

Respecting Beauty

Sustainability Report 2021



DOUGLAS



CONTENTS

BEAUTIFUL PLANET

- 35** Our environmental impact
- 36** Reducing our emissions
- 40** Reducing waste

BEAUTIFUL GOVERNANCE

- 43** Our responsibility
- 44** Responsible business practices
- 46** Board ownership

APPENDIX

- 48** GRI content index
- 50** Contact information and publication credits

ABOUT THIS REPORT

Welcome to DOUGLAS' inaugural Environmental, Social and Governance (ESG) Report. As the leading premium beauty platform in Europe, DOUGLAS is conscious of its responsibility to keep the planet beautiful and stands ready to play its part.

For the first time, this report presents DOUGLAS' formal sustainability strategy, which was developed in detail during the reporting year. We also outline the focus areas and key topics for which we have set ambitious goals (see page 10). This report was reviewed and approved by DOUGLAS' executive board, steering committee and senior management members.

This report has been prepared with reference to the Global Reporting Initiative (GRI) standards and has not been externally assured or verified by an independent third party. The greenhouse gas (GHG) emissions data for DOUGLAS will be reviewed by an external third party in the coming months. DOUGLAS plans to have all content and data externally assured in the future.

Unless otherwise noted, this report contains information about our performance in the 2020/21 financial year (1 October 2020 to 30 September 2021).

We would appreciate your feedback. Please contact us at esg.reporting@DOUGLAS.de



INTRODUCTION

- 03** About DOUGLAS
- 04** A message from our CEO
- 05** Our sustainability strategy
- 06** Our materiality matrix
- 08** Our material topics
- 10** Our commitments
- 11** Our stakeholders

BEAUTIFUL PEOPLE

- 13** Our people
- 14** Our employees
- 22** Our customers

BEAUTIFUL PRODUCTS

- 27** Our sustainable own brands & assortment
- 29** Clean beauty
- 30** Respecting nature
- 31** Circular economy
- 33** Local and trusted

ABOUT DOUGLAS

DOUGLAS is Europe's leading premium beauty platform. With more than 160,000 beauty, health and lifestyle products, we offer one of the industry's most extensive assortments of beauty and personal care products in our online shops, in around 2,000 brick & mortar stores and via our partner programme.

For more than 111 years, we have been empowering and encouraging people to live out their own kind of beauty. Operating to the highest standards has been at the heart of our business since our founder, Scottish immigrant John Sharp Douglas, made the very first bar of soap in 1821 and thus laid the foundation for our later retail company. Today, you can find soap - and so much

more - in our shops. Along with our unrivalled range of well-known industry, niche own and exclusive brands, we also proudly sell our DOUGLAS Collection line of premium skincare, makeup and essential products.

Headquartered in the German beauty and lifestyle hub of Düsseldorf, DOUGLAS now has operations in 26 countries

and generated revenue of EUR 3.1 billion in the 2020/21 financial year. Our #FORWARDBEAUTY.DIGITALFIRST strategy is our roadmap for the future, helping us integrate our online shops, marketplace and stores into a data-based beauty platform.

€ 3.1bn¹

NET SALES

6.6%

NET SALES WORTH

€ 222m

ADJUSTED EBITDA

> 48m²

LOYALTY CARD HOLDERS

~ 2,000

STORES

> 160,000

PRODUCTS

1. Financial year 2020/21 (1 October 2020 until 30 September 2021).

2. In core countries.

A MESSAGE FROM OUR CEO

By now, the pursuit of sustainability in all its facets has become an integral part of the beauty industry. As Europe's leading beauty and cosmetics retailer, DOUGLAS is not only aware of its great environmental and social responsibility - we also want to become a driving force for ESG topics in the beauty retail industry. We are guided in this endeavour by our ethical and moral values and ideals, as well as the awareness that people and our planet will have a better future if we think and act sustainably.

This first sustainability report launches our sustainability vision and presents the results that we have achieved to date. We have set ourselves ambitious goals that we strive to achieve together with our employees, customers and business partners. DOUGLAS' sustainability strategy is based on four pillars: Beautiful People, Beautiful Planet, Beautiful Products and Beautiful Governance. Within this framework, we have staked out aspirational and material objectives and defined our strategic priorities.

PEOPLE: DOUGLAS is already a leader in equality at work and women in management positions. We want to keep going and advance our level of fairness, diversity, variety and cosmopolitanism even further and, for example, involve our suppliers and business partners more actively. Our internal purpose, 'For a world where everybody feels seen, heard and valued,' should not only apply to our own employees but also be a value that we share with the companies we work with. We will constantly strengthen employee engagement and customer satisfaction measures and monitor the results.

PLANET: We have set ourselves the goal of becoming climate neutral in

Scopes 1 and 2 by 2025. A variety of initiatives and investments to improve energy efficiency and reduce CO₂ emissions are already in the pipeline. The same is true for our efforts to reduce waste. One key point here is that we are continuing to make our employees more aware of the need to protect the climate and environment and foster their commitment to these goals.

PRODUCTS: As a retail company, the products we sell naturally play a prominent role. We will gradually increase our already rapidly growing share of clean beauty and environmentally friendly products within our portfolio of own brands and exclusive brands. We empower our customers to make informed purchasing decisions by providing transparent and easy-to-understand product information. To strengthen transparency, we are collaborating with industry partners to make a product's environmental footprint visible to consumers. We intend to be at the forefront of this movement.

GOVERNANCE: This fourth area underpins our sustainability vision. For us, this topic means treating employees, business partners, data and information security with ethical integrity and in compliance with legal requirements. There is no question that we, as a company, act in a compliant manner in every regard. But for us, governance is more than that: it also manifests the board's total commitment to DOUGLAS' sustainability strategy and goals, which will be reflected in significant material investments.

As I write this message, I hope with some degree of confidence that an end to Covid-19 is near after more than two years of the pandemic and its restrictions on private, public and economic life. At the same time, we are watching with dismay and disbelief as a terrible war unfolds in



Ukraine, bringing death and suffering to countless people. Both of these events have reminded me once again that the relationship between human beings, like the relationship between people and nature, is extremely fragile and vulnerable. As humankind, we cannot live without a functioning social fabric and a healthy environment. My belief is that our only viable option is to constantly strive for a more sustainable, peaceful and forward-looking coexistence.

DOUGLAS is aware of this responsibility. We will align our actions, business activities and processes even more thoroughly with a sustainable approach to people and nature. We owe this to all our stakeholders, as well as to future generations.

Tina Müller, CEO

OUR SUSTAINABILITY STRATEGY

At DOUGLAS, we recognise that our company has a responsibility towards our employees, our customers and our world. In keeping with our mission *To open all eyes to the beauty of uniqueness, bring it to life and make life itself more beautiful – for a world where everyone feels seen, heard and valued*, we are disclosing information about the actions that we are taking to live up to our responsibilities. As part of this process, DOUGLAS performed a wide-ranging analysis that ultimately led us to define our activities across four ESG pillars:

BEAUTIFUL



In 2021, we developed our first ESG roadmap that will take us to 2025. This strategy sets out the steps that we plan to take to create a more beautiful planet, cater to the needs of our employees and customers and enact rigorous policies. Throughout this chapter, we describe our strategy development approach and the DOUGLAS ESG roadmap, which outlines the ambitious targets we have set for the upcoming years and the measures we will take to achieve those goals.

Our governance and management structure

All of our ESG oversight efforts are led by our three-person management board, which is made up of a Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Chief Digital Officer (CDO).

In addition, a steering committee comprising members of the DOUGLAS management board, the executive committee and senior managers meets every six weeks to discuss and agree on strategic matters related to ESG issues. This committee is responsible for reports on annual performance and target achievements. Both the board and the steering committee have approved DOUGLAS' ESG strategy.

From an overarching perspective, the Head of Sustainability and the ESG team are in charge of implementing all ESG measures, and coordinate and lead stakeholder management and engagement. The Head of Sustainability reports to the Director of Corporate Communications and the steering committee. The ESG team is currently in development. DOUGLAS will revamp its ESG approach in 2022 amid growing demands.

Owing to DOUGLAS' broad base across numerous countries, we have established a structure that reflects the importance of ESG across our company. We have identified an ESG coordinator who collects data on greenhouse gas (GHG) emissions and employee information for each of the 26 European countries where we operate.

MANAGEMENT BOARD



TINA MÜLLER
Chief Executive
Officer (CEO)



MARK LANGER
Chief Financial
Officer (CFO)



VANESSA STÜTZLE
Chief Digital
Officer (CDO)

OUR MATERIALITY MATRIX



In 2021, DOUGLAS conducted its first materiality assessment to identify our stakeholders' priorities and to map the factors essential for our long-term success. This process began with the formation of a steering committee. Following a comprehensive process of analysing our business, we started with a longlist of key performance indicators (KPIs) based on international standards, policies and legal requirements. This analysis explored current national and EU legislation, the German Directive Implementation Act (CSR-RUG) and reporting standards drawn up by the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB). In addition, we took account of the requirements of

international ESG rating agencies and the principles of the UN Global Compact and the Sustainable Development Goals (SDGs).

To gain a better understanding of our stakeholders' interests and expectations, we interviewed internal stakeholders, suppliers and investors. From this feedback, we took our time mapping overarching themes. In order to gather an overview of employee sentiment and customer satisfaction, we examined business and social media platforms for specific keywords. With the help of internal and external stakeholders, we distilled this list down to the seven topics most important to our internal and external stakeholders.

Under the ESG pillar of 'Beautiful People', we identified the material topics Customer satisfaction and experience, Diversity, equity and inclusion and Employee engagement. The 'Beautiful Products' pillar includes the material topic Sustainable assortment and own brands. Reducing CO₂ emissions and Material efficiency are material topics clustered under 'Beautiful Planet'. The seventh material topic for DOUGLAS is Executive board ownership, which falls under the umbrella of 'Beautiful Governance'.

These material topics were approved by the steering committee and the CEO/management board for further action. As we move forward, we will continue to monitor and address these and other issues as needed. We are committed to maintaining dialogue with our suppliers, partners, customers and employees so that we can shape and strengthen our sustainability strategy in the years to come.

It should be noted that we also looked at a few issues that are important to DOUGLAS but not yet material topics. Examples include water and supply chain responsibility. As a retailer, DOUGLAS does not have direct influence over its supply chain, but can raise awareness and help change its suppliers' actions, especially through the supplier code of conduct. In fact, 100% of suppliers onboarded to DOUGLAS Brands in

FY20/21 agreed to this code of conduct. In the future, we also intend to address the requirements of the German Supply Chain Act and establish a management process to this end.

IDENTIFICATION OF DOUGLAS'

