



Lab
Global

Weleda AG Group

Disclosure Report

Date Submitted: October 21st, 2024



Disclosure Materials

Certified B Corporations must complete a Disclosure Questionnaire to identify potentially sensitive issues related to the company (e.g. historical fines, sanctions, material litigation, or sensitive industry practices).

This component does not affect the company's score on the B Impact Assessment. If the company answers affirmatively to any items in the Disclosure Questionnaire that B Lab deems relevant for public stakeholders, then, as a condition of their certification, the company must:

- 1) Be transparent about details of the disclosure issues identified on the company's public B Impact Report
- 2) Describe how the company has addressed this issue
- 3) Demonstrate that management practices are in place to avoid similar issues from arising in the future, when necessary.

In all cases, the Standards Advisory council reserves the right to refuse certification if the company is ultimately deemed not to uphold the spirit and integrity of the community.

In addition to the voluntary indication of sensitive issues in the Disclosure Questionnaire, companies pursuing Certification also are subject to a background check by B Lab staff. Background checks include a review of public records, news sources, and search engines for company names, brands, executives/founders, and other relevant topics.

Sensitive issues identified through background checks may or may not be within the scope of questions in the Disclosure Questionnaire, but undergo the same review process and are subject to the same possible review by the Standards Advisory Council, including ineligibility for B Corp Certification, required remediation, or disclosure.

B Lab's Public Complaints Process

Any party may submit a complaint about a current B Corp through [B Lab's Public Complaint Process](#). Grounds for complaint include:

- 1) Intentional misrepresentation of practices, policies, and/or claimed outcomes during the company's [certification process](#)
- 2) Breaches of the B Corp Community's core values as expressed in our [Declaration of Interdependence](#)

This document contains a copy of the company's completed Disclosure Questionnaire and related disclosure documentation provided by the company.



Disclosure Questionnaire

Industries and Products

	Yes	No
Please indicate if the company is involved in production of or trade in any of the following. Select Yes for all options that apply.		
Animal Products or Services	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Biodiversity Impacts	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Chemicals	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Disclosure Alcohol	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Firearms Weapons	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Mining	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Pornography	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Tobacco	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Energy and Emissions Intensive Industries	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Fossil fuels Gambling	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Genetically Modified Organisms	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Illegal Products or Subject to Phase Out	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Industries at Risk of Human Rights Violations	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Monoculture Agriculture	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Nuclear Power or Hazardous Materials	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Payday, Short Term, or High Interest Lending	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Water Intensive Industries	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Tax Advisory Services	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Outcomes & Penalties

	Yes	No
Please indicate if the company has had any formal complaint to a regulatory agency or been assessed any fine or sanction in the past five years for any of the following practices or policies. Check all that apply.		
Anti-Competitive Behavior	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Breaches of Confidential Information	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Bribery, Fraud, or Corruption	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company has filed for bankruptcy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Consumer Protection	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Financial Reporting, Taxes, Investments, or Loans	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Hazardous Discharges Into Air/Land/Water (Past 5 Yrs)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Labor Issues	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Large Scale Land Conversion, Acquisition, or Relocation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Litigation or Arbitration	<input checked="" type="checkbox"/>	<input type="checkbox"/>
On-Site Fatality	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Penalties Assessed For Environmental Issues	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Political Contributions or International Affairs	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Recalls	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Significant Layoffs	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Violation of Indigenous Peoples Rights	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>



Practices

	Yes	No
Please indicate if the following statements are true regarding whether or not the company engages in the following practices. Check all that apply. If the statement is true, select "Yes." If false, select "No."		
Animal Testing	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Company/Suppliers Employ Under Age 15 (Or Other ILO Minimum Age)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company prohibits freedom of association/collective bargaining	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company workers are prisoners	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Conduct Business in Conflict Zones	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Confirmation of Right to Work	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Does not transparently report corporate financials to government	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Employs Individuals on Zero-Hour Contracts	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Facilities located in sensitive ecosystems	<input checked="" type="checkbox"/>	<input type="checkbox"/>
ID Cards Withheld or Penalties for Resignation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
No formal Registration Under Domestic Regulations	<input type="checkbox"/>	<input checked="" type="checkbox"/>
No signed employment contracts for all workers	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Overtime For Hourly Workers Is Compulsory	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Payslips not provided to show wage calculation and deductions	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Yes	No
Sale of Data	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Tax Reduction Through Corporate Shells	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers cannot leave site during non-working hours	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers not Provided Clean Drinking Water or Toilets	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers paid below minimum wage	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers Under Bond	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Supply Chain Disclosures

