following actions: • elimination of forced labour and child labour, • compliance with occupational health and safety standards, • prevention of discrimination and harassment, • respect for the right to association, • ensuring fair remuneration and compliance with working time regulations, • actions for environmental protection (including emission reduction, biodiversity conservation), • prohibition of corruption and obligation to comply with legal regulations, • promotion of animal welfare.	The persons responsible for code implementation are the ESG Manager and the Legal Department, while execution is overseen by the Purchasing Department and the Legal Department.

S4-2 – Collaboration Processes Regarding Interactions with Consumers and End Users

Engagement with consumers and end users is carried out both **directly** and **indirectly** – depending on the nature of the specific topic or project. Feedback from end recipients is treated as a valuable source of information that has a real impact on decision-making. It serves not only as confirmation of the effectiveness of our actions but also as guidance for areas requiring further improvement.

As part of efforts to enhance the quality and functionality of cosmetics, formulation tests are conducted at independent research institutes.

All Bielenda Group products are developed in compliance with applicable legal regulations. Cosmetic ingredient lists are fully transparent and accessible to consumers – displayed directly on external packaging. For additional inquiries or reports (including complaints), customers can contact us through available communication channels, such as email.

In certain cases, the Company collaborates with **industry experts** who possess specialised knowledge of the needs and expectations of end users. The accuracy of information displayed on packaging is continuously verified against current legal requirements, ensuring due diligence in clarity, transparency, and reliability of the message. Where necessary, ambiguous issues are consulted with external certification or advisory bodies.

In justified cases, Bielenda Group also collaborates with independent research companies to accurately identify brand target groups and better tailor marketing communication to the expectations of specific customer segments.

S4-3 – Remediation Processes for Adverse Impacts and Reporting Channels for Concerns Raised by Consumers and End Users

Bielenda Group has established formal procedures enabling consumers to report complaints and adverse effects through a **dedicated helpline, email, and contact forms**. All reports are directed straight to the **customer service team** (without third-party involvement) and are individually assessed by internal teams responsible for Regulatory Affairs and Product Compliance, in close collaboration with the Polish Union of the Cosmetics Industry (PZPK). In cases where incidents are confirmed, corrective actions are implemented – ranging from changes to formulations to adjustments in the production process.

Before being placed on the market, every product undergoes a safety assessment conducted by a certified **Safety Assessor**. Clear communication regarding product composition and usage instructions is ensured to minimise the risk of misuse. The effectiveness of the complaints management system is regularly monitored, and insights gained are used to improve both products and internal processes.

The company ensures full regulatory compliance and proactively monitors legal developments through the activities of its internal compliance team and continued cooperation with PZPK. Information about available reporting channels is provided to consumers on product packaging and in brand materials.

Remediation processes for addressing adverse impacts and mechanisms for reporting concerns by consumers and end users are also embedded within the company's whistleblowing procedure.

S4-4 – Actions to Address Material Impacts on Consumers and End Users, Manage Material Risks and Opportunities, and Assess Effectiveness

Cosmetic Safety

Consumer safety is the foundation of Bielenda Group's approach to the **design, production, and commercialisation of cosmetic products**. Every new formula is developed using only legally approved ingredients, with consideration given to internal lists of prohibited or discouraged substances – particularly in products intended for sensitive groups such as children or pregnant women. These ingredients are regularly analysed for the presence of microplastics, nanomaterials, and silicones.

All Bielenda Group products undergo a **Safety Assessment conducted by qualified specialists (Safety Assessors)**. This assessment includes toxicological analysis of ingredients, product purpose, and the results of application, dermatological, and instru-

mental testing. Additionally, **stress tests** are performed to confirm the product's microbiological stability. A cosmetic product is released for sale only after receiving a positive safety evaluation.

The company's Research and Development (R&D) Department and Regulatory Affairs Manager are responsible for continuously monitoring legislative changes and implementing them, in cooperation with external experts and the Polish Union of the Cosmetics Industry (PZPK), of which the company is an active member.