MATERIAL TOPICS

PEOPLE



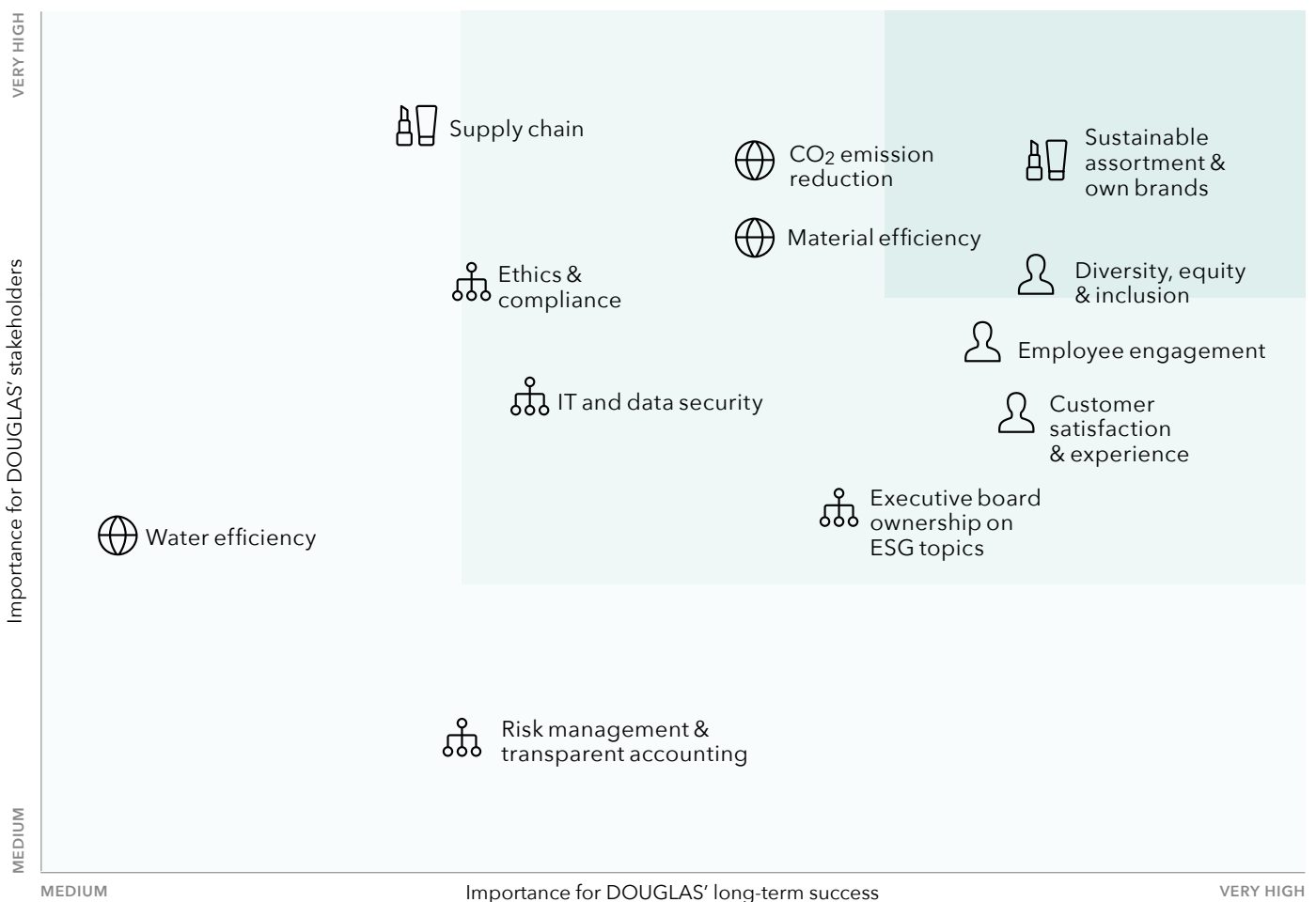
PRODUCTS



PLANET



GOVERNANCE



OUR MATERIAL TOPICS

DOUGLAS has embarked on the long journey to becoming an ESG leader in the beauty retail space. As part of this mission, we have staked out seven key topics that are organised around our four ESG pillars. These seven topics will drive our efforts to develop robust practices, enrich the lives of our customers and employees, and keep our planet beautiful. On the next page, we set out our specific commitments in these important areas.



CUSTOMER SATISFACTION AND EXPERIENCE

Over the years, DOUGLAS has become Europe's leading premium beauty retail destination by focusing on attracting and retaining customers. We intend to continue improving customer satisfaction across all countries, both in-store and online. We listen carefully to feedback from our customers. It has inspired us to launch new events, give personalised shopping recommendations, develop our customer loyalty programme – and so much more. DOUGLAS is also adapting to the changes caused by the Covid-19 pandemic by offering mobile payments, digital receipts and click & collect services.

DIVERSITY, EQUITY AND INCLUSION

DOUGLAS champions diversity. We are firmly opposed to any and all forms of discrimination based on skin colour, origin, sexual orientation

or personal pronouns. Our efforts have been recognised by the BeyondGenderAgenda (BGA) – which awarded DOUGLAS its first full certification in 2021 – and we were named a Financial Times' Leader in Diversity 2022. Altogether, we have more than 90% female employees, with around 75% women in office positions and more than 50% women in leadership positions. We not only actively support the inclusion of women, but also the LGBTQI+ community and people of all abilities, ethnicities and ages. Our mission is to encourage everyone to express their individuality – for a world where everyone feels seen, heard and valued.

EMPLOYEE ENGAGEMENT

Our employees are the linchpin to everything that DOUGLAS does. We are committed to providing an attractive work environment in which everyone feels valued for their unique skill set.

A new employee survey is planned for 2022. Its findings will help us advance our efforts to create a culture that allows both our valued team members and our business to flourish.

SUSTAINABLE ASSORTMENT AND OWN BRANDS

Today's consumers are more interested than ever in sustainable and ethical products. At DOUGLAS, we aim to increase our share of vegan and organic content across our product portfolio. Within our own brand range, we are continuously enhancing our offering of clean beauty products, including transparent labelling. We are also driving the transition to a circular economy by using more recycled and recyclable (R&R) materials. And we have introduced a rigorous supplier code of conduct for our assortment and DOUGLAS Brands to ensure that suppliers engage in lawful and ethical practices. In addition, many of our products are now made in the EU.

REDUCING CO₂ EMISSIONS

As a retailer, DOUGLAS wants to play its part in mitigating climate change and reducing environmental impacts. Our company is focusing on lowering emissions from our own operations (Scope 1 and 2 emissions), primarily from our leased assets and from company vehicles. In the 2021/22 financial year, we intend to develop further measures to cut CO₂ emissions.

MATERIAL EFFICIENCY

With global waste volumes on the rise, retailers must take a close look at how they can use resources efficiently and effectively. DOUGLAS is working to generate less waste and recycle more - both in our brick & mortar and online shops. We want to implement a waste tracking system and define a circular economy roadmap so that we can establish specific action items for transport packaging and recycling in 2023.

EXECUTIVE BOARD OWNERSHIP

Taking ownership of our impact starts at the top. As such, DOUGLAS aims to enshrine responsibility for ESG topics at the highest levels of our company. As part of our broader efforts, we are exploring the development and implementation of an incentive scheme for employees and executive managers based in part on the accomplishment of sustainability and compliance targets.

OVERVIEW OF OUR FOUR ESG PILLARS AND SEVEN MATERIAL TOPICS**B E A U T I F U L****PEOPLE****1. Customer satisfaction & experience**

Customer satisfaction
Digital solutions

2. Diversity, equity & inclusion

Diversity & inclusion
Equity/equality
Anti-discrimination/
anti-harassment

3. Employee engagement

Employee satisfaction
Compensation & benefits
Health & safety
Employee development
Turnover/layoffs
Working conditions

PRODUCTS**4. Sustainable assortment & own brands**

Clean beauty
Respect to nature
Circular economy
Local & trusted

PLANET**5. CO₂ equivalent emission reduction**

Scope 1: Direct emissions
Scope 2: Indirect emissions
Scope 3: Indirect emissions

6. Material efficiency

Waste efficiency
Circularity
Transportation packaging

GOVERNANCE**7. Ownership of executive board on ESG topics**

Incentivisation
Commitment
IT & data security
Ethics & compliance

OUR COMMITMENTS

We view ESG issues as an integral part of our operations. We aim to comply with the highest standards across our organisation and commit to actively mitigating ESG risks and helping reach global ESG ambitions. In keeping with our promise of 'Let's do beautiful' we have defined our ESG activities along four pillars:

OVERVIEW OF OUR ESG COMMITMENTS

BEAUTIFUL

PEOPLE



To create a world where everyone feels seen, heard and valued, DOUGLAS is committed to diversity and inclusion. Our share of **women in leadership positions** has already reached 54%; our aim is to keep this ratio at least close to this level.

DOUGLAS' success is founded on the dedication of our employees. Our **employee Net Promoter Score (eNPS) survey 2022** will help us improve our workplace.

We strive to **create THE consumer-centric beauty destination** and will further expand our digital solutions and online shopping to create an outstanding shopping experience and ensure our customers are always satisfied.

PRODUCTS



For us, beauty goes hand-in-hand with **clean products** that are free from certain criticised ingredients. We also aim to increase the share of **vegan and organic** content in our product portfolio.

We are making our suppliers more accountable and ensuring that our products are **sourced based on ethical terms**. We support local products **made in the EU**.

We believe in the **circular economy** and will increase the share of **recycled and recyclable (R&R) materials** in our products.

PLANET



We want all of our sites (offices and stores) to be **carbon neutral by 2025**. We aim to lower Scope 1 and 2 emissions and compensate for all other emissions.

We will define targets and create a **roadmap for Scope 3 emissions** in FY2022/23. We support our strategic suppliers in setting targets by 2025.

We will set up an **emissions and waste management system** to create transparency and improve our ability to track our progress towards these goals.

GOVERNANCE



We operate based on a **clear code of conduct** for our employees and business partners and ensure **ethical business practices** and adherence to applicable laws and internal policies to prevent any violations of law.

Becoming a more digital company requires sophisticated **IT security and data privacy** mechanisms, which we are continuously improving.

ESG is a priority for senior management so we aim to **assign dedicated responsibility to ESG and incentivise** our senior executives to deliver on our promises in the financial year 2022/23.

OUR STAKEHOLDERS

Our sustainability strategy and ESG targets are rooted in the needs of our stakeholders and our company. We cultivate dialogue with our internal and external stakeholders through a variety of different channels to derive valuable insights and strengthen our bonds with those who impact and are impacted by our company.

The stakeholder engagement process started internally with us talking to employees and executives about important topics for DOUGLAS going forward. We connect and engage with staff at all levels and across a variety of channels to gain feedback about the issues that matter to them too.

Externally, we consulted customers shopping in our brick & mortar stores and online to learn more about the impact of

our company and products. DOUGLAS then broadened its horizons by working with lenders, investors and rating agencies to inform our approaches. On a wider scale, we also engaged with the media, academics and NGOs to learn more about their perspectives.

One of the more important elements of the stakeholder engagement process involves our suppliers and partners throughout the supply chain, including

product manufacturers and service providers. We engage in regular discussions with these companies. Additionally, DOUGLAS is planning and launching partnerships with a number of premium suppliers as part of our efforts to make the supply chain greener for beauty retail as a whole. These initiatives represent yet another step towards making the entire industry even more beautiful.



Beautiful People



OUR PEOPLE

DOUGLAS knows that our success is rooted in the dedication of our employees. That's why we strive to create a workplace where people feel seen, heard and valued. DOUGLAS is committed to being a diverse and inclusive employer. Our training and development initiatives help empower our employees and encourage them to reach their full potential.

We aim to delight our customers with the depth and breadth of our portfolio and the experiences that we offer in-store and online. As a customer-centric company, we want to improve our shoppers' satisfaction across all markets and touchpoints by providing events, product recommendations, agile customer services and a loyalty programme with real rewards.

On the next pages of this report, you will find information about both aspects of our 'Beautiful People' approach at DOUGLAS: developing employees,



being a responsible employer, providing an inclusive workplace on the one hand, as well as putting our customers at the centre of everything we do on the other hand.



1. Customer satisfaction & experience

- Customer satisfaction
- Digital solutions

2. Diversity, equity & inclusion

- Diversity & inclusion
- Equity/equality
- Anti-discrimination/anti-harassment

3. Employee engagement

- Employee satisfaction
- Compensation & benefits
- Health & safety
- Employee development
- Turnover/layoffs
- Working conditions



For us, a diverse and inclusive culture starts with the recruitment process and is echoed throughout all levels and departments within the company. At DOUGLAS, we are so proud of our employees for their open mindset, innovative thinking and future-oriented approach. We think that having multiple and diverse perspectives is a key driver for generating the innovative ideas that we need to thrive as a company. It is truly our people who are making things happen. Our diversity reflects the diversity of our sales channels as well as customers' needs, which we are striving to fulfil every day.

**MAREIKE MENDE-RATNAM,
CHRO GROUP AND BOARD MEMBER
DOUGLAS GERMANY**

OUR EMPLOYEES



We have developed our approach to creating a beautiful place for people - both our employees and our customers - in a multi-stakeholder process that has involved our corporate management team every step of the way.

It is also aligned with the work of DOUGLAS' Chief Human Resources Officer and Chief Compliance Officer, who approve and support all measures. Our executive board management team has also consistently been involved as we work to make DOUGLAS a more beautiful place for people to work and shop (to read more about our executive board's involvement, turn to page 5).

Diversity, equity and inclusion

At DOUGLAS, we celebrate each person's individuality in order to create a world where everyone feels seen,

heard and valued. We intend to open all eyes to the beauty of uniqueness, bring it to life and make life itself more beautiful - and that includes encouraging all of our employees to express their true selves. To this end, DOUGLAS is currently developing a comprehensive diversity, equity and inclusion policy for major employee-related processes that should be in effect in the 2021/22 financial year. We intend to craft a long-term strategy known as #ForwardDEI by 2023 as part of our Forward Beauty initiative to integrate our online shops, marketplace and brick & mortar stores into a data-based beauty platform.

DOUGLAS is a democratic and inclusive brand that stands for an open and diverse society. We are providing a real platform for diversity with campaigns celebrating Women's Day and Pride month. Our #FORWARDfemaleLEADERSHIP initiative connects women, giving them space for dialogue and networking. We

do not tolerate discrimination based on skin colour, origin, sexual orientation or personal pronouns - and this begins at the very first step of the recruitment process and in the way we approach people, behave, communicate and make decisions as a company.

As an employer, we intend to take action to include women, the LGBTQI+ community, and different nationalities and age groups in our internal initiatives and external campaigns. The fact that DOUGLAS was the first company to receive full BeyondGenderAgenda (BGA) certification pays testimony to these efforts (see box). But we are not done yet: in 2022 and beyond, DOUGLAS intends to facilitate the development of its first Employee Resource Groups and will establish a programme of in-house events. We want to hold diversity training sessions, talks and meetups that focus on issues such as unconscious bias and gender-sensitive communications.