	Yes	No
Please indicate if any of the following statements are true regarding your company's significant suppliers.		
Business in Conflict Zones	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Child or Forced Labor	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Negative Environmental Impact	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Negative Social Impact	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Environmentally Intensive Industries - Chemical Intensive industries

Disclosure Questionnaire Statement	
Topic	Chemical Intensive industries
Summary of Issue	<p>As a personal care products' manufacturing company, Weleda operates in an industry that is considered chemical intensive. Weleda's cosmetics manufacturing facilities are located in Switzerland, Germany, Netherlands and the UK. Industrial pharmaceutical facilities are only located in Germany and Brazil. The company also operates its own agricultural gardens for medicinal plants based in Germany, UK, Brazil, New Zealand, Argentina and Netherlands, the gardens and production in France were discontinued and the garden in Switzerland is eventually used for research and development.</p> <p>In the pharmaceutical industry, chemical compounds are often essential to ensure the stability, isotonicity, and safety of formulations. Even when botanical and natural ingredients are the primary active substances, excipients like sodium chloride and phosphate derivatives play critical roles in preserving product integrity. Additionally, Weleda occasionally uses chemical compounds like sulfuric acid or other substances in specific production methods needed to process certain minerals and metals as reagents.</p> <p>The company is not involved in the production, operation, trade or sale of chemicals that meet the European Union's list of Substances of Very High Concern (SVHC). These substances can be used in very limited quantities as lab chemicals for quality control purposes and therefore the company is exempted from REACH registration.</p> <p>All product formulas are approved by the appropriate Competent Authorities, go through quality control and quality assurance, and are subject to monitoring in terms of quality, safety & efficacy.</p>
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	Weleda's portfolio primarily consists of natural cosmetics and homeopathic medicines, with a minimal percentage of revenue linked to products considered chemical-intensive.



	<p>Pharmaceuticals that require some chemicals for stability, isotonicity, and safety account for less than 5% of company's revenue.</p>
Impact on Stakeholders	<p>The primary potential impacts of chemical use in pharmaceutical products are potential negative effects on the environment and potential negative health impacts on workers exposed to chemical ingredients. Risks to workers exposed to chemical ingredients are mitigated through appropriate controls such as engineering controls and respiratory protection.</p> <p>In the last five years, Weleda has not experienced any significant incidents and/or fines related to environmental or worker impacts of its chemical use.</p>
Implemented Management Practices	<p>Weleda actively reduces its chemical footprint by emphasizing biodynamic and organic raw materials, minimizing synthetic substances. Whenever possible, Weleda replaces toxic reagents used in the quality control department with alternatives that are less harmful to the environment and human health, in line with the evolving policies of the European Pharmacopoeia.</p> <p>The company applies true cost accounting (TCA) to assess the environmental and social impacts of its farming methods, particularly its biodynamic practices. This holistic evaluation includes factors such as CO₂ emissions, water usage, and soil health, underscoring Weleda's broader commitment to sustainable practices that inherently reduce chemical dependency.</p> <p>Moreover, Weleda's production facilities operate under strict environmental standards, including EMAS certification, to manage waste and wastewater effectively. The company prioritizes closed-loop water systems and efficient water management in its production facilities, helping to reduce wastewater generation. Natural ingredients further limit the presence of harmful residues in wastewater. These facilities employ biodynamic principles that reduce or eliminate chemical runoff and pollution, further protecting local water systems. The products are also free from microplastics and other water-polluting substances.</p> <p>Lastly, the company does not conduct an assessment and comparison with other companies regarding its chemical use.</p>



Report	Weleda's Annual Sustainability Report 2023
Management Comments	<p>"Weleda understands B Lab's perspective regarding the classification of Weleda as a user of chemical compounds due to the inclusion of substances like sodium chloride and phosphate derivatives in their pharmaceutical formulations. However, it is important to emphasize that Weleda's approach to pharmaceuticals is deeply rooted in natural formulations, sustainability, and minimal chemical use. Their formulations prioritize botanical and homeopathic ingredients, with chemical compounds primarily used to ensure product stability and safety rather than as core components of their manufacturing process. Weleda's broader operations are based on principles of biodynamic agriculture and green chemistry, reflecting a commitment to reducing their ecological footprint and maximizing resource efficiency.</p> <p>Given this focus, categorizing Weleda as "chemical-intensive" can be seen as an oversimplification. The key is not to deny the presence of chemicals but to contextualize their role within a framework that prioritizes natural and sustainable practices. This distinction is crucial to maintaining the integrity of the disclosure's purpose, which seems targeted at industries where chemicals dominate the process rather than serve as supporting elements."</p>