Product Quality

The high quality of Bielenda Group products is ensured through a multi-stage quality control system managed by the **Quality Control Department**, which includes:

- ✔ Detailed verification of raw materials and packaging received at the facility,
- ✔ In-process control at various stages of production,
- ✔ Final evaluation of finished goods.

Physicochemical and microbiological tests are conducted on both components and finished products. Samples are archived in accordance with applicable procedures, and production areas are subject to ongoing microbiological monitoring.

In the event of adverse effects, consumers may file complaints via helpline, email, or other available contact channels. All reports are handled individually and directly by the company – without third-party involvement – which increases the effectiveness of actions and improves response time. Complaints are monitored and analysed to support improvements in product formulas or production processes.

Bielenda Group continues to expand its portfolio in line with the principles of ethical and responsible production, in accordance with international quality and sustainability standards.

The Group's portfolio includes **2,128** vegan products, representing **79%** of its total offering. The brands with the largest share in this category are **Bielenda** (1,544 products) and **tołpa**. (499 products).

In the “**cruelty-free**” category, the Group offers **1,169** products, with the highest number under the “Other Brands” umbrella (1,418) and Bielenda (881). While only 3 products from the Miya brand are certified by The Vegan Society, the Group considers this area a key direction for the future development of its ethical portfolio.

This broad and growing commitment to ethical and sustainable production confirms Bielenda Group's transparency and dedication to the well-being of people, animals, and the environment.

Through these efforts, the company builds trust among consumers seeking conscious and responsible choices.

Product Availability

Bielenda Group offers its products through both brick-and-mortar stores and online channels, ensuring broad access to its portfolio. The company's range includes cosmetics tailored to diverse needs – both in terms of skincare and affordability. The offering features, among others, **products for sensitive skin, vegan cosmetics, and hypoallergenic formulations.**

Availability is also supported through corporate social responsibility (CSR) initiatives, such as product donations to individuals in need and charitable institutions.

Thanks to a **diversified product portfolio and optimised pricing strategy**, Bielenda Group meets the needs of a wide range of consumers and contributes to greater social inclusion.

Responsible Marketing

Bielenda Group's marketing communication is based on **reliable data, research findings, and certifications confirming the properties of its products**. Every effort is made to ensure that all information provided on packaging and in promotional materials complies with applicable legal regulations as well as the company's internal standards of transparency.

Bielenda Group is a brand that has long **listened closely to the needs of women** – their aspirations, expectations, and everyday challenges. In response to the growing importance of mental well-being, the company launched a social campaign in 2024 titled **"Think of Yourself and Act!"** as described in the ESG Strategy chapter.

S4-5 – Objectives for Managing Material Negative Impacts, Enhancing Positive Impacts, and Addressing Material Risks and Opportunities

Bielenda Group has set objectives related to product safety. For other material impacts, risks, and opportunities, the company is currently in the assessment phase – considering whether and how to define specific indicators. Although consumer feedback is not yet formally integrated into the ESG goal-setting process, the company actively monitors the market, analyses customer submissions, and responds to their needs. These actions support the optimisation of both the product portfolio and marketing communication.

Within internal product development and approval processes, the following aspects are ensured:

- ✔ cosmetic safety,
- ✔ ingredient transparency,
- ✔ responsible marketing.

Activities are primarily focused on: promptly responding to customer needs, ensuring compliance of product composition and labelling with legal requirements, maintaining transparency in marketing communication.

Issues such as cosmetic safety, ingredient transparency, and responsible marketing are consistently integrated into the company's internal processes for product development and approval. In 2025, Bielenda Group plans to conduct a comprehensive review of the entire product portfolio in the context of upcoming greenwashing regulations.

The company is also considering the implementation of a KPI system to measure: the quality of customer communication, the number of complaints and inquiries, customer feedback regarding labelling and marketing messaging.

This will enable more accurate assessment of the effectiveness of actions taken and allow for the precise alignment of future objectives.





CORPORATE GOVERNANCE

Responsible decisions require clear rules and transparent processes. Corporate governance is the space where ethics meets professionalism, and trust becomes the foundation of action.



ESRS G1 – Business Conduct

Bielenda Group consistently implements good corporate governance practices, fostering an organisational culture based on integrity, transparency, and accountability.