**DIVERSITY
CERTIFICATION**

★★ 2021

BGA

**BEYOND
GENDER
AGENDA**

DOUGLAS IS THE FIRST COMPANY TO RECEIVE FULL BEYOND GENDER AGENDA CERTIFICATION

Last year, DOUGLAS became the first company to be awarded full BGA certification. BGA is an initiative that certifies successful efforts to advance diversity, equal opportunities and an inclusive working environment. The rigorous certification process involved an employee survey, along with interviews with top managers and employees

working at different departments and hierarchical levels. Our full certification proves that DOUGLAS meets all four requirements set by the German Diversity Monitor: our understanding of diversity is holistic; we have defined KPIs; diversity is an executive priority; and we have created an inclusive work environment.

MYBEAUTY.MYPRIDE.

Supporting the LGBTQI+ community is a year-round affair for DOUGLAS. Pride month in June offers an excellent opportunity to raise awareness. Every year thousands of people around the world celebrate Pride in observance of LGBTQI+ history and the history of the gay rights movement at local, national and international levels. As an open and diverse company, we want to help create a tolerant and inclusive world that emphasises the beauty of individuality. With a moving employee campaign in 2021, DOUGLAS again offered a platform to support Pride on its own channels and took a stand on diversity, tolerance and equality, regardless of skin colour,

origin, sexual orientation or personal pronouns. Our campaign highlighted five DOUGLAS employees from different countries who share their individual definitions of pride, their experiences and personal advice to allies of the LGBTQI+ community and members of the community itself. The MyBeauty.MyPride. film formed the centrepiece of this campaign. Additionally, we created three complementary videos last year to deepen the conversation, in which DOUGLAS employees shared their personal stories about how they gained self-confidence and who and what helped them express their true selves.



FEMALE LEADERSHIP SINCE 1909

Since the early days, DOUGLAS has benefited from strong women leading our company. In 1909, Berta Kolbe became the first woman to manage J.S. DOUGLAS Sons. She granted a name licence to a third party, paving the way for our first brick & mortar store. Two sisters, Anna and Maria Carstens, opened the first Parfümerie DOUGLAS in Hamburg in 1910. Many more women have shaped our history since then. That's why we are working to provide equal opportunities for all.

Representing and empowering women has truly been essential to our success over the years. Our current CEO, Tina Müller, has been honoured by the BGA at the German Diversity Awards, walking away with prizes for supporting women in leadership roles and the audience award. We have joined Initiative Women into Leadership e.V. (IWIL), a broad network of stakeholders from business, academia and society that offers women professional support and mentorship. Müller's personal commitment to its purpose of fast-tracking exceptional women to executive roles has led her to serve as an IWIL mentor. At DOUGLAS, we are taking steps to advance female leaders in the workplace through initiatives like #FORWARDfemaleLEADERSHIP. Our CEO also regularly profiles the inspiring women behind beauty start-ups on her LinkedIn page and encourages women to channel their ideas into new businesses.

DOUGLAS is proud to have raised the proportion of women in the top three tiers of the company by more than half. With 54% women in leadership positions, we have already passed our original goal of 30%. This starts at the top, where two of our three management board members are women: CEO Tina Müller and CDO Vanessa Stütze.

A PLACE FOR EMPLOYEES OF ALL ABILITIES

DOUGLAS wants to provide equal opportunities for employees with disabilities. To that end, we are working to better accommodate employees' needs within our workforce. A disability representative is involved in all employee-related processes to make sure that their voices are heard.

EVERYONE'S WELCOME HERE: DOUGLAS EMPLOYEES COME FROM AROUND THE GLOBE

In 2020, people from 115 nations worked at DOUGLAS.

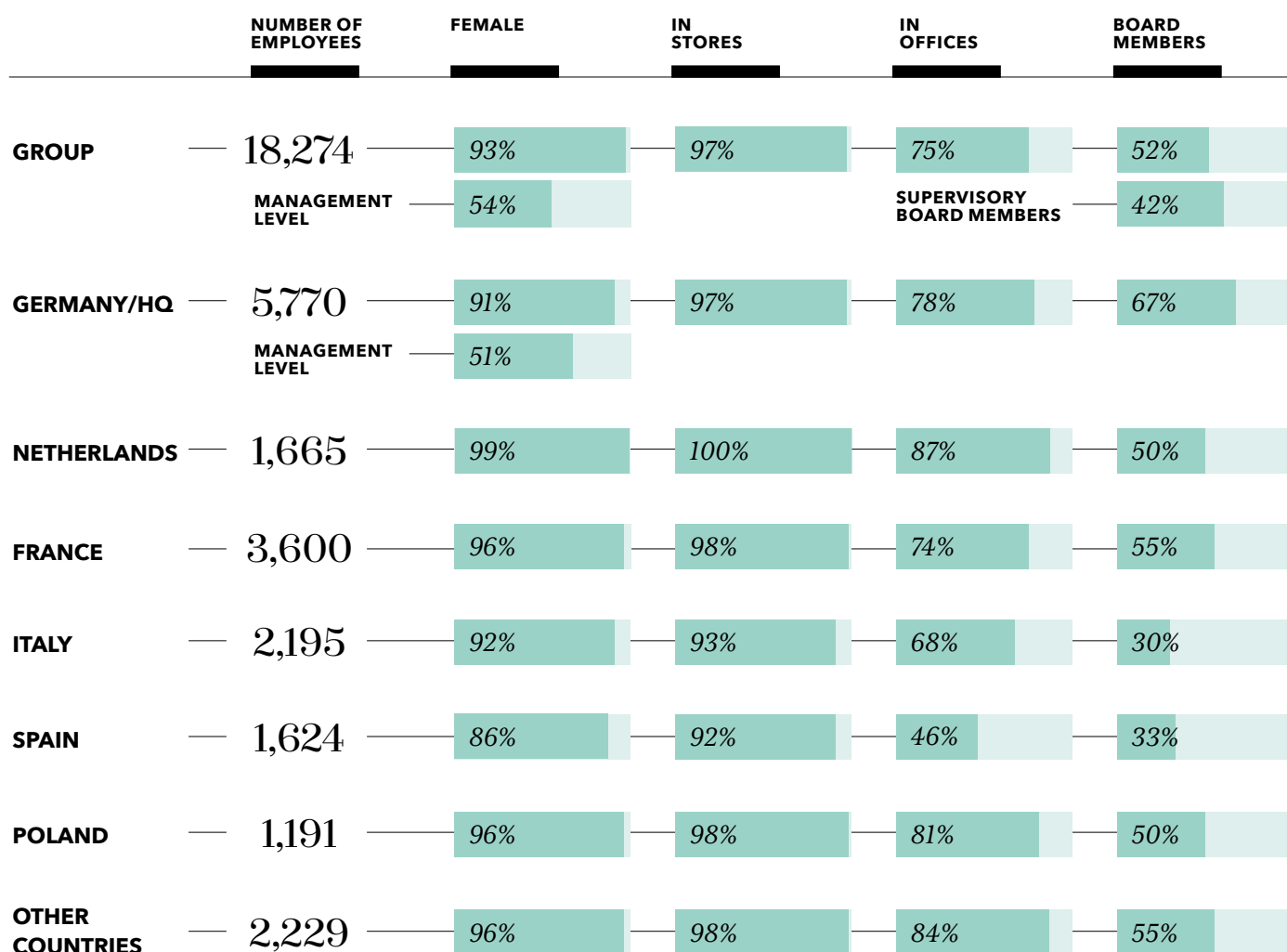
We want to encourage and inspire people regardless of their origin or culture. To foster greater diversity among our employees, we want to roll out anti-discrimination measures and make customers of all backgrounds feel represented.

Our Forward Organisation (FWD) project, which began in February 2021, seeks to connect functional lines around the globe and create a transparent international talent base. It fosters knowledge sharing on the international stage and enriches perspectives beyond local borders. FWD offers a unique opportunity for HR to help functions and country teams make DOUGLAS a transparent and high-performing company. The initiative will help us learn from one another, connect digitally and think and act like our competition. It also integrates the latest technology to support smart customer relations management, pricing and online business.



CEO Tina Müller (right) CDO Vanessa Stütze

**GENDER DISTRIBUTION BY REGION AND FEMALE SHARE IN MANAGEMENT POSITIONS
IN FY20/21 – HEADQUARTERS (HQ), CORE MARKETS AND OTHER COUNTRIES³ [GRI 405]**



NATIONAL DISTRIBUTION OF DOUGLAS EMPLOYEES⁴

115
NATIONALITIES

KEY: 115 out of a 195 recognised nations in the world.



3. Other countries: AT, HU, SK, RO, PT, HV, CZ, BG, EST, LV, LT, AD, MCO, CH.

4. Includes all 26 countries (offices, stores, warehouses), excluding Austria, Estonia, Latvia and Niche Beauty.

Employee engagement

DOUGLAS pledges to provide an attractive working environment where everyone feels seen, heard and valued. We care about our employees so we intend to put in place a continuous listening strategy to get feedback on their wants and needs in the workplace. DOUGLAS recently launched the #failforward initiative, which aims to create a positive feedback culture surrounding risk taking, mistakes and feedback. As part of this, we shared initial stories where we encouraged managers to talk about their errors and what they learned from them.

Recent sample surveys showed consistent improvements in our employees' satisfaction with their personal growth, their happiness and well-being and their relationships with their peers and managers. In fact, employee satisfaction increased across all categories. In 2022, DOUGLAS plans to conduct the first employee Net Promoter Score (eNPS) across the whole organisation as a basic indicator for a data-driven approach to employee satisfaction.

WE OPEN ALL EYES

TO THE BEAUTY OF UNIQUENESS,

BRING IT TO LIFE

& MAKE LIFE ITSELF MORE BEAUTIFUL.

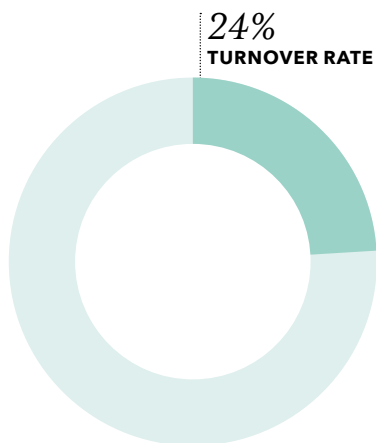
FOR A WORLD WHERE EVERYONE
*feels seen, heard
and valued.*

115
NATIONALITIES

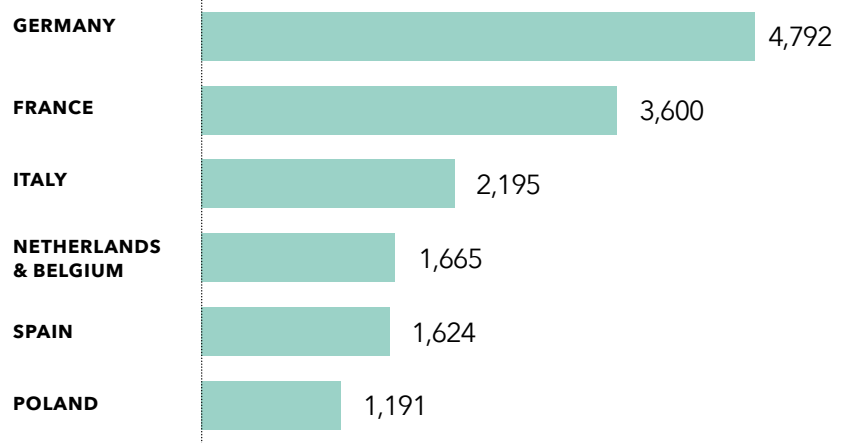
18,274
EMPLOYEES

10
YEARS OF
AVERAGE
EMPLOYMENT
IN FY20/21
[GRI 401]

TURNOVER RATE OF DOUGLAS IN FY20/21⁵ [GRI 401]



TOTAL NUMBERS OF DOUGLAS EMPLOYEES BY REGION IN FY20/21 [GRI 2]



5. Includes all 26 countries (offices, stores, warehouses).

BEAUTYFUTURES @ DOUGLAS – INSPIRING A NEW GENERATION OF START-UPS

BeautyFutures - The DOUGLAS Innovation Pitch - invites young founders from the cosmetics and technology spheres to present an idea in one of three categories: beauty technology, beauty brand and green retail. The competition offers a stage for undiscovered potential and is just one of the many ways we have actively supported founders by adding their products to our assortment. They include, for instance, Dr. med. Susanne von Schmiedeberg (eponymous brand), Zoe Boikou (Zoeva), Lena Hien & Laurence Saunier (Bears With Benefits), Dr. Barbara Sturm (eponymous brand) and Antoneta Bursac (Klarskin).