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Environmentally Intensive Industries - Water Intensive Industries

Water Intensive Industries	
Topic	Water Intensive Industries
Summary of Issue	<p>As a personal care products' manufacturing company involved in agricultural activities, Weleda operates in an industry that is considered water intensive. The company uses water for the elaboration of its products, to clean the production tools and to run the facilities. Weleda also considers a responsibility on its customers' usage (customers need water to rinse-off some of the products, such as cleansers, soaps, shampoos, etc), even though the company does not have a direct control on this water consumption.</p> <p>Weleda's manufacturing facilities are located in Switzerland, Germany, Netherlands, UK, USA, New Zealand, Brazil, Argentina and Chile. The company also operates its own agricultural gardens for medicinal plants based in Switzerland, Germany, UK, Brazil, France and Netherlands. None of these locations, for manufacturing or agricultural operations, are classified as hydric stress areas. The total garden area controlled by Weleda is 24.8 ha.</p>
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	<p>In the previous financial year, 80.7% of the company's revenue was earned from the sale of personal care products.</p> <p>Total Weleda water withdrawal globally represented 226,867 m³.</p> <p>Since water intensity correlates strongly with the method of production, Weleda's assessment 73% of its water consumption is at a lower rate and 27% is higher consumption rate related to cleaning and cooling processes (in Switzerland). This ration is assessed as 60%/40% in Germany. (Germany and Switzerland encompass circa 95% of own global production)</p>
Impact on Stakeholders	<p>Companies in the manufacturing industry, working in the personal care products sector, are classified as water-intensive since they are more likely to have significant impacts on the environment based on the water consumption associated with their operations and their potential contribution to water scarcity if water use is not appropriately managed.</p>

	<p>Water consumption, intensity, and scarcity have widespread impacts on key stakeholders, especially in industries that rely heavily on water. For consumers, high water usage can lead to higher product costs and availability issues, particularly in regions facing water shortages. Employees may experience job insecurity or operational disruptions due to water scarcity affecting production. Investors face financial risks as water scarcity can disrupt operations and reduce profitability, while high water consumption can negatively impact a company's ESG ratings. Suppliers are vulnerable to disruptions in water-stressed areas, leading to increased costs or delays, which can strain supply chains. Local communities, particularly in developing regions, may suffer from reduced access to water and environmental degradation caused by overconsumption, intensifying health and social issues. Globally, nearly 2.2 billion people lack access to safe drinking water, and by 2025, half of the world's population is projected to live in water-stressed areas, underscoring the critical need for responsible water management.</p>
<p>Implemented Management Practices</p>	<p>Weleda's agricultural activities follow biodynamic principles nurturing the farm as a self-sustaining organism. The key aspects of water use in biodynamic farming include:</p> <ul style="list-style-type: none"> • Efficient Irrigation: Biodynamic farms focus on efficient water management techniques, such as drip irrigation, to minimize water wastage. This method helps deliver water directly to the plant roots, reducing evaporation and runoff. • Soil Health: Healthy, biodynamic soils have higher levels of organic matter, which improves water retention and reduces the need for frequent irrigation. The soil's ability to hold water also helps plants access moisture during dry periods, enhancing resilience. • Minimizing Water Contamination: Because biodynamic farming avoids synthetic chemicals and pesticides, it significantly reduces the risk of contaminating local water sources with harmful residues. This approach protects groundwater and surrounding ecosystems. <p>In addition, rainwater is extensively collected and used for eventual irrigation at the gardens and regenerative irrigation is used directly at the plants roots. Weleda has also been developing new products with reduced water content that allow</p>