The Company has introduced:

- ✔ Code of Ethics
- ✔ Supplier Code of Conduct
- ✔ Whistleblowing Procedure

These documents enable the safe reporting of irregularities and maintain high standards of cooperation – both within the organisation and in relations with business partners. This forms the foundation of a work environment built on mutual trust and respect for ethical principles.

Bielenda Group's operating model includes an international supply chain, encompassing raw material procurement from regions considered high-risk. Currently, the company sources raw materials from four countries identified as high-risk areas – each being the origin of one raw material.

This purchasing profile involves potential environmental impacts as well as risks of human rights violations.

In response to these challenges, Bielenda Group implements measures aimed at monitoring and assessing impacts within the supply chain, including surveys and compliance analyses.

Bielenda Group prioritises long-term, transparent cooperation with business partners, enabling enhanced oversight of the social and environmental impacts of its contracts. These activities are an integral part of the company's sustainable development strategy.

ESRS 2 GOV-1 – The Role of Administrative, Management, and Supervisory Bodies

The detailed roles and responsibilities of the administrative, management, and supervisory bodies are described within the framework of ESRS E2.

ESRS 2 IRO-1 – Description of Processes for Identifying and Assessing Material Impacts, Risks, and Opportunities

The following topics have been identified as material within the area of business conduct:

- ✔ Corporate culture (Code of Ethics)
 - ✔ Supplier relationship management, including payment practices
- These topics are further elaborated in SBM-3 – Material Impacts, Risks, and Opportunities and Their Interrelations with the Strategy and Business Model.

G1-1 – Business Conduct Policies and Corporate Culture

In order to ensure compliance with universally applicable legal standards and procedures, and to prevent conflicts and irregu-

larities arising from violations of these standards, we have implemented a Code of Ethics within our organisation.

This document defines the principles to be followed in daily work and business decision-making.

Among the key values of the Code are:

- ✔ Loyalty – employees and board members are expected to act in the company's best interest, prioritising its growth and safeguarding its values.
- ✔ Integrity and Responsibility – the company promotes attitudes grounded in reliability, respect for others, and care for the natural environment.

We encourage the reporting of any Code violations – prompt response helps prevent escalation of issues and strengthens a culture of accountability within our organisation.

The organisational culture of Bielenda Group is reflected in formally adopted values, mission, and vision, as outlined in strategic documents and internal policies (including the Code of Ethics and the whistleblowing procedure). These values include integrity, responsibility, respect for people and the environment, and transparency of operations.

The corporate culture is evaluated, among other methods, through employee opinion and engagement surveys.

