Sustainability Report 2021

SIMBA · DICKIE · GROUP



A future for our Children.



In 2015, the United Nations adopted the Sustainable Development Goals. These 17 sustainability goals form part of the 2030 Agenda, and address the key challenges the world faces in terms of sustainable development. Nations, organisations, companies and individuals can all play a role in ensuring the success of the 2030 Agenda. Through our commitment to sustainability, the Simba Dickie Group (SDG) endeavours to contribute towards the achievement of these goals.

The SDG publishes its sustainability report on an annual basis. The report is prepared in accordance with the Global Reporting Initiative (GRI), an internationally recognised standard for sustainability reporting. S·D·G

Foreword by the **CEO** and **CFO**



Dear readers,

As a toy company, children are at the heart of everything we do. Today's children and future generations have the right to grow up on a green planet. That's why we want and have to be sustainable - both in terms of our team and our partners, but also for the sake of our planet and its resources.

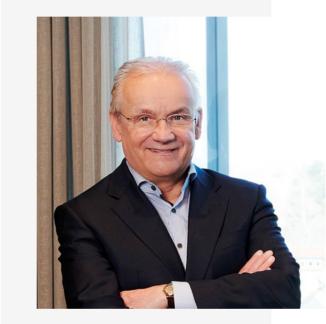
In 2021, I took over the management of our familyowned company from my father. Since then, I have continued to emphasise his core values, such as trust, teamwork and a down-to-earth attitude, which form an important part of our commitment to corporate social responsibility.

Environmental protection is also firmly embedded in our corporate values. By ensuring the responsible and sustainable use of resources, we are committed to protecting our environment and its resources. For example, this year we were able to reduce our plastic consumption by optimizing our packaging. At our site in Sonneberg, we introduced the ISO 50001 standard and became a member of the Thuringia Sustainability Accord.

The following report provides a detailed insight into our work, including the challenges we face and the accomplishments we have made to date.

Hiele

Florian Sieber, CEO





Dear readers.

As our new CEO, Florian Sieber is leading the Simba Dickie Group into the next generation. Our ability to think and grow in generations is what distinguishes us as a company. At the same time, we recognise that continuous growth is only possible with an intact environment. For this reason, we use resources responsibly and continually seek environmentally-friendly solutions. We take responsibility not just for our planet, but also for our employees and for society as a whole. We are committed to diversity and promoting social justice, and attach great importance to fair and safe working conditions across our global sites.

Together with our team, we are working tirelessly to ensure that we play our part in delivering on the 2030 Agenda.

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Manfred Duschl, CFO

Overview

S · D · G

When it comes to sustainability, we think and act holistically to ensure a liveable future for our children. The first section of our report provides an overview of the Simba Dickie Group, while the subsequent sections cover the three pillars of sustainability, namely economic, environmental and social developments.

Unless otherwise stated, the information in our sustainability report refers to the activities of the Simba Dickie Group in Germany.

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01

About us

It all began with our passion for toys and how they are made. This passion has grown into a multinational group of companies. Nevertheless, we remain true to our family values. That's why children are at the heart of what we do.

Ne are a multinational group of companies. We are a family.

1.1 Our **History**

The Simba Dickie Group was founded on 1st May 1982 by Fritz Sieber and his son Michael. Today, we are one of Europe's top five toy manufacturers. However, one thing has remained constant: We love to make toys.

1945

Fritz Sieber inherits the toy company founded by his father, Herbert Sieber & Sohn (SISO), and establishes a base in the East German town of Schneeberg.

1959

The Sieber family decides to move to West Germany, where Fritz Sieber finds a job at the toy company Matchbox based in Emmerich am Rhein.

1960

The family moves to Nuremberg, a city with a long history of toy manufacturing, where Fritz Sieber reestablishes the SISO firm. Over the course of the 1960s. SISO becomes Germany's largest importer of Italian products.