	<p>reduction of water consumption in production, also reducing product weight which reduces emissions during transportation.</p> <p>All Weleda's cultivation areas are located in regions with sufficient natural water supply (i.e: rivers and rainfall) and no significant shortages. The cultivated plants are not water-intensive crops, like cotton, but medicinal Herbs, trees and flowers.</p> <p>Since 2010, Weleda's water intensity has shown an overall positive trend, thanks to the continuous optimization of its production and cleaning processes. The company ensures to consistently meet wastewater quality and legal/ regulatory requirements. Weleda's methods are designed to eliminate any "overuse" and this applies to all global operations. All facilities report on their water withdrawal and usage and the overall use is reported globally.</p>
Report	Weleda's Annual Sustainability Report 2023
Management Comments	<p>The company does not particularly assess itself as having high water intensity situations in its processes and in fact operates under philosophy and techniques for agriculture in preservation of water, while keeping in the manufacturing of its products best practice to minimize use of water. Weleda's agricultural activities follow biodynamic principles, which are highly regenerative and water-efficient. Biodynamic farming is an approach to agriculture that views the farm as a self-sustaining, living organism. It integrates organic farming principles with specific practices based on ecological and cosmic rhythms. This method is rooted in the teachings of Rudolf Steiner, who emphasized treating soil fertility, plant growth, and livestock care as interlinked processes. The goal is to create a balanced ecosystem that enhances soil health, biodiversity, and the overall vitality of the farm. Key Principles of Biodynamic Farming (please, we suggest a better understanding of what is biodynamic farming is by reading here: https://www.biodynamics.com/biodynamic-principles-and-practices and here https://biodynamicdemeteralliance.org/):</p> <ul style="list-style-type: none">● Closed-Loop Systems: Biodynamic farms aim to be largely self-sufficient, producing their own compost, fertilizers, and animal feed. This reduces the need for external inputs and minimizes waste.● Biodynamic Preparations: Special preparations made

	<p>from fermented manure, minerals, and herbs are used to enrich the soil and plants. These preparations are thought to strengthen the farm's health and its connection to natural forces.</p> <ul style="list-style-type: none">• Cosmic and Lunar Influence: Planting, cultivating, and harvesting are scheduled according to lunar and planetary cycles, based on the belief that these rhythms influence plant growth. <p>Reducing water intensity in production has a positive, far-reaching impact on the stakeholders of a sustainably responsible natural cosmetics company as Weleda. For consumers, it strengthens brand loyalty and product appeal, particularly among eco-conscious buyers. Employees benefit from increased motivation and the opportunity to develop new skills, while suppliers are encouraged and trained to adopt similar sustainable practices, enhancing long-term partnerships. Investors are attracted to improved regenerative practices and local communities benefit from reduced environmental impact and strengthened relationships.</p>
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Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Litigation, Arbitration, and/or Penalties

Issue Date	2023 - 2024
Topic	Litigation and/or Arbitration related to labor
Summary of Issue	<p>The company had three employees based in Germany who were unsatisfied with their work contract discontinuation conditions. The various circumstances for the end of contracts included redundancy of the position, personal or behavioral issues, or the employee's incapacity to meet job requirements due to health concerns (terminal disease).</p> <p>The cases were resolved with mutual agreement and settlement payment, although revised by a litigation court as it is usual in Germany as means to have impartiality, constitutional and transparent clarification and decision when this is the choice of the employee.</p> <p>Weleda is currently reviewing other cases where employees are questioning their settlement conditions involving their discontinuation. Those were raised by some employees (less than 10). The case is currently ongoing and pending resolution and they are part of the restructuring process that Weleda started in 2023 and continues along 2024.</p>
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	In total, the value of all reported litigations involving Weleda were settled out of court with a payment totalling below 0.5% of its total annual revenue. The company expects the current pending litigation case to amount to a less than 1% of annual revenue settlement
Impact on Stakeholders	Current and former employees and the company may have faced negative financial impacts.
Resolution	Cases were resolved primarily with payment settlement.
Management Practices	As a result of the litigation and arbitration cases with employees, Weleda's now has a policy to always negotiate terms directly with employees for a win/win situation. The legal option is also always made clearly open to employees. This is implemented by team training. Clause of agreement ensures that no pressure was put on its employees.