Green retail is a new category in which competitors presented ideas for improving sustainability in retail with beauty products. In 2021, Jessi Baker (Founder & CEO) of Provenance won over the jury in this category. The British start-up helps brands turn their influence into brand value with a software solution for sustainability communication.

A total of 196 start-ups from 23 countries entered the third edition of DOUGLAS' entrepreneurial competition in 2021. "I am really impressed by the high number of entries and the many different ideas that were presented," said CEO Tina Müller.



"The start-up challenge is a project that is really dear to me, and I simply can't believe how many young companies want to change the world of beauty and health. We look forward to working with the start-ups to improve the industry."

Further information: www.douglasbeautyfutures.com



REWARDING BENEFITS

DOUGLAS recognises the hard work of our employees by offering attractive compensation, improved employer-funded pension schemes, great working conditions and many incentives. Our employees enjoy fringe benefits, ranging from employee discounts to a DOUGLAS Baby Package that welcomes the newest members to DOUGLAS.

We know that happy employees are motivated employees, so we have adopted a mobile work policy that allows our employees to work up to more than 50% of their regular working time from an alternative location in Germany, subject to approval. This flexibility to work from a cafe or a relative's home, for instance, will make life easier given the current environment.

BUILDING A COMMUNITY

During the first Covid-19 lockdown, DOUGLAS created a private social media channel, @wir.sind.do., to enable direct communication and the sharing of information and training updates with our in-store beauty experts. More than 1,500

employees now follow this account on Instagram. They enjoy daily content about new products and events, can take part in giveaways and can network and motivate one another. DOUGLAS holds quarterly town halls to provide updates on its business and to share inspirational stories.

WANTED: DIGITAL AND TECH TALENT

People with data, coding, research, performance and content skills are the backbone of DOUGLAS' beauty platform. That's why we just launched THE CODE BEHIND BEAUTY, an employer branding campaign to attract talented digital and tech professionals. We are putting people at the heart of this initiative as we recruit employees to fill exciting roles ranging from UX designers to display marketing managers. The campaign positions DOUGLAS as a diverse and digital employer by telling the stories of 22 employees involved in developing and scaling our platform. THE CODE BEHIND BEAUTY gives insights into exciting digital projects at DOUGLAS and duly reflects our open-minded, tolerant work culture.

>50%
**REMOTE
WORK IN
GERMANY**

233
**APPRENTICES
IN FY20/21**

1,500
**@WIR.SIND.DO.
FOLLOWERS**



A BEAUTIFUL MISSION

We are proud of the many ways that our employees are helping create more beautiful communities. One such initiative is our partnership with DKMS LIFE, which is part of the bone marrow donor centre DKMS. Our beauty experts offer free cosmetics workshops for women living with cancer to help them feel more confident as they go through treatment. DOUGLAS also showed its solidarity with cancer patients by donating EUR 1 to DKMS LIFE for every product purchased from selected brands for two weeks last October. The initiative raised EUR 100,000.

What's more, our employees can regularly be found assisting others, from helping children out of poverty with Froschkönige gegen Armut e.V. to collecting beauty products to donate to women's shelters and raising money for victims of the devastating floods in Europe in 2021. Our employees and senior managers established a fund to provide quick and simple financial support to affected employees and their families. In total, more than EUR 45,000 was donated.

In 2022, DOUGLAS also donated money and hygiene products worth over EUR 1 million to refugees from the war in Ukraine.



We also asked our employees to contribute and doubled their donations. Moreover, we supported employees in their voluntary commitment and joined the Job Aid for Ukrainian Refugees initiative.

Employee development

We want to continuously provide our employees with growth and learning opportunities that empower them. We have already rolled out an apprenticeship programme, job-level architecture and performance management where our #PerformanceDialogue structures the way leaders evaluate performance in co-creation with their employees.

To ensure that our in-store beauty experts are up to date on our latest brands and products, we have created an e-learning platform. We hold regular (virtual) events with our strategic partners and brand representatives to keep our store employees abreast of the latest developments and maintain motivation during local lockdowns.

DOUGLAS is passionate about training the next generation of employees. We are proud of our apprenticeship programme. DOUGLAS is already providing jobs for students and interns in all departments.

We are offering dual-course studies at our headquarters, where secondary school graduates have the chance to combine a 3.5-year bachelor's degree with practical work in different parts of our company. In FY20/21, we had 233 apprentices, most of whom were trained within our German sales unit.

By the middle of 2022, we intend to have put in place a new leadership training programme starting at our headquarters that cascades throughout the company.

As part of the process of describing our purpose, we recently defined core competencies focusing on both functional skill-based training and behaviour-based development and growth.

Employee health and safety

We pledge to ensure that DOUGLAS is a safe working place and to promote our employees' health. We already support their health and well-being with benefits

such as sponsoring gym memberships and offering virtual training sessions, a corporate sports programme and flexible working models. We offer our employees annual flu vaccines. The DOUGLAS occupational health committee meets regularly to explore new ways of making our workforce healthier.

During the pandemic, we have made sure that our employees have access to masks, hand sanitiser, testing and vaccinations so that we can serve our customers in a safe environment.

Starting in 2022, DOUGLAS' e-learning platform is set to feature a range of health and safety courses covering everything from occupational safety and fire safety to ergonomics and environmentally conscious working. We plan to start tracking metrics on workplace accidents and fire safety inspections. We also offered a training programme called 'The Next We' for 50 colleagues at our Düsseldorf Headquarters that included mental health coaching.

OUR CUSTOMERS

DOUGLAS customers know that a premium beauty experience awaits them the moment they walk through our doors, visit our website or open our app. Our beauty experts excel at engaging our customers and delighting them with outstanding service. As a customer-centric company, we aim to achieve high satisfaction. And we want to constantly improve our customer satisfaction in all countries and points of sale.

Keeping our customers satisfied

The Net Promoter Score (NPS)⁶ is our main system for monitoring customer satisfaction. It helps us track customer satisfaction systematically, assess customer feedback at various touchpoints along the lifecycle and across our multiple channels, monitor our core markets, identify problems that customers encounter and craft solutions.

To ensure high customer satisfaction, we have implemented comprehensive tracking systems, such as the NPS for transactions and the cohort analysis of customer lifetime value and repurchase rate across consecutive periods. These systems have been adapted and improved during the 2020/21 period. In the 2020/21 financial year, we were able to keep our lower-funnel and upper-funnel NPS at a consistently high level of over 75%. We also introduced new surveys for additional customer touchpoints and countries.

Going forward, we intend to develop the NPS system continuously by rolling it out in more markets and customer touchpoints and by leveraging best practices across markets and channels. We also want to optimise our NPS by listening to customers and implementing solutions to their problems.

> 75%

NPS LEVEL IN FY20/21



6. The NPS measures how likely a customer is to recommend our products to others.



Creating exceptional experiences

We use these customer satisfaction systems to listen to our customers so that we can cater to their needs. We want to inspire our customers. In the 2020/21 financial year, we launched several measures to do just this, such as makeup services, photoshoots, industry events and shopping nights. What's more, our beauty experts are on hand to offer personalised product recommendations in person or via our Covid-19-safe shopping hotline. We want to provide the best customer service, so we also offer our beauty consultants in-depth training, and they give feedback to headquarters if they have suggestions for improvement.

To further adapt to our customers' ever-evolving needs, we are opening flagship stores to provide an end-to-end experience. These high-end locations feature everything from an expanded product range to salon services for brows, nails and hair. In 2021, we opened our latest flagship store in Munich.

We are also optimising our approach to samples. We are limiting the number of samples we hand out and letting customers choose the products they want to try. When shopping online, our customers also have the choice to opt out of samples. As a general principle, we are reducing sample packaging overall.

In the 2020/21 financial year, we maintained our certificates with eKomi and EHI. The eKomi seal of approval shows that we collect customer reviews based on real transactions; over 95% have given DOUGLAS a positive rating. The EHI Certified Online Shop quality seal is awarded exclusively to mail-order companies that are members of the Bundesverband des Deutschen Versandhandels e.V. (bveh) and have passed the EHI test, indicating compliance with legally relevant regulations and defined quality requirements.

Driving digital solutions

We aim to continuously enhance our customer experience by using modern technologies and implementing new digital solutions. We also intend to improve existing features and services.

In the 2020/21 financial year, we moved forward with our #DigitalFirst strategy, which is transforming every DOUGLAS branch into part of our data-based beauty platform. This approach allows DOUGLAS to combine the benefits of an in-person experience with the convenience of digital services, for instance, through mobile payment and digital receipts.

This solution proved its mettle during local lockdowns when our customers could shop online from the comfort of their own homes and then pick up orders at their local Click&Collect station. Three of our stores in Germany are already

almost contact-free: customers can collect their prepaid orders from pick-up stations using a QR code. Customers who are undecided can use Click & Reserve to have products put on hold for them at a store without any obligation to buy.



DOUGLAS wants to continuously enhance our digital customer experience by deploying modern technologies and new solutions in our branches. Our employees now have mobile devices on hand to assist customers. These smartphones can be used to look up information about orders and product restocks at the touch of a button. This is all part of the premium service that awaits our customers when they visit us in-store.

Our Scan & Go system allows customers to scan and pay for products in-store from the convenience of their own phones. As customers enter the store, they use a QR code to open an app that provides information about any product they scan. Once customers have finished shopping, the app generates an invoice that they can pay using their smartphone or one of our mobile cash registers - making queuing to check out a thing of the past.

OUR LOYALTY PROGRAMME: POINTS AND PERKS THAT REALLY ADD UP

The DOUGLAS Beauty Card is a must-have in anyone's purse or digital wallet. Our customer loyalty plan adds beauty points for every purchase. We also give our customers the option of donating their points to DKMS LIFE, a charity partner affiliated with the German bone marrow donation organisation that helps people living with cancer, during special events.

The Premium Card offers customers a convenient way to pay for their DOUGLAS purchases and treats holders to additional benefits such as invitations to special events, personalised content and exclusive discounts and promotions. Premium Card holders receive our exclusive Beauty Card Magazine, which features beauty and lifestyle tips and trends.

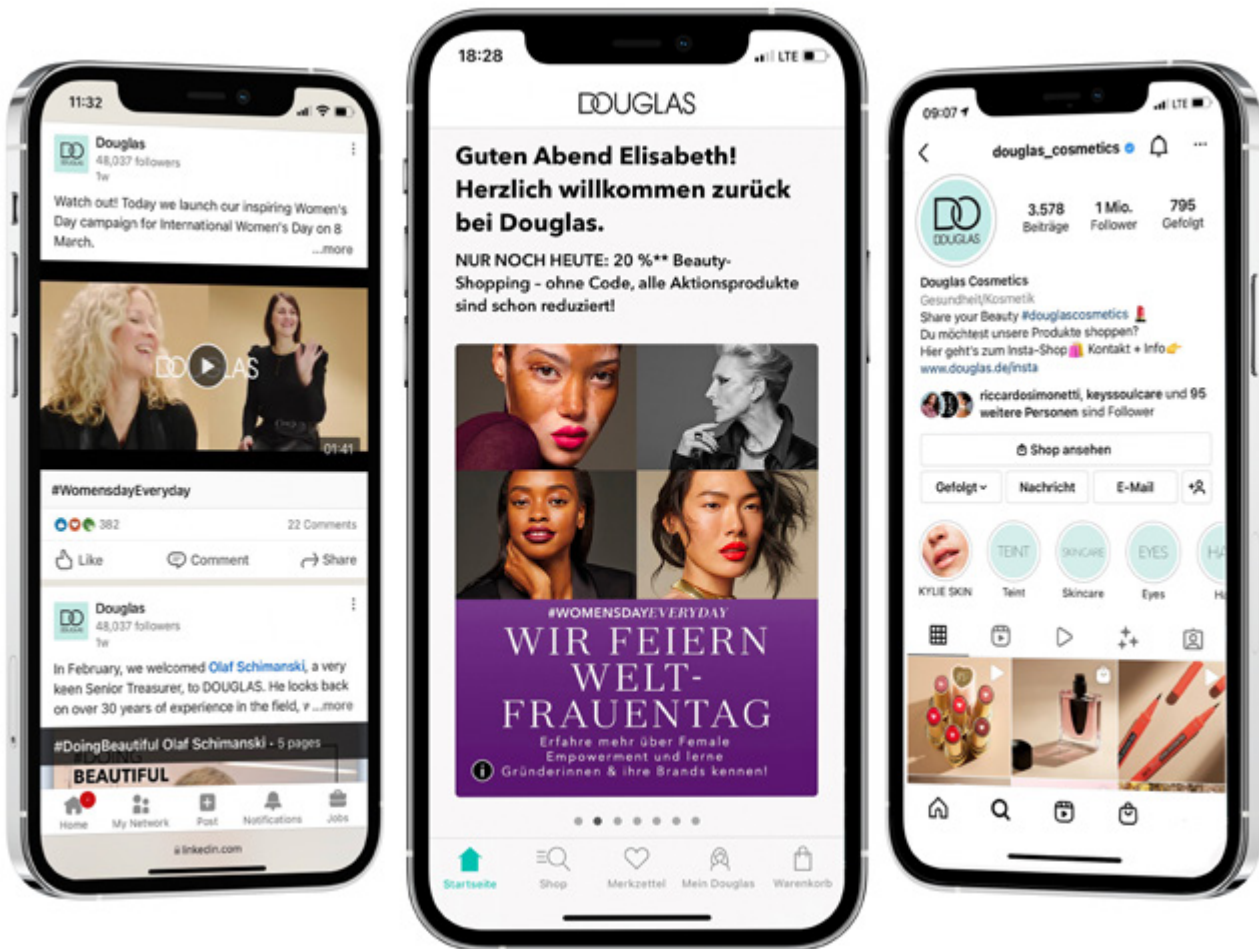
We are also seeing great success in the number of customers opting for our Digital Beauty Card, which they can store in their digital wallets. A quick and contactless way to earn and redeem points, the Digital Beauty Card brings together the best in online and offline shopping. It is good for the environment too, reducing the number of plastic cards in circulation. In the 2020/21 financial year, more than 8 million users had a Digital



Beauty Card.⁷ Going forward, we intend to permanently increase the number of members who benefit.