1982

Fritz Sieber and his son Michael found Simba Toys on 1st May. They employ five members of staff, while their daughter Monika serves as the company's foreign language secretary. The initial focus of the business is on wooden toys from Eastern Europe.

1962

1984

SISO breaks new ground in toy marketing, with its "Thor" rocket becoming the first toy to be advertised on German TV.

1966

SISO expands through the acquisition of other companies, and starts to manufacture its toys in Eastern bloc countries such as Romania, Czechoslovakia (now the Czech Republic and Slovakia), Poland and Bulgaria.



1993

Following the death of Wolfgang Sauerborn in a tragic accident, Simba Toys acquires the Dickie Group. The new range of toys dedicated to boys consolidates the company's portfolio, and the Simba Dickie Group (SDG) is born.







Keen to expand, Fritz and





1998

Eichhorn files for bankruptcy and approaches Simba Toys. Fritz and Michael Sieber see an opportunity and merge the long-established wooden toy company with the Simba Dickie Group.

1999

The Simba Dickie Group acquires Schuco, the leading brand for highly detailed collectible vehicle models. Shortly after the acquisition, the new company reports a record turnover.









2001

The SDG expands its presence in the board games and collectables segment with the acquisition of Noris Spiele. Highlights within the range are the games from Goldsieber-Spiele.



BIG

The SDG adds the world-famous Bobby Car to its portfolio following the acquisition of the toy company BIG founded by the

The new acquisition enables the

group to expand its range of

In the same year, the SDG also

acquires the French model car

its factory in Thailand.

manufacturer Majorette along with

wooden toys.

late Ernst A. Bettag.

2003

2004

Michael Sieber takes over as the Group CEO following the death of Fritz Sieber. He is supported by a talented team, and is highly regarded by colleagues.

2006

SDG acquires Nicotoy, the plush toy manufacturer known for its range of super-soft cuddly toys.



AquaPlay



G E R M A N

APPENA

Corglle

2010

The Munich-based game publisher Zoch GmbH, renowned for its award-winning board games, joins the SDG.

The educational toy manufacturer Heros, which was forced to file for bankruptcy, is acquired by the SDG.

2018

The SDG acquires a majority stake in the Swedish entertainment company Ruta Ett AB, which is renamed KID E MEDIA AB.

The French premium doll manufacturer Corolle is also acquired by the SDG. Based in the Loire Valley, the company has a long history stretching back more than four decades.

In the same year, the SDG also acquires a 33% stake in the Swiss toy specialist Franz Carl Weber.

märklín



Sieber & Sohn GmbH & Co. KG. which was founded by Michael Sieber and his son Florian, acquires the model railway manufacturer Märklin, including the Trix and LGB brands.

2019

and figures.

SDG acquires the Los Angeles-

based firm Jada Toys, a leading

and highly detailed die-cast

collectibles, toys, RC vehicles,

manufacturer of officially licensed

2014

SDG acquires AquaPlay, the manufacturer of the popular toy waterway systems based in Askim. Sweden.

Jada





2008

SDG expands its portfolio with an extensive range of outdoor and role play toys following the acquisition of the French toy giant Smoby Toys.

In the same year, J. Schipper Hobby-Ideen, the manufacturer of the iconic "Painting by Numbers" kits, merges with the SDG and is renamed as Schipper.



2015

The SDG expands into the backto-school segment by acquiring a majority stake in Undercover.



2017

Simba Toys acquires two thirds of the British toy manufacturer Zimpli Kids, known for its unique bath additives that transform bath water into a gooey slime.



2020

The SDG continues to expand its range of outdoor toys and acquires a majority stake in the Netherlands-based toy manufacturer EXIT TOYS.



On 1st May 2021, Michael Sieber hands over management of the SDG to his son Florian Sieber.



1.2 Our Management

During his time as CEO, Michael Sieber made thorough preparations to ensure a smooth transition to the next generation of management. The new generation of leaders will ensure that the Simba Dickie Group continues to pursue the values and vision of its founder.