Management Comments	<p>"Observation: Opting for a settlement at the labor court presents several benefits for the employee, such as improved eligibility for unemployment benefits. Additionally, if an employee is either unable or unwilling to terminate the contract by mutual consent, they might seek legal counsel. Lawyers often advise proceeding with a labor court settlement in such instances.</p> <p>Financial impact perceived by the employee was reverted by an agreed settlement for closed cases. Clause of agreement assures that no pressure was put on the employee. A minimal financial impact occurred to the company. The final impact for ongoing cases is not yet determined, it is expected some financial impact for both sides."</p>



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Recalls

Issue Date	2019 - 2023
Topic	Recalls related to product safety and quality issues.
Summary of Issue	<p>Weleda has had seven product recalls in the last five years.</p> <ol style="list-style-type: none">1. Medical Product Recalls - related to the presence of metal particles - 2023: Recall was initiated for two of the company's medical products, Hepatodoron and Vitis comp, as metal particles were found in one batch.2. Recall due to potential microorganism growth - 2022: Weleda recalled specific lots of Calendula Baby Oil, perfume-free due to potential microorganism growth.3. Precautionary Cosmetic Recall - 2021: A recall of Skin Food Body Butter was initiated due to glass particles found in a few jars, related to handling issues at the contract manufacturer.4. Precautionary Recall of Food Supplements - 2020 : During the COVID-19 era, recalls were made for food supplements with ethylene oxide residues found in bamboo extract, due to testing oversights.5. Recall due to improper seals - 2019 : The company recalled Weleda's Euphrasia comp, an eye ointment, due to some tubes having imperfect sealing.6. Recall due to suspended particles - 2019 : The product that was involved was Plantago-Primula cum Hyoscyamo, Ampoules, Ch.-B. E0411 (sample), F0511 (batch). The recall was triggered by suspended particles found in a stability test, leading to the precautionary recall of batch F0511.7. Recall due to an issue with the jar cap - 2019 : Product was recalled due to the potential of small, thread-like slivers of plastic peeling off the jar cap upon first opening, caused by the tight fit of the cap.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	For the medical product recalled due to the presence of metal, a total of 1.4% of all pharma packages were recalled. For the recall related to improper seals, a total of 1.5% of all pharma packages were recalled. For all other incidents, 0.7% of the packages were recalled.



Impact on Stakeholders	No illnesses or injuries were reported among consumers, due to these recalls, and no medical treatment was required for any affected individuals. However, there was a risk of minor medical injury/conditions particularly among individuals who are more prone to health complications.
Implemented Management Practices	Each recall is part of the product safety process and has increased the safety for patients and users. All incidents were reported to the German national authority, Landratsamt Ostalbkreis/District Office Ostalbkreis. The incidents were regarded as minor and deemed low risk by the authorities. Weleda has each recall case thoroughly investigated for root causes, with corrective and preventive actions taken and reported to relevant authorities. The company has since implemented metal checks, reassessed its cleaning procedures, changed the closure caps and revalidated the tube sealing processes.
Management Comments	"Weleda's policy, maybe differently from the general practice, is to lean toward consumer protection and therefore in case of any doubtful or potential situation to perform recalls, even when we know that most companies in similar position would not have done the recalls. This makes so that Weleda has by its characteristics eventually recalls to disclosure. The company prefers to be transparent about those then to not act, even if in the vast majority of cases the consumers may never notice any issue."



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Animal Testing

Topic	Weleda is required to carry out animal testing by regulatory authorities on some of their products in their anthroposophic pharmaceutical medicines in line with national safety legislation. In addition to regulatory / approval requirements, they conduct animal studies in individual cases in order to be able to provide and communicate recognized proof of efficacy to stakeholders such as physicians.
Summary of Issue	Weleda are required to carry out animal testing via a third party on some of their products for drug safety requirements and for pharmacodynamics, in order to prove efficacy for regulatory applications. Weleda performs clinical studies as well as non-clinical studies. The vast majority of the non-clinical studies are performed in vitro or even cell-free. As anthroposophy is a holistic therapeutic approach there are hardly any alternative in vitro systems available that would be appropriate to reflect the in vivo situation. In these cases, they occasionally perform animal experiments to generate evidence for existing products to support anthroposophic therapies.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	No animal testing was conducted in 2023, resulting in a 0% incidence rate for that year.
Impact on Stakeholders	The use of animals is a general concern within society, and consumers are therefore (to a certain extent) interested to know if animal research was involved. It is important to note that approx. 70% of the experiments in the EU are categorized as causing mild discomfort, and that strict guidelines and standards are in place to minimize discomfort and weigh the discomfort versus the aim of the study and future (health) benefit of the results.
Implemented Management Practices	In the field of pharmaceutical drug development and maintenance (exclusively Business Unit Pharma) evidence is needed to prove safety and efficacy and to support health care professionals in order to treat their patients appropriately. For that purpose, Weleda performs clinical studies as well as non-clinical studies.