Our loyalty programme is growing every year. Today, more than 45 million customers in Europe have a Beauty Card. The number of members is constantly growing, allowing us to reward even more customers for regularly choosing DOUGLAS as their trusted beauty partner.

7. Based on the number of app installations.



THE DOUGLAS APP: ONE DOWNLOAD, MANY INNOVATIONS

The DOUGLAS app helps customers find fragrances and gifts from the convenience of their phones. We aim to improve the app's features by adding the Digital Beauty Card to mobile wallets, making in-person shopping even more convenient. Our developers are also in the process of building a skin analysis tool that will allow customers to upload a picture of their skin to the app and receive personalised skincare recommendations.

One in-app feature is the Beauty Mirror. Using augmented reality, the Beauty Mirror allows customers to try out the latest makeup trends virtually and buy suggested products directly from our online warehouse. Customers visiting our brick & mortar branches can also experiment virtually using a station with

an integrated iPad. Where Covid-19 restrictions allow, our beauty experts can help customers recreate the look. This smart combination of in-person and digital solutions transforms stores from a point of sale to a point of experience.

In 2020/21, more than 8 million users had installed the DOUGLAS app, which also offers beauty tips and information about our latest promotions. We aim to constantly increase the number of members who benefit from our app. Our efforts have not gone unnoticed either: the German Association for Consumer Studies (DGTV) ranked DOUGLAS in the top 20% of apps for its App Award 2021. We aim to maintain this ranking and continue using the app to create an even better experience for all of our customers.

LEVERAGING SOCIAL MEDIA

We want to communicate with and provide services for our customers beyond our stores. Shoppers can now turn to the DOUGLAS social media team for inspiration delivered through regular posts, live videos and hands-on tutorials for beauty lovers.

We are also working with influencers and the beauty industry to bring the best shopping experiences to customers in the comfort of their homes, for instance, through live shopping events where our experts share their beauty tips and highlights.

DOUGLAS is focusing on engaging customers on social media with attractive content and updates. In the reporting year, we interacted with 47,300 followers on LinkedIn and 1 million followers on Instagram.

Beautiful Products



OUR SUSTAINABLE OWN BRANDS & ASSORTMENT

Everything we do at DOUGLAS comes back to the products we sell - whether it is our unrivalled range of own lines (known as DOUGLAS Brands) - or our outstanding offering of beauty products from our brand partners.

In both areas, sustainability is of utmost importance: with our DOUGLAS Brands we want to become an ESG frontrunner and benchmark as we directly influence their development and production. And as one of the largest sellers of beauty and cosmetics products from brand partners with more than 150,000 different items on offer, DOUGLAS has the chance and the responsibility to work together with the cosmetics and beauty industry to foster sustainability. Altogether, looking at both our own brands and our assortment from brand partners, we have organised our efforts

to offer beautiful products around four pillars: clean beauty, respecting nature, circular economy, and local and trusted (see image on page 28).

As described above, our inaugural Sustainability Report looks at the two different elements of DOUGLAS' overall assortment: you will find information about our DOUGLAS Brands in the main section of each part, along with a separate paragraph devoted exclusively to products from our brand partners from the beauty industry.

The CEO of DOUGLAS Brands is in charge of ESG topics for our own brands, while the Chief Assortment and Purchasing Officer oversees these matters for brand partner products. We have developed our approach to offering beautiful products in a multi-stakeholder process that has involved our corporate management team every step of the way. Our executive board management team has also consistently been involved as we work to carry more sustainable products across our company (to read more about our executive board's involvement, turn to pages 5 and 46).



We are committed to reducing the environmental impact of our own brand products. As we make improvements, it truly comes down to our team of passionate developers who see it as their mission to make a difference with the products they create. It is inspiring to see how they push the boundaries of what we are capable of doing at DOUGLAS Brands with every new launch.

**SUSANNE CORNELIUS,
CEO DOUGLAS BRANDS**



As the number one destination for premium beauty in Europe and with a heritage of more than 100 years in the market, DOUGLAS has the knowledge, expertise, network and power to become a driving force for ESG in the beauty and cosmetics industry. We are eager and motivated to take this responsibility for the sake of sustainability.

**ISABELL HENDRICHS,
CHIEF ASSORTMENT AND PURCHASING
OFFICER - DOUGLAS GROUP**

BEAUTIFUL PRODUCTS

LOCAL & TRUSTED

"We source our products based on **ethical terms** ensured through a **code of conduct**. We support local products **made in the EU**."

CIRCULAR ECONOMY

"We contribute to a circular economy by increasing our share of **R&R materials** and actively **prevent plastic from entering the ocean**."



CLEAN BEAUTY

"For us, beauty goes hand-in-hand with **clean products** that are **free from certain critically discussed ingredient**."

RESPECTING NATURE

"All our products are **cruelty-free** and we aim to **increase the share of vegan and organic content** in our product portfolio."



**Almost 100%
OF NEW DOUGLAS BRANDS
RELEASES SINCE 2020 HAVE
BEEN MICROPLASTIC FREE
UNDER OUR DEFINITION**

CLEAN BEAUTY

Cleaner products for people and the planet

Over the years, DOUGLAS has earned its reputation as the leading premium beauty retailer by carrying hundreds of brands that offer the best and most innovative products. As we look to the future, we are offering more clean beauty products in our brick & mortar stores and online.

CLEAN BEAUTY AT DOUGLAS BRANDS

To offer customers more guidance on products without critically discussed ingredients, we have developed a Clean Beauty Label for our DOUGLAS Brands encompassing products that refrain from using a list of certain controversial ingredients. This list is updated at regular intervals to take account of the latest scientific findings.

In both areas, our own brands and our brand partners assortment, we want to ensure that more of the products within our overall assortment comply with our Clean Beauty Policy. At DOUGLAS, we endeavour to provide transparency on our Clean Beauty List, thus providing a clear standard to other businesses to inspire change within the beauty industry. Our current clean beauty product lines include DOUGLAS Essentials, one.two.free! and Dr. Susanne von Schmiedeberg. In the 2021/22 financial year, more than 40% of our newly launched DOUGLAS Brands products will be clean. And we intend to increase this share year by year. Wherever possible, we strive to offer a clean alternative for every product category within our portfolio.

Along with our Clean Beauty Label, we also developed a policy on the use of microplastics. Since 2020, the

IN THE SPOTLIGHT: ONE. TWO. FREE!

one.two.free! is a brand exclusively developed for DOUGLAS featuring 100% clean beauty products. These products contain no parabens, silicones, mineral oils or sulphates. Inspired by Korean beauty routines, one.two.free! has three main steps: cleanse, prep and care. These vegan and cruelty-free products are enriched with fermented ingredients that are known to be easier for the skin to absorb, making caring for your face efficient and easy. one.two.free! is good for the environment too - coming in packaging that is at least 96% recyclable.



DOUGLAS Brands Policy has excluded microbeads for leave-on and rinse-off products, a step that goes beyond the requirements set out in EU Cosmetics Regulation 1223/2009. Therefore, nearly 100% of our new products since 2020 have been microplastic-free according to the above framework.

CLEAN BEAUTY ACROSS OUR BRAND PARTNERS ASSORTMENT

By agreeing to the DOUGLAS quality guarantees, our brand partners consent to numerous EU regulations. Additionally, DOUGLAS wants to take the chance to go beyond regulations and to work together with the industry, for instance to abstain from using microplastics in beauty products.

>40%

OF NEW DOUGLAS BRANDS RELEASES IN FY21/22 WILL BE CLEAN



WHAT IS CLEAN BEAUTY?

Conscious consumption and transparent communication about product ingredients have become increasingly important, including in the world of beauty. In 2019, the lack of a universal and generally valid definition of clean beauty in the cosmetics industry led us to develop the DOUGLAS Clean Beauty Policy and Clean Beauty Label. Our aim with launching our own Clean Beauty Label was and still is to provide quick and easy guidance to customers who want to avoid certain ingredients in their cosmetic products. Our Clean Beauty Policy focuses on ingredients that are free of certain controversial ingredients such as cyclic silicones, harsh sulphates and mineral oils. What's more, all products bearing the Clean Beauty Label at DOUGLAS must be cruelty-free.

RESPECTING NATURE

Nurturing our world

We only have one planet. That's why it is important that we respect nature by offering products that meet our customers' growing demand for vegan, organic and cruelty-free products.

RESPECTING NATURE AT DOUGLAS BRANDS

All our DOUGLAS Brands products are cruelty-free, and we aim to increase the share of vegan and organic offers in our product portfolio.

The DOUGLAS Brands range of vegan products is growing and includes items offered by our popular Jardin Bohème and one.two.free! brands (see boxes). To underpin these efforts, we intend to introduce a Vegan Policy for DOUGLAS Brands aligned with recognised third-party requirements. It is our goal to offer as many vegan alternatives as possible across all product categories.

All DOUGLAS Brands products fully comply with EU regulations relating to animal cruelty. For us, 'cruelty-free' means that no animal testing was used in the development of our products. We strive to further deepen our understanding by drafting a Cruelty-Free Policy, which will be aligned with renowned third-party certifications.

DOUGLAS Brands also aims to increase the number of natural formulas in our portfolio and to extend our efforts to offer organic-certified products. As we work to grow our organic offering, we are rolling out new products, such as the four new Jardin Bohème fragrances launched in January 2022 (see box). Moreover, DOUGLAS intends to develop an Organic Policy that is linked to the COSMOS organic standard for cosmetics. This certification defines the criteria that



IN THE SPOTLIGHT: JARDIN BOHÈME FLEUR D'INNOCENCE FRAGRANCES

Our new 'natural fragrance' collection from Jardin Bohème, a brand exclusively developed for DOUGLAS, is inspired by the wonders of nature and a great option for people looking for vegan and organic products. Certified in accordance with the COSMOS organic standard, these eau de parfums are vegan and contain 99% natural ingredients. Compliance with the COSMOS certification ensures that these fragrances are produced in an environmentally friendly way and use natural resources responsibly.

companies must meet to ensure that their products are truly organic, from ingredient origin to labelling.

RESPECTING NATURE ACROSS OUR ASSORTMENT

By agreeing to DOUGLAS quality guarantees, our brand partners consent to numerous EU regulations. Our purchasing team will be part of any plans to develop the DOUGLAS Cruelty-Free,

Vegan and Organic Policies linked with third-party requirements. Moreover, the team intends to increase the number of natural formulations carried across our brand partners assortment.

93%

**OF NEW DOUGLAS BRANDS
RELEASES IN FY21/22 WILL
BE VEGAN**

CIRCULAR ECONOMY

Shaping a circular future for beauty retail

With our planet's resources growing increasingly scarce, keeping the maximum amount of materials in the loop is imperative. In light of this, embracing circular economy principles is set to become more vital for society as a whole.

CIRCULAR ECONOMY AT DOUGLAS BRANDS

DOUGLAS Brands are contributing to creating a circular economy by increasing our share of recycled and recyclable (R&R) materials and actively preventing

plastic from entering the ocean. By using and reusing materials efficiently, we can reduce resource consumption.

Since product packaging is one area where we can have a significant impact, we want more of it to be R&R. To that end, we strive to increase R&R as a whole and in new releases. Over a quarter of DOUGLAS Brands' new launches in the 2021/22 financial year will use recycled plastic packaging. Looking to the future, one of our aims is to have more than 50% of our new launches using recycled material by 2030.