Policy Name	Description	Scope	Responsibility
Code of Ethics	The policy has been effective since September 2024. Its objectives are: • to promote responsibility and integrity, • to prevent unethical practices, • to support compliance with regulations, • to build organisational culture, • to educate and develop employees. It supports transparency, loyalty, and resolution of ethical conflicts. An Ethics Line – a platform for reporting irregularities – has been implemented. The company also operates a trade union confirming freedom of association. Employees participate in dialogue with the employer, and ESG non-compliances are regularly discussed and assigned in the ESG matrix.	Includes references to national laws, codes of ethics, and international guidelines (UN Global Compact, OECD). Applies to all employees and stakeholders. The Code is made available internally, with plans for publication on the corporate website.	The ESG Code was created by the ESG Department together with the Legal Department. It was approved by the Management Board. The Legal Department is responsible for implementation and updates. Compliance with the Code of Ethics is the responsibility of every employee and the Management Board.
Code of Conduct for Suppliers of Bielenda Group S.A.	Effective from 16 September 2024. The main goal is to ensure that suppliers act in accordance with the company's values and standards, comply with the law, care for the environment, treat employees and stakeholders fairly, and maintain high quality of products and services. The Code supports sustainable development, respect for human rights, fair competition, and occupational health and safety. Additional measures include the implementation of the Ethics Line for reporting irregularities. Monitoring of signed codes with raw material and packaging suppliers (distinguishing strategic and others) is conducted, as well as monitoring ESG non-compliances in the matrix with assigned responsibilities and deadlines. Stakeholder feedback gathered during the double materiality analysis has also been considered.	The Code is based on three pillars: Social matters: Prohibition of forced labour and child labour, Prevention of discrimination and harassment, Freedom of association and the right to collective bargaining, • Health, safety, minimum wage, and working hours; Environment: Minimising negative impact on the environment; Ethics: Fighting corruption, Applying sanctions, Animal welfare, Protection of consumer interests, Principles of fair competition. Applies to: suppliers of raw materials and packaging, subcontractors, temporary employment agencies. Does not apply to suppliers of low financial significance. References include: national laws, industry codes of conduct, international guidelines (e.g., OECD).	The Supplier Code of Conduct was jointly developed by the ESG Department, Legal Department, and Purchasing Department, and approved by the Management Board. The Purchasing Department is responsible for implementation and updates, while compliance is the responsibility of both Bielenda Group S.A. and each supplier who has signed the Code.
Whistleblowing Procedure	The purpose of the whistleblowing procedure is to provide whistleblowers a safe channel to report observed violations of the law. The procedure has been effective since June 2024 and is subject to review every three years. It is based on Article 25 of the Act on the Protection of Whistleblowers dated 14 June 2024. The policy includes a process for monitoring reports. Verification and registration of reports are carried out by the Ethics Committee. Training on reporting procedures for the Ethics Committee was held in June 2024. The procedure is made available to potentially interested parties and stakeholders on the employee platform and notice boards. Information about the procedure is provided to individuals or legal entities applying for employment, contracts, or assignments at Bielenda Group S.A. before signing relevant agreements. External reporting access is available via the corporate website.	A report includes information, including reasonable suspicion, regarding actions or omissions constituting violations of laws or rules applicable at Bielenda Group, including, for example, human rights compliance or the Code of Ethics. The procedure applies both internally and to external stakeholders.	The whistleblowing procedure was created by the Legal Department together with HR. It was approved by the Management Board. The Legal Department is responsible for implementation and updates. Everyone has the right to report violations, regardless of employment or external stakeholder status.

G1-2 – Supplier Relationship Management

Bielenda Group operates based on a network of suppliers and partners who support the company at various stages of the value chain – from raw material procurement to temporary labour services. Between 2023 and 2024, the company collaborated with **278 active suppliers**, of which 63 are classified as Category A suppliers – responsible for 80% of the purchase value and representing 23% of all partners. Additionally, 32 subcontractors handle product manufacturing or assembly, while 5 temporary employment agencies assist the company in flexible human resource management.

Suppliers cooperating with Bielenda Group operate in both domestic and international markets, including regions considered high-risk. Currently, four key raw materials are sourced from such locations. Consequently, the company undertakes actions aimed at **mitigating potential environmental and social impacts** – including systematic supplier verification and the implementation of practices aligned with ESG principles.

Since 2023, Bielenda Group has been progressively implementing a **Supplier Code of Conduct** that defines standards regarding respect for human rights, ethics, environmental protection, and legal compliance.

By the end of 2024, signing the Code:

76%
strategic suppliers

72%
subcontractors

10% of strategic suppliers are in-house suppliers.

In 2024, Bielenda Group conducted its first comprehensive ESG standards survey, covering environmental, ethical, and social aspects.

The results indicate a varied level of maturity.

72%
strategic suppliers

59%
subcontractors

Based on the supplier survey conducted, **key areas for further collaboration** were identified, as well as strengths in their approach to sustainable development. The main findings of the analysis for Bielenda Group include:

27%

% of suppliers hold the ISO 14001:2015 certification, and an additional 23% plan to implement an environmental management system;

40%

of partners neither have nor plan to implement an environmental management system, indicating a need for further cooperation and education in this area;

67%

of suppliers report having equality and non-discrimination policies (75% among Category A suppliers), confirming a high level of social maturity.