	<p>The vast majority of the non-clinical studies are performed in vitro or even cell-free. Yet to this day it is still impossible to mimic the complexity of a living organism even in state-of-the-art in vitro models. In addition to regulatory / approval requirements, Weleda conducts animal studies in rare and individual cases in order to be able to provide and communicate recognized proof of efficacy to stakeholders such as physicians. In case Weleda is required to order animal tests and no appropriate non-animal alternative recognized by regulatory authorities is available, the company commissions specialized contract research organizations.</p> <p>These third parties are required to provide statements that animal testing will be carried out in compliance with national and international standards (e.g. ICH or ISO 10993/GLP/animal welfare) and legislation (e.g. legal regulation of Switzerland and European Directive 2010/63/EU), ensuring that scientific projects, involving necessary animal testing comply with the 3Rs principles (Replacement, Reduction and Refinement) and general guidance for animal welfare. In addition to the above-mentioned animal welfare requirements the selection of professional contract research organizations is based on their expertise in the field of research.</p> <p>During the preparation of the study plan, i.e. the obliging framework of the individual study, the company's internal scientists work closely together with the third-party professionals in order to set up a study design that is in accordance with the 3Rs principles (Replacement, Reduction and Refinement).</p> <p>The company does not order animal studies from companies that do not come from a regulated market or that do not have established animal welfare measures in place.</p>
<p>Report</p>	<p>Centre for Alternative to Animal Testing in Europe (CAAT-Europe) : https://www.biologie.uni-konstanz.de/leist/caat-europe/</p> <p>EMA Guideline on the topic of 3Rs: https://www.ema.europa.eu/en/documents/scientific-guideline/guideline-principles-regulatory-acceptance-3rs-replacement-reduction-refinement-testing-approaches_en.pdf</p>



Management Comments

"Weleda recognizes animals as sentient beings deserving of respect and protection. Consequently, we do not commission animal studies from entities outside regulated markets or those lacking proven animal welfare measures. This stance underscores our dedication to ethical practices and the well-being of all beings affected by our operations. The company recognizes that some consumers experience discomfort with the topic, and also recognises that the impact for consumers of not testing in animals when it comes to the pharmaceutical part of its portfolio could be more negative and no risks will be taken with the human health by Weleda."



Disclosure Questionnaire Statement

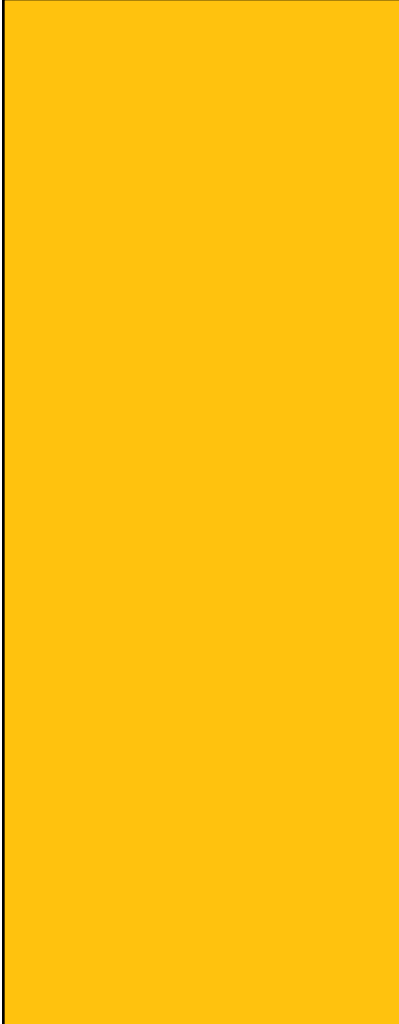
Disclosure Questionnaire Category: Operations located in Conflict Zones