DOUGLAS Brands strives to use more paper-based product packaging that is compliant with the Forest Stewardship Council (FSC) standard. We also have taken steps to cut back the amount of plastic used in our Christmas Collection

by replacing plastic inlays and windows with FSC-certified cardboard and opting for reusable outer packs. We have already eliminated 95 tonnes of plastic from our Christmas Collection since this initiative launched in 2020. DOUGLAS Brands has also increased the amount of FSC-certified paper products that we use, and we continue to explore ways to make material consumption even more efficient in this collection.

We fully support FSC certification, which ensures that products come from responsibly managed forests that provide environmental, social and economic benefits. In the 2021/22 financial year, 63% of new DOUGLAS Brands releases will comply with the FSC standard. Going forward, DOUGLAS Brands' goal is to have 80% of our new launches comply with the FSC or an equivalent standard by 2025.



IN THE SPOTLIGHT: NO COMPROMISE MASCARA

DOUGLAS' No Compromise Mascara is a firm favourite with customers for its exceptional lash-boosting properties. This mascara comes in sustainable packaging with 80% recycled content. The outer box is made of 30% recycled paper and is 100% recyclable. The cap and bottle are also made of 100% recycled material. And the bio-based wiper is derived from sugarcane. Making lashes pop with plenty of volume and no smudges, the formula is also clean, free from silicones and parabens and is made of 98% natural ingredients.

DOUGLAS PARTNERSHIPS

DOUGLAS also wants to make a difference through partnerships in the field of sustainability and social responsibility. To preserve the ocean, our DOUGLAS Brands team is partnering with Plastic Bank, a social enterprise that is preventing plastic waste from polluting the oceans by creating ethical recycling ecosystems in coastal communities. With this collaboration, every product sold from the DOUGLAS 'Home Spa' and 'Essential' lines contributes to preventing the equivalent of over 10 million plastic bottles from entering the ocean.

DOUGLAS Brands also entered another partnership with the designer collective Ara Lumiere. DOUGLAS Collection has co-created a limited edition of makeup products with Ara Lumiere for the Italian market. The organisation recently received the 'Camera Nazionale della Moda' Award in Italy for best design and social cause for their work helping female survivors of acid attacks in India reclaim their lives by working as seamstresses creating hair accessories and other products.

**CIRCULAR ECONOMY
ACROSS OUR BRAND
PARTNERS ASSORTMENT**

The DOUGLAS assortment team responsible for the purchasing of brand products from the beauty industry wants to work with our partners to explore and potentially increase the use of sustainable packaging solutions through refills for selected new product releases. We also aim to have more recycled and recyclable (R&R) product packaging and to improve the presence of R&R in new assortment releases.

**IN THE SPOTLIGHT:
PLASTIC BANK**

Plastic Bank is a globally recognised social enterprise whose mission is to stop ocean plastic by monetising waste while improving lives.

Plastic Bank builds ethical recycling ecosystems in vulnerable coastal communities in Brazil, Indonesia, the Philippines and Egypt.

Collectors receive bonuses in exchange for the materials they collect, which helps them provide basic family necessities such as groceries, school tuition, and health insurance. The collected plastic is then recycled and processed for reintroduction into the global supply chain, creating a circular economy for plastic.

Since it was founded, Plastic Bank has been recognised as a thought-leader and innovator in the regenerative society and has received numerous awards, such as the United Nations SDG Awards in 2019 and the Sustainia Awards in 2015 during COP21 in Paris.



95 t

**OF PLASTIC WERE
SAVED IN TWO YEARS
IN DOUGLAS BRANDS'
CHRISTMAS COLLECTION**

63%

**OF NEW DOUGLAS BRANDS
RELEASES IN FY21/22 WILL
BE FSC-COMPLIANT**

>50%

**OF ALL NEW DOUGLAS
BRANDS PRODUCTS WILL
BE USING RECYCLED
MATERIAL BY 2030**

LOCAL AND TRUSTED

Understanding the origins of our products

At DOUGLAS, we want to reduce our environmental footprint and guarantee the best manufacturing practices. That means selling products from local and trusted sources.

LOCAL AND TRUSTED AT DOUGLAS BRANDS

We believe in promoting products made in the EU, an approach that reduces transport distances, develops local communities and safeguards the origin and processing of our

ingredients. This approach has been proven over the past two years during the Covid-19 pandemic, as local production helped keep supply chains moving. Going forward, we want to look for opportunities to relocate more manufacturing to the EU. Today, 85% of DOUGLAS Brands' permanent products are already made in the EU⁸.

Our strong relationships with responsible partners and suppliers are the foundation of our success. We source our DOUGLAS Brands products based on ethical terms that are ensured through the DOUGLAS supplier code of conduct, which covers topics from human rights to local regulations. In 2020/21, 100% of all newly onboarded DOUGLAS Brands suppliers agreed to our code of conduct.

LOCAL AND TRUSTED ACROSS OUR BRAND PARTNERS ASSORTMENT

Our assortment features a significant number of products made locally: in FY20/21, 62% of SKUs⁹ were manufactured in the EU. We want to communicate transparently about our clean beauty concept and aim to increase the information provided to consumers through our website so they can make the right choices for them. In FY20/21, we checked 28 assortment suppliers (accounting for 85% of e-commerce sales in Germany). This process revealed that 17 suppliers had signed the supplier code of conduct, and five big companies had not signed the code but had similar codes of their own.



85%

OF DOUGLAS BRANDS PERMANENT PRODUCTS ARE ALREADY MADE IN THE EU

100%

OF ALL NEWLY ONBOARDED DOUGLAS BRANDS SUPPLIERS AGREED TO OUR CODE OF CONDUCT IN FY20/21

IN THE SPOTLIGHT: LES DÉLICES

Made in Europe and primarily in France for customers in France as part of our Nocibé brand, our Les Délices range is a prime example of how DOUGLAS Brands is opting for local products. Featuring over 90% natural ingredients and vegan formulas, Les Délices was relaunched in January 2022 after we moved several manufacturing sites back to Europe from China. The range includes everything from shower gel and bath bombs to candles and soap - all wrapped up in recyclable packaging.

8. Based on information from suppliers.

9. SKU: A unique alphanumeric code.

Beautiful Planet

OUR ENVIRONMENTAL IMPACT

Our goal to make life more beautiful includes protecting and preserving the world we live in. As one of the biggest challenges facing humankind, climate change is an issue that requires us all to work together.

We are committed to setting aggressive yet realistic targets and have embarked on a journey towards carbon neutrality. DOUGLAS has already taken the first steps and will ramp up our endeavours in the years ahead. Additionally, we intend to partner with suppliers and customers to help reduce their GHG emissions as part of efforts to limit global warming to 1.5°C compared to pre-industrial levels.

As reporting requirements evolve, we are seizing this opportunity to re-shape our thinking about how to maximise material efficiency too. To conserve our planet's precious resources, DOUGLAS is exploring various ways to increase recycling and reduce waste generation within our company.



The CEO and the CFO of DOUGLAS are responsible for and closely involved in ESG aspects relating to our environmental impact. The ESG team is led by the Head of Sustainability who reports to the Director of Corporate Communications & ESG/Sustainability. We have developed our approach to reducing our environmental footprint

in a multi-stakeholder process that has involved our corporate management team every step of the way. Our executive board management team has also consistently been engaged as we work to become a more environmentally friendly company (read more about our executive board's involvement on pages 5 and 46).



At DOUGLAS, we are strongly committed to playing our part in global efforts to combat climate change. Together with our employees, customers and business partners, we will work across all available levers to reduce emissions and waste. These efforts begin with raising awareness, changing attitudes and pursuing ambitions - and end with tangible actions. We are determined to make a contribution to the EU's Green Deal.

MARK LANGER,
CFO DOUGLAS GROUP

Reducing our emissions

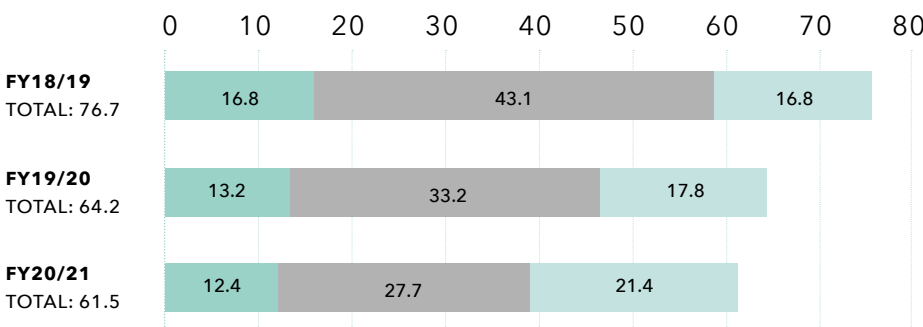
At DOUGLAS, we recognise our responsibility to use resources and energy efficiently. We know that each and every one of us, but especially all of us together as a company, are stewards of our planet. Before we could chart a course forward, we had to determine our GHG footprint¹⁰ and other relevant environmental impacts. We developed a complex and structured data collection process to help us identify our total

Scope 1 and 2 emissions¹¹ across all countries, offices, warehouses and stores. This information has put us on a solid footing to know where we stand and where we are headed.

MAPPING OUR SCOPE 1 AND 2 EMISSIONS

For the first time, DOUGLAS has documented its direct GHG emissions (Scope 1) and indirect emissions from electricity and district heating purchases (Scope 2). The infographic below also provides an in-depth analysis of our GHG emissions.

As part of the data collection process, we mapped information about our energy sources and energy consumption (see charts on page 37). This landmark moment for our company allows us to set ambitious targets. We intend to review this data collection process to streamline and improve its use in the years ahead, allowing us to gather even more robust information to make DOUGLAS a more energy-efficient group. In 2022, we aim to establish a group-wide GHG accounting system so that we can constantly track and refine our Scope 1 and 2 emissions and ensure contingency.



**WE AIM TO ESTABLISH
A GROUP-WIDE
GHG
ACCOUNTING
SYSTEM TO TRACK AND REFINE
OUR SCOPE 1 AND 2 EMISSIONS
AND ENSURE CONTINGENCY**

DOUGLAS GHG EMISSIONS (SCOPES 1, 2 AND 3) IN FY20/21 IN DETAIL IN TONNES CO₂E¹²

	DOUGLAS GROUP	OFFICES	STORES	WAREHOUSES
SCOPE 1				
Emissions from company vehicles	1,430.4			
Direct emissions from owned and controlled buildings	10,981.3	5,508.7	4,889.6	583.0
SCOPE 2				
Indirect emissions from purchased energy - owned and controlled buildings	27,671.3			
Emissions from generation of purchased electricity	25,424.4			
<i>Total electricity consumption in kWh</i>		3,438,214.2	102,307,664.8	2,131,254.8
Emissions from generation of purchased district heating/cooling	2,246.9			
<i>Total district heating/cooling consumption in kWh</i>		843,971.2	8,352,129.6	99,083.1
SCOPE 3*				
Emissions from outsourced warehouses (operated by service providers)	9,849.1			
Emissions from e-com deliveries/fulfillment	11,280.3			
Emissions from business travels	159.7			
Emissions from data centres	103.5			

* Scope 3 data due to relevance consolidated on Group level.

10. CO₂e or carbon dioxide equivalent is a measure used to compare emissions of various GHGs based on their global warming potential.

11. As measured in tonnes CO₂e.

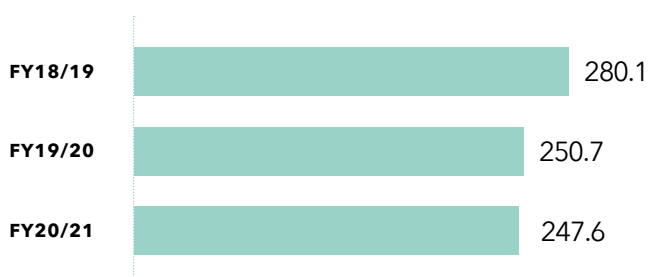
12. Table shows consolidated and relevant data per emission source.



**IN THE SPOTLIGHT:
DOUGLAS' GREEN HEADQUARTERS**

Our mission to be an innovative and digital beauty retailer is on display at our international headquarters. Since 2016, DOUGLAS has been based in the DUO, a green building in Düsseldorf that was modernised to improve its energy, water and material efficiency. The building has been awarded Green Building LEED™ Gold status, showing that its renovation met strict requirements in several environmental categories. Today, greenery throughout accentuates the eco-friendliness of this beautiful building.