In the field of energy management (ISO 50001),

67%

of suppliers neither have nor plan to implement the system, while only 7% currently operate one;

69%

of suppliers declare having a business ethics code or compliance with international standards (e.g., BSCI, ETI Base Code, SA8000, or SMETA); this percentage rises to 79% among strategic suppliers

Auditing is a key element of monitoring cooperation with partners. It covers both new suppliers and those with whom cooperation is planned to expand. The audit evaluates not only **qualitative aspects but also occupational health and safety, waste management, and environmental compliance**. Any non-compliances are recorded in reports, and suppliers are required to present corrective action plans and implement specific improvements.

Bielenda Group's strategic goal is to cover all **strategic suppliers by 2030 with both the Supplier Code of Conduct and ESG surveys**. Additionally, ESG audits of selected strategic suppliers are planned. These actions align with a broader responsibility strategy and aim to build transparent, sustainable relationships across the entire value chain.



G1-6 – Payment Practices

Bielenda Group S.A. places strong emphasis on timely payment settlements, including for the SME sector, in compliance with the Act on Counteracting Excessive Payment Delays in Commercial Transactions.

The organisation follows an Accounting Policy aimed at ensuring transparent, consistent, and accurate document flow. Payment terms specified in contracts do not exceed 90 days. For several suppliers classified as large enterprises, a payment term of up to 120 days has been adopted. In 2024, Bielenda Group was not involved in any legal proceedings related to payment delays.

Local Partnerships and Volunteer Activities

In 2024, the Company also established several local partnerships and undertook volunteer initiatives:

- ✔ Joining the local authorities' initiative in Kąty Wrocławskie under the slogan "Entrepreneurship is Female",
- ✔ Fundraising campaign for animal shelters,
- ✔ Volunteering in the Rakutowskie Marshes – joining the initiative by UPM Raflatac, WWF Poland, and the Alauda Nature Society,
- ✔ In 2024, we donated a total of PLN 976,856.26 to various foundations, hospitals, and public institutions,
- ✔ Product support for the Mother and Child Institute.
- ✔ preparation of an educational article by Bielenda Group titled "How to care for your skin during and after radio- and

chemotherapy," promoting the Bielenda Professional Barrier Skin Therapy line.

- ✔ partnership with Rossmann Run 2024 – Piotrkowska Street Run in Łódź, in which the ON brand was one of the event's partners, providing prizes and products for the participants.
- ✔ support for the 9th World Cup of Children from Care Homes in Football.

We support initiatives that promote physical activity. One such event was the Rossmann Run 2024 – the Piotrkowska Street Run in Łódź. The event saw a record participation of **6,500 runners**, including professionals, amateurs, and urban running enthusiasts.

The ON brand was one of the event's partners. As part of the collaboration, we not only cheered on all participants but also en-



9th World Championships for Children
from Orphanages in Football



Volunteering at the Rakutowskie Wetlands –
joining the initiative organized by UPM Raflatac,
WWF Poland, and the Alauda Nature Society.

hanced the starter kits with ON products and sponsored special prizes (annual supplies of ON toothpaste and sonic toothbrushes) for winners and finalists across various age categories.

Another sporting event was the 9th World Cup of Children from Care Homes in Football, which took place in August 2024 at the Legia Warsaw Stadium. Teams from all over the world participated in the tournament, and the excitement and sportsmanship brought together children from diverse backgrounds. Bielenda Group supported the event by providing cosmetic products for participants and organisers, thereby emphasising the social dimension of sport.



"Closing Remarks

As we conclude this report, I would like to express my sincere gratitude to everyone involved in its preparation — for their substantive support, tremendous effort, collaboration, and determination in pursuing high quality and compliance with the rapidly evolving regulatory landscape.

Managing the ESG area is a process of continuous improvement — one that requires flexibility, courage to embrace change, and the ability to make decisions under uncertainty. In the face of growing social expectations, new legal obligations, and the accelerating pace of transformation, we face challenges every day that teach us responsibility and resilience. We navigate them — sometimes under pressure, but always with a clear direction and a firm belief that every change matters.

Thank you to all who have joined us in this endeavour. Together, we are shaping a future that is more sustainable, transparent, and ready for what lies ahead."

PATRYCJA ZAMORSKA,
ESG Manager

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