Disclosure Questionnaire Category: Operations located in Conflict Zones	
Topic	Company has operation and suppliers located in Conflict Zones
Summary of Issue	<p>Weleda sources ingredients such as oils, essences, extracts, and spices from Afghanistan, Burkina Faso, Cameroon, Somalia, Ukraine, Sudan, Haiti, and Zimbabwe, regions where conflict is ongoing. The nature of the conflict in these countries ranges from war, civil war, or civil unrest to localized armed conflict.</p> <p>The ingredients sourced are mostly from Tier 2 or Tier 3 suppliers. As the quantities are quite small, Weleda would not be able to purchase directly from producers, but instead from small-scaled distributors. There were no Tier 1 suppliers from those areas in 2023.</p> <p>The company sources ingredients from these regions because it uses many rare and exotic raw materials from organic farming or wild harvesting, and the offer and the selection are often very limited. Therefore the company is forced to source these raw materials in faraway and at times unstable countries.</p> <p>In Ukraine, Weleda continues to maintain sales operations, offices, and employees, although there are no manufacturing or significant business operations in the country. The operations in Ukraine consist of 15 employees. This commitment is both a gesture of support to the workforce and an effort to uphold the company's presence in the local market, with the hope that the conflict will be temporary and resolved positively.</p>
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	<p>Less than 0.05% of the company's total revenue is related to purchases made from conflict zones. The purchases from 2023 represent in revenue an equivalent of 0.01% from Afghanistan, 0.01% from Burkina Faso, 0.02% from Haiti, 0.01% from Somalia, 0.0003% from Sudan. Ingredients originated from Ukraine could not have their participation determined as they came through Hungary.</p> <p>The revenue of Ukraine (and also indirect sales in Russia) is reported in the Annual and Sustainability Report 2023 (p.49) which corresponds to 0.4% of total revenue</p>

<p>Impact on Stakeholders</p>	<p>Business activities located in conflict zones are considered high-risk as they are more likely to cause or contribute to the conflict and/or sociopolitical instability.</p> <p>Countries classified as conflict zones are more likely to have a weak rule-of-law or a corrupt judicial system, which could undermine the effectiveness of operational grievance mechanisms for these businesses and their suppliers. In addition, the safety of the company’s workers and other potential human rights violations are at risk.</p>
<p>Implemented Management Practices</p>	<p>Regarding Supplier Management: Weleda is a UEBT certificate holder. Specifically for its Ethical sourcing system.</p> <p>The company assesses its suppliers in various ways:</p> <ul style="list-style-type: none"> • The company uses a Supplier Qualification Questionnaire (SAB in German, which consists of SAB 1: for general requirements and SAB 2 for material specific requirements) to assess its Tier 1 suppliers and assess Tier 2 conditions in the countries mentioned above. • Weleda applies the UEBT Assessment and certification which addresses topics like regenerating biodiversity, reducing agrochemicals, improving soil, respecting workers, supporting local development and much more. <p>For the suppliers that the company determines as high-risk, the company does on-site auditing. For the current suppliers that are in the conflict zone, the risk assessment results turned out to be between "Very Low" to "Medium" risks and hence there was no on-site audit conducted by the company. The risk criteria follows the OECD score.</p> <p>Initially Weleda uses the DNB and performs a 2-step financial risk analysis, this defines high risks for which a 3rd party direct contact check is performed. If the DNB does not show solvency/financial risk then the SAB questionnaires suffice as assessment. This protects Weleda's shareholders and financial sustainability.</p> <p>In addition, Weleda does a weekly compliance check that is system-based on a more frequent basis which includes a background search for all registered suppliers. This covers for human rights and other ethical aspects and considers an automated "Black list" check is turned on - that is mostly what</p>



	<p>the weekly compliance test refers to. This is performed by a 3rd Party, and the process includes notifications to the procurement and sales team when the status of compliance changes.</p> <p>Regarding Weleda Operations: The company supports their employees maintaining salaries, benefits and support to its employees to the best of its ability, the current Code of Conduct applies to the conflict zone, therefore regular practices of control continue to apply. Additionally, it is worth mentioning that Weleda is not politically active in relation to the current situation but has joined B Lab's appeal for peace as part of the B Corp network in Europe. Weleda is not aware of any other activities by associations of which Weleda is a member.</p> <p>Within the Weleda Group, country managers receive anti-corruption training every two years. These managers are then responsible for training their teams on the same subject.</p> <p>All employees are required to adhere to the company's internal guidelines, outlined in the 'Code of Conduct.'</p> <p>Weleda's international operations in Ukraine primarily involve exporting cosmetic products and selling them directly (through channels like webshop) or indirectly (via retailers) to consumers. This business model minimizes exposure to government decision-making and overall risk of corruption. Moreover, many key decisions are made by Regional Managers or members of the Group Leadership team, all of whom are based in Switzerland or Germany, not from places affected by the conflict.</p> <p>In situations where employees might face potential safety risks (like in Ukraine conflict context), they are advised not to endanger themselves and are instructed to follow the guidance of local supporting entities on the ground regarding their safety or act on their best judgment. Weleda does not have specific insights or additional information to contribute in such situations, but fully supports actions necessary to ensure the safety of both employees and customers. The company prioritizes the well-being of individuals over operational concerns in conflict zones.</p>
Management Comments	"Weleda acknowledges the complexity of operating in or near