AVERAGE ENERGY CONSUMPTION PER M² OF SALES AREA KWH/M²

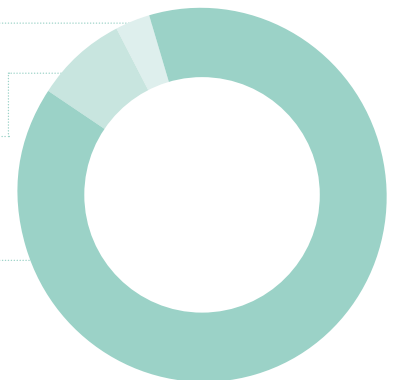


PERCENTAGE OF ENERGY SOURCES USED AT DOUGLAS – ACROSS ALL MARKETS/REGIONS¹³

3%
OIL AND GAS

8%
DISTRICT HEATING/
COOLING

89%
ELECTRICITY



13. Refers to Scopes 1 and 2. Includes data from all DOUGLAS core and consolidation markets (offices, stores and warehouses).

OUR SCOPE 1 AND 2 TARGETS

We are setting ambitious GHG reduction targets that will see all of our sites become carbon neutral for Scopes 1 and 2 by 2025. This target requires a two-pronged approach. Firstly, DOUGLAS will reduce its Scope 1 and 2 emissions by at least 50% by 2025 compared with

our baseline year of 2019. Secondly, we will compensate for any residual Scope 1 and 2 emissions that cannot be avoided or reduced by 2025. We aim to decrease any residual Scope 1 and 2 emissions beyond 2025, as reduction is always preferable to compensation.

**WE AIM TO BE
CLIMATE
NEUTRAL
IN SCOPES 1 AND 2
BY 2025**

GREENHOUSE GAS PROTOCOL EMISSIONS ALONG THE DOUGLAS

VALUE CHAIN

SCOPE

1

Direct emissions from sources controlled or owned by DOUGLAS



Company vehicles



HQ/offices



Owned & controlled stores



Owned & controlled warehouses/CDCs

2

Indirect emissions from the generation of electricity, steam, heating and cooling purchased by DOUGLAS



Company eCars



HQ/offices



Owned & controlled stores



Owned & controlled warehouses/CDCs

3

All indirect emissions (not included in Scope 2) that occur in the value chain of DOUGLAS - including both upstream and downstream emissions



Data centres (externally hosted)



Owned & controlled warehouses/CDCs



Outbound logistics/ eCom delivery



Franchise stores



Producer sourcing, production, waste



Inbound logistics



Customers End-of-life products Use of sold products



Business travel

We will reach these goals through measures and initiatives, including defining ambitious energy-efficiency measures to achieve our targets of reducing GHG emissions and switching to 100% electricity from renewable sources at all offices, stores and directly operated logistical sites by 2025. This switch to renewables will require consultations with some landlords, as we encourage them to shift towards more efficient and low-carbon heating and cooling systems. In 2022, we plan to carry out a pilot project at a representative sample of our stores to examine energy-efficiency measures that could be taken to reduce our footprint significantly (for more information, read the box below). Based on the results, we will define a CO₂ reduction roadmap with annual targets and a concrete action plan to 2025.

In the coming year, DOUGLAS will take the next steps to reduce average energy consumption across our existing stores through actions such as replacing conventional lighting with energy-efficient alternatives. Some 96% of our stores in Germany are already equipped with LED lightbulbs. All of our new stores in Germany, France, Italy, Spain, Poland and the Netherlands use this more energy-efficient lighting option too.

We want to make sure that all future DOUGLAS stores are more sustainable. We are developing a catalogue of criteria and policies for new locations and store upgrade projects to make sure that they have energy-efficient infrastructure, such as low-carbon heating and cooling systems.

Since 2019, we have encountered special effects that we had to take into account when calculating the potential reduction in CO₂ emissions associated with different measures. During the pandemic, many of our locations were closed, which resulted in lower energy consumption associated with heating, cooling, lighting and other systems. For this reason, we chose to use 2019 as our baseline so that we could develop

realistic measures to achieve reductions by 2025.

More broadly, DOUGLAS endeavours to implement an energy management system and energy reduction policy in the coming year, which will help us control the temperature of our stores and identify areas with potential for optimisation.

-20%
ENERGY CONSUMPTION
IN FY20/21

SCIENCE-BASED TARGETS

Science-based targets (SBTs) provide companies with a clearly-defined path to cut their GHG emissions. These targets are considered 'science-based' if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement - limiting global warming to well below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C. DOUGLAS intends to assess all of our ambitions in accordance with SBTs. We plan to commit to SBTs by 2025 and encourage our strategic partners to do the same.



PILOT PROJECTS: CHARTING A COURSE TO A GREENER DOUGLAS

DOUGLAS intends to roll out pilot projects to identify the most relevant fields of action and craft potential ways to reduce our GHG emissions and define CO₂ reduction targets. We will pilot approaches at typical stores with a broad range of parameters in terms of their size and their heating, ventilation and air-conditioning system. The pilot will be conducted in selected groups of test and control stores where we can trial measures such as reduced lighting and optimised temperatures to gain a better understanding of how these measures can reduce our emissions. The pilot schemes will also entail surveying customers on the changes made and monitoring sales volumes and the number of customers.



OUR SCOPE 3 EMISSIONS

Our commitment to reduce our greenhouse gas emissions does not stop at Scopes 1 and 2. We also want to define targets and draw up a roadmap for Scope 3 emissions, which represent other indirect upstream GHG emissions (related to the goods and services we purchase or acquire) and downstream GHG emissions (related to goods and services we sell). That's why we aim to carry out a detailed assessment of Scope 3 emissions, covering emissions from transportation and warehouses, business travel, e-commerce data centres, goods manufacturing and end-of-life treatment, in the 2022/23 financial year. We have already collected information about selected Scope 3 emissions across all countries in our first year of reporting (see table on page 36). DOUGLAS will keep monitoring this data through our planned GHG accounting system, which will also encompass Scope 3 emissions.

The process of assessing our Scope 3 emissions has so far focused on our e-commerce business. Our online business has become increasingly important in the past few years as in-person shopping declined due to the Covid-19 pandemic and changes in consumer behaviour. DOUGLAS is aware of the need to minimise emissions associated with our online operations. As part of these efforts, we are now working with a climate-neutral logistics services provider to deliver a portion of our online orders.

To create a pathway for the future, we will define targets and set out a roadmap for Scope 3 emissions in the 2022/23 financial year. DOUGLAS intends to involve our external partners, such as suppliers and third-party logistics providers, and include our strategic suppliers in our commitment to set science-based targets by 2025.

Reducing waste

In a world where resources are increasingly scarce and customers are increasingly aware of their environmental footprint, it is more essential than ever for companies to use materials efficiently and minimise waste. DOUGLAS knows that we can conserve valuable resources by decreasing our demand for materials and, by extension, reducing the amount of waste that we generate. That's why we are rolling out measures to reduce, reuse and recycle at our stores, offices and warehouses and for our online operations.

We intend to set up a waste tracking system that is broken down by material flow so that we can see where our glass, paper and other recyclables end up (see image on page 41). This will create transparency and improve our ability to track our progress towards our goals. DOUGLAS plans to conduct its first total waste assessment of our German operations in 2022.

We aim to define a circular economy roadmap to make sure that as much material as possible stays within the loop. Packaging is one of the primary waste streams generated within our company. As such, DOUGLAS plans to establish specific action items for transport packaging and recycling in 2022/23. We already utilise reusable boxes to transport products from our warehouses to stores and back. Now, we are exploring ways to cut our use of transport packaging further and increase the amount of recycled and bio-sourced packaging material that we use. Read more about the more environmentally friendly products and packaging on our shelves and website in the Beautiful Products section (see page 31).

Since preventing waste is always the best option, we are proud to have low return rates. Over three years of tracking, our return rates have consistently fallen. In Germany, our parcel return rate declined from 6% in 2019 to 4.4% in 2021. Any returns in Germany that cannot be resold and are suitable for donation are given to employees and two organisations: Die

Tafel Düsseldorf e.V. and Bürgerstiftung. We are also preventing waste with paperless office initiatives, such as switching to pool printers at DOUGLAS headquarters and implementing Adobe Sign. Moreover, DOUGLAS is piloting the use of digital receipts at a mobile store checkout, which we intend to expand to all checkouts in 2022.

SMALLER E-COMMERCE PACKAGING

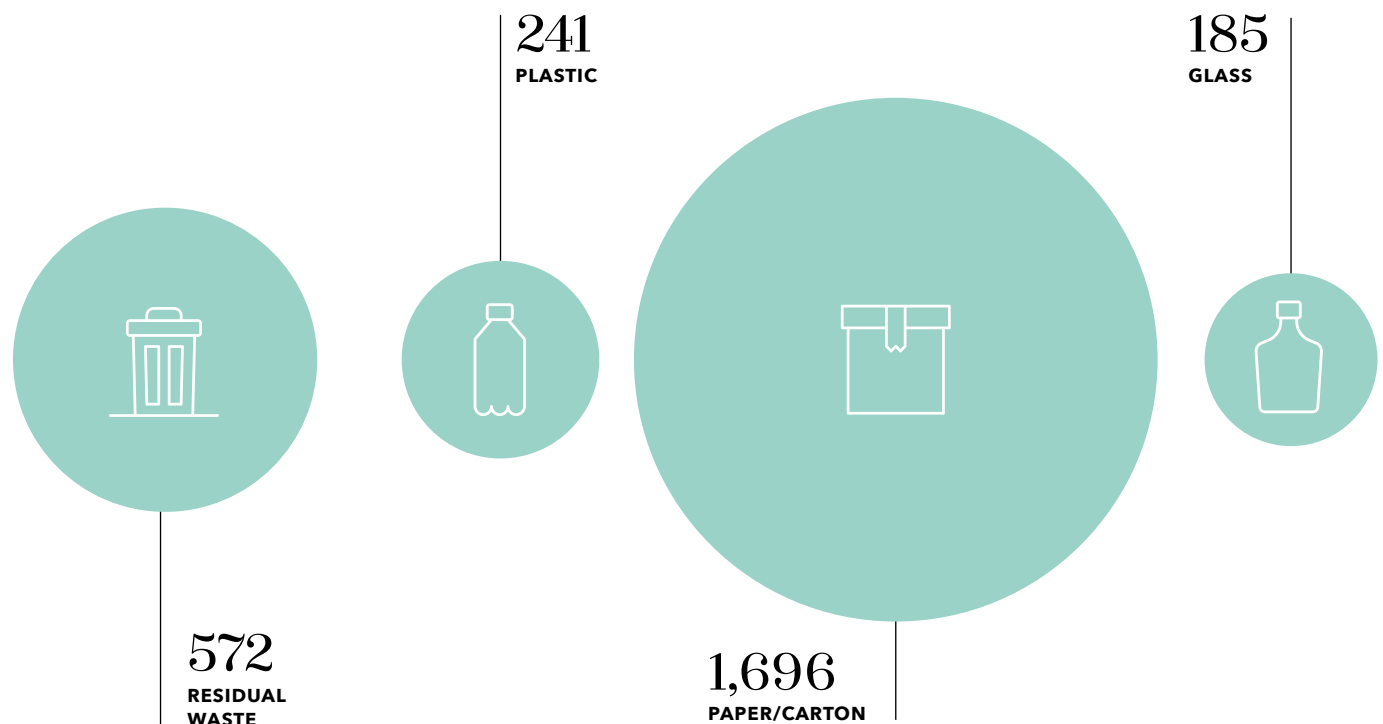
Our online business is reliant on transport packaging to get products to customers. To respond to customer demand for less waste, DOUGLAS is working on smaller packaging sizes. In 2022, our e-commerce operations in Germany, Austria, Switzerland and the Netherlands will start using eight optimised packaging sizes, which were developed after analysing order sizes. DOUGLAS estimates that around 40% of packages will be sent in smaller boxes in the future. This switch will reduce paper and chemical consumption; it will also mean fewer pallets and lorries on the road – helping cut emissions too. Moreover,

we have started sending out orders in specially designed boxes to secure products with a lock-in mechanism, which means that we no longer have to use additional filling material.

REUSABLE FURNITURE ON SHOP FLOORS

We are constantly working on new ideas to improve material efficiency in our stores. In 2014, DOUGLAS switched to a modular furnishing concept that makes it easier to reuse furniture in our brick & mortar locations. These modular pieces of furniture can be installed in any store and allow us to incorporate industrial partners and new trends in a flexible and sustainable manner. In 2018, we altered the colour scheme for our modular shopfitting concept to make it more neutral and compatible with older shopfitting systems. The new design includes open ceilings rather than suspended ceilings, which decreases material use as well. If shopfitting changes are needed, DOUGLAS can store well-preserved furniture for future reuse.

WASTE PER MATERIAL IN TONNES¹⁴



14. Includes data from all DOUGLAS core and consolidation markets.

Beautiful Governance



OUR RESPONSIBILITY

We have developed our approach for creating beautiful governance structures in a multi-stakeholder process that constantly involves our group management team.

This approach is driven by and aligned with the board and all relevant functions such as our legal, HR and purchasing departments. Our executive board management team has actively propelled our efforts to make DOUGLAS a more beautiful place for people to work and shop at every step of the process (to read more about our executive board's involvement, turn to pages 5 and 46).

Our group risk management approach serves to identify and mitigate potential risks for DOUGLAS and, in doing so, supports the implementation of specific corporate governance principles within the group.

Our compliance management system also contains standards and processes



to ensure that our company adheres to applicable laws and internal policies and to prevent violations of law. We promote personal integrity and ethical performance in everything we do. The DOUGLAS code of conduct is our corporate guideline on responsible business conduct and applies to each person within our organisation, whether an employee, director or officer and to our suppliers. Our compliance and data protection officers in the various

countries where we operate support our national subsidiaries in implementing compliance and data privacy measures to address potential risks, protect us against financial and legal liability and prevent reputational damage. As a data-driven company, we also acknowledge the growing importance of IT and data security and are continually improving our systems and procedures to protect our customers and employees' data and information.



We believe that sustainability is an opportunity and a real management responsibility. A strong corporate culture is something that starts with each of us and that should guide our actions day in, day out, in keeping with our corporate vision and our good governance structure.

**DR. JOHANNES SCHULTE,
DOUGLAS' GENERAL COUNSEL AND
CHIEF COMPLIANCE OFFICER**

RESPONSIBLE BUSINESS PRACTICES

Compliance management and training

At DOUGLAS, we view fair competition and a commitment to ethical and lawful business practices as essential to our long-term success. We have therefore put in place an effective compliance management system based on the IDW PS 980 auditing standard¹⁵. This system contains standards and processes to ensure we adhere to applicable laws and internal policies, along with a regularly updated regulation radar.

Our strong compliance management system is based on a risk-based approach derived from our risk landscape so that we can identify and mitigate compliance risks at an early stage, working in areas ranging from operational to regulatory and fraud risks. At DOUGLAS, we are committed to fighting bribery and corruption and are firmly opposed to any attempt to violate competition and antitrust rules.

We believe that compliance is a topic for senior management. That’s why we have established a central structure headed by the Chief Compliance Officer with a direct reporting line to the Chief Financial Officer. We have created a network of dedicated compliance officers in each country who report regularly to the DOUGLAS Group Compliance Office.

To make sure that our employees have an awareness and understanding of compliance topics and policies, we provide regular communication and training. At DOUGLAS, we also support whistle-blowers by operating safe,

anonymous and confidential internal channels for potential breaches of compliance.

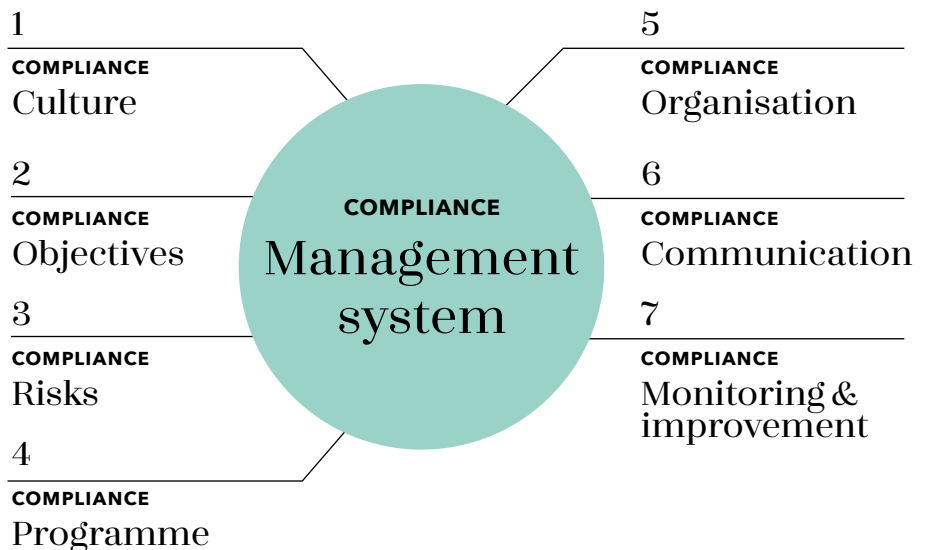
Ethics and integrity

Our DOUGLAS code of conduct outlines our commitment to responsible business practices for our staff and our business partners. The code addresses key compliance matters that shape our culture at DOUGLAS, such as respect and responsibility, diversity and equal

opportunities, health and safety, conflicts of interest, anti-corruption and anti-bribery, fair competition, anti-money laundering, business partners and data privacy.

We place great importance on integrity when selecting our business partners and expect them to adhere to applicable laws and adequate compliance standards. What’s more, we perform business partner due diligence for certain compliance relevant risks by sending out the DOUGLAS supplier code of conduct and business partner due diligence questionnaire.

DOUGLAS COMPLIANCE MANAGEMENT SYSTEM BASED ON IDW PS 980



15. The IDW PS 980 auditing standard supports compliance with legal and regulatory requirements for companies in Germany. PS 980 provides a framework for the content and structural requirements of a compliance management system.



IT and data security

Our group-wide IT security programme includes technical and organisational measures to ensure IT security and data privacy. Our IT security panel meets regularly to continually improve our IT security and perform monthly internal monitoring and external IT security audits. DOUGLAS' IT security system also ensures compliance with the EU Payment Services Directive.

At DOUGLAS, we know that data protection and IT security issues affect us all. We actively educate and train our employees on these issues and rolled out an IT security awareness campaign in FY20/21. As part of the onboarding process, all employees now have to review our employee guidelines on using company internet services and email, with the aim of limiting private use.

Data privacy

DOUGLAS has set up a comprehensive data protection management system to implement the requirements of the relevant data protection laws, in particular the EU General Data Protection Regulation (GDPR). This includes a company-wide policy on the protection of personal data or other information and protection against unauthorised access to or use of such information or group systems. In addition, technical and organisational measures have been implemented throughout the company to protect personal data, including ensuring the availability of data.

BOARD OWNERSHIP

At DOUGLAS, we want our management structure to reflect the importance of ESG to our company. To this end, we aim to enshrine dedicated responsibility for ESG at the highest levels of DOUGLAS. Currently, CEO Tina Müller has primary

responsibility for ESG, while the General Counsel, Chief Human Resources Officer and Chief Compliance Officer oversee compliance and governance topics. Going forward, we will assign a board representative for ESG matters.

As part of our overarching efforts, we are also exploring developing and implementing an incentive scheme for employees and managers based in part on the fulfilment of ESG and compliance targets.

Management

TINA MÜLLER

Chief Executive Officer (CEO)
of DOUGLAS

- Tina Müller has been the CEO of DOUGLAS GmbH since November 2017.
- Previously, she was Chief Marketing Officer and a member of the board at Adam Opel AG/ Opel Group GmbH for four years.
- Prior to Opel, Tina Müller had been with Henkel as Chief Marketing Officer and Corporate Senior Vice President in leading international marketing and sales positions for 17 years.
- She studied business administration and economics in Germany and France (Diplom-Kauffrau/Maîtrise Science Économique).
- She is the author of two books 'Warum Produkte floppen' (Haufe Publishing) and 'Zum Jungbleiben ist es nie zu spät' (Südwest Publishing).

MARK LANGER

Chief Financial Officer (CFO)
of DOUGLAS

- Mark Langer has been the CFO of DOUGLAS GmbH since May 2021.
- Previously, he was CFO for seven years and then CEO for four years at HUGO BOSS AG.
- He has held other management positions in the finance departments of HUGO BOSS and Procter & Gamble and worked as a project manager for McKinsey & Company in Munich and New York.
- Mark Langer studied business administration and mechanical engineering at the Technical University of Munich.

VANESSA STÜTZLE

Chief Digital Officer (CDO)
of DOUGLAS

- Vanessa Stützle has been the CDO of DOUGLAS GmbH since May 2020.
- As Executive Vice President E-Commerce & CRM, Vanessa Stützle has been responsible for DOUGLAS' online business since January 2018 and additionally for Customer Relationship Management since July 2019.
- As CDO of the s.Oliver Group, she has previously been responsible for the e-commerce business of all the Group's brands and built one of the largest mono-label shops in Europe in the fashion segment.
- Due to further positions at ESPRIT and SBK Consulting Team GmbH, Vanessa Stützle looks back on a total of 16 years of experience in the field of retail digitalisation.
- Vanessa Stützle studied business administration at the University of Cologne, Germany.



DOUGLAS is aware of its responsibility. We will align our actions, business activities and processes even more thoroughly with a sustainable approach to people and nature. We owe this to all our stakeholders, as well as to future generations.

TINA MÜLLER, CEO



Supervisory board

DR. DR. JÖRN KREKE
Honorary Chairman

DR. HENNING KREKE
Chairman, Entrepreneur

DR. DANIEL PINDUR
Vice Chairman, Partner, CVC

DR. ALEXANDER DIBELIUS
Managing Partner/Managing Director, CVC

ULRIKE GRABE*
Vice Chairwomen of the Employees,
Head of Section

ORHAN AKMAN
National Head of Retail and
E-Commerce at Trade Union ver.di,
National Administration - Retail

ULRIKE GAAL*
Commercial Clerk

DR. MICHAEL H. HINDERER
Merchant

STEFANIE HÜBNER*
Director E-Commerce DACH

ESNA MANDALENAKIS*
Commercial Clerk

PETRA RINGER
Secretary at Trade Union
ver.di - Retail

CAN TOYGAR
Managing Director, CVC

**SØREN VESTERGAARD-
POULSEN**
Managing Partner, CVC

* Employee representatives

DOUGLAS has reported the information cited in this GRI content index for the 2020/21 financial year (1 October 2020 to 30 September 2021), with reference to the GRI Standards.

GRI 1: Foundation 2021

DOUGLAS GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION	PAGE NUMBER
GRI 2: General Disclosures 2021	2-1 Organisational details	About DOUGLAS	3
	2-3 Reporting period, frequency and contact point	About this report	2
	2-5 External assurance	About this report	2
	2-7 Employees	Employee engagement	18
	2-9 Governance structure and composition	Our governance and management structure	5
	2-12 Role of the highest governance body in overseeing the management of impacts	- Our governance and management structure - Board ownership	5, 46-47
	2-13 Delegation of responsibility for managing impacts	- Our governance and management structure - Board ownership	5, 46-47
	2-14 Role of the highest governance body in sustainability reporting	- Our governance and management structure - Board ownership	5, 46-47
	2-27 Compliance with laws and regulations	Beautiful Governance	42-45
	2-29 Approach to stakeholder engagement	Our stakeholders	11
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Our materiality matrix	6-7
	3-2 List of material topics	Our material topics	7-9
	3-3 Management of material topics	Our commitments	10
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Compliance management and training	44
	205-2 Communication and training about anti-corruption policies and procedures	- Compliance management and training - Ethics and integrity	44
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	- Compliance management and training - Ethics and integrity	44
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Reducing waste	40-41
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Mapping our Scope 1 and 2 emissions	36
	305-2 Energy indirect (Scope 2) GHG emissions	Mapping our Scope 1 and 2 emissions	36
	305-3 Other indirect (Scope 3) GHG emissions	Our Scope 3 emissions	36, 40
	305-5 Reduction of GHG emissions	Our Scope 1 and 2 targets	38-39

GRI STANDARD	DISCLOSURE	LOCATION	PAGE NUMBER
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Reducing waste	40-41
	306-2 Management of significant waste-related impacts	Reducing waste	40-41
	306-3 Waste generated	Reducing waste	40-41
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Employee engagement	18
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Rewarding benefits	20
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Employee health and safety	21
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Employee development	21
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	- Diversity, equity and inclusion - Female leadership since 1909 - A place for employees of all abilities - Everyone's welcome here: DOUGLAS employees come from around the globe	14-17
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Products	28-32
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Products	28-32

CONTACT



Peter Wübben,
Director Corporate
Communications & ESG/
Sustainability



Sarah Schlegel,
Head of Sustainability

esg.reporting@douglas.de

PUBLISHER

DOUGLAS GmbH
Luise-Rainer-Str. 7-11
40235 Düsseldorf, Germany
www.corporate.douglas.de

CONTRIBUTION

Christina Gossel (CG SUSTAIN)
Lea Bassler (ESG Team DOUGLAS)
Claudia Herrmann
(ESG Team DOUGLAS)
Anna Schedlberger
(ESG Team DOUGLAS)
Christina Werzl (International Head
of Content, Social Media and Brand
Activation DOUGLAS)
Elisabeth Zeiger (Senior
International Brand Manager
DOUGLAS)

TEXT

Abigail Dahlberg
www.greenerwords.com

DESIGN, CONCEPT AND REALISATION

flag, London
Published in June 2022

Styling in the picture production
includes recycled and conscious
fashion and products.





DOUGLAS

DOUGLAS GmbH

Luise-Rainer-Str. 7-11, 40235 Düsseldorf, Germany

www.corporate.douglas.de