areas facing socio-political challenges. Our procurement strategy sometimes involves sourcing materials from regions identified in the World Bank List of Conflict Zones, including Ukraine or Burkina Faso, and from fragile zones such as Haiti. Weleda's approach in these scenarios is centered on inclusion and providing social support to the local communities and farmers. The company is committed to remaining independent on disputes within these areas, focusing instead on peace, empathy and support for those affected by the challenges in such regions. Weleda's goal is to contribute positively to the livelihoods of our suppliers and their communities, ensuring our business practices promote sustainability and social responsibility.

Weleda understands that the risk for company' stakeholders is minimum because of the protections the company has put in place, for instance considering financial verifications of risk weekly, as an automated process by a third party, maintaining UEBT verification schemes in place and when risks are higher through direct contact checks with the suppliers made also with the support of a third party. There is a risk of temporary interruption in the supply chain which could affect customers, in particular considering suppliers. Other than that, risks are covered for all stakeholders to the best of possible ways considering human rights and corruption checks that assure that Weleda would not be supporting the increase of conflicts, nor enabling corruptive practices."



Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Facilities located in sensitive ecosystems

Topic	Company has a factory located within a nature protection area relevant for biodiversity.
Summary of Issue	Weleda AG has a factory in the Reinacher Heide, a nature protection area of national importance located in a dense settlement area. This region is known for its extraordinarily high biodiversity, attributable to a variety of habitats ranging from extremely dry to very wet conditions, including lush riparian vegetation. The area supports over 500 plant species and provides a habitat for rare and diverse animal species, including orchids in its dry meadows and the presence of beavers along the Birs river. The diversity of ecosystems makes it sensitive due to its rare flora and fauna, and the delicate balance required to maintain these habitats.
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	Approximately 40% of Weleda's global sales and about 47% of production are attributable to operations in this facility.
Impact on Stakeholders	The company's manufacturing facility is adjacent to a sensitive ecosystem which could potentially impact the flora, fauna and quality of the ecosystem.
Implemented Management Practices	<p>Weleda AG built a Schaumtank with a 10,000-liter capacity to manage excess firefighting water, addressing concerns about water runoff into the sewage system.</p> <p>There is also remodeling done to incorporate improved measures for extinguishing water retention. The original comprehensive risk assessment was approved by Swiss authorities and confirms the operations pose a small risk, with the most severe hypothetical scenario being a contained fire, deemed, about a calculated major-accident value of < 0.1, unlikely to cause serious harm to the environment or population, even before the actions taken, which further reduce any risk.</p>

	<p>There is also the creation and maintenance of biodiversity-friendly features:</p> <ul style="list-style-type: none"> • Development of gardens, ponds, and habitat structures that enhance local biodiversity. • Preservation and enhancement of live hedges and trees to provide additional habitats for wildlife from the Reinacher Heide. • No engagement in agricultural or production activities on the site, reducing the potential for pollution and habitat disruption. • Strategic placement of facilities to ensure a natural buffer between the company's operations and the conservation area, further protected by a road and river.
<p>Report</p>	<p>https://www.wwf-bs.ch/ausfluege-in-die-natur/umland-von-basel/reinacherheide</p>
<p>Management Comments</p>	<p>For the community of Arlesheim, the eventual impact on biodiversity could be an issue, as well as any contamination of the water. Nevertheless, currently the impact of Weleda for these stakeholders and nature is positive, as the design of buildings and gardens in the area are such that they integrate and support the local biodiversity. In summary, the company's manufacturing facility is adjacent to a sensitive ecosystem, although risks to potentially impact the flora, fauna and quality of the ecosystem are minimal due to the nature of the company (committed to use only natural ingredients) and to the controls in place. Also pharmaceuticals production is not anymore happening in this area.</p> <p>Weleda has been working on positive impact in the area where ist operations happen both in Germany and in Switzerland where the sensitive area hereby disclosed is situated. A new fully sustainable building has replaced previous installations, the energy used is fully renewable and no resources are taken from the natural habitat. In fact Weleda has contributed to the biodiversity in the area with the maintenance of a garden that although not anymore used for growing ingredients as the pharmaceutical production was transferred to Germany, keeps inviting birds, bees and small organisms to live in harmony with the community. The garden serves as well as a place for stress relief for the employees.</p>