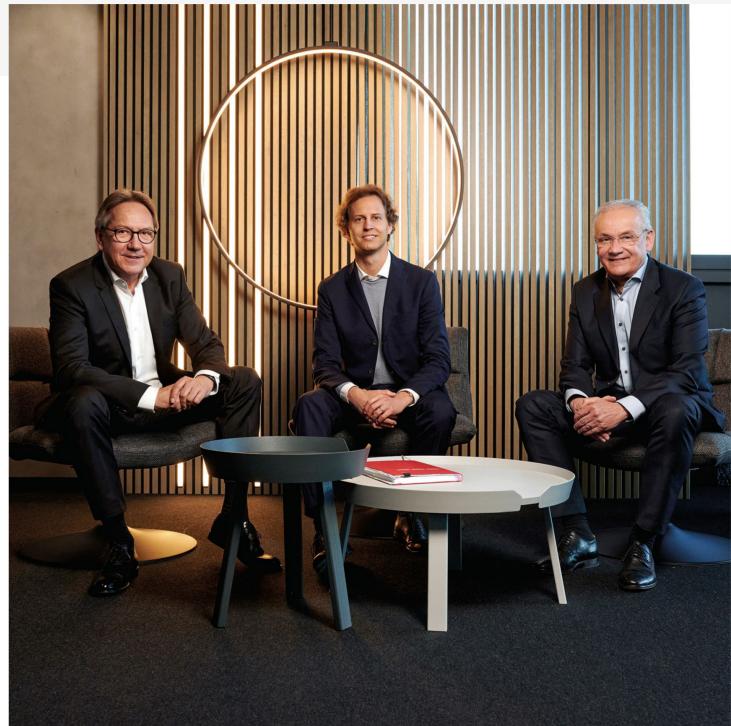
On 1st May 2021, Florian Sieber was appointed as CEO of the Simba Dickie Group. By entrusting management of the company to his son, SDG founder Michael Sieber has overseen the transition to the company's third generation of leaders. The Group's executive management team currently comprises Florian Sieber (CEO), Uwe Weiler (COO) and Manfred Duschl (CFO).

The new generation also includes the three nephews of SDG founder Michael Sieber: Maximilian Stork (Director of Product Management and Design at Simba Toys), Felix Stork (Corporate Marketing Director) and Stefan Stork (Graphic Designer).





Top: Michael Sieber and Florian Sieber (left to right) Bottom: Maximilian Stork, Felix Stork and Stefan Stork (left to right)





Uwe Weiler, Florian Sieber and Manfred Duschl (left to right)

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1.3 Our Spirit



Our employees work for a diverse range of brands. They are connected by a common goal: our mission and vision.



Follow our journey

01 About us 09 1.3 Our Spirit

We want to play an essential role in everyone's childhood – being the most passionate family-owned toy company.

Our Vision



We love to make toys that inspire children's imagination and creativity – building wonderful memories that last forever!

Our Mission





Our Principles

These principles guide how we operate as a company.



Diversity

We respect everyone the way they are and ensure fairness. We are convinced that diverse teams provide the most comprehensive solutions to our daily challenges.



Consumer Focus

We put the consumer at the centre of our thinking and create unique products with a clear brand signature.

Sustainable Success

As a family company, we think in generations and focus on long-term profitable growth.

Business is People

Our global team is our strongest asset, and we aim to create an

environment where everyone is able

to grow constantly and enjoys being

part of our group.

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Simplicity

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Simple and clear structures strengthen our flexibility and decision making.

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Integrity

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Honesty and respect towards all stakeholders form the basis of our culture and are the reason for our success.

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Teamplay	Environment	
An open door mindset and controversial discussions are a key part of our company culture.	We know our responsibilities towards our planet and consider environmental impact in our decisions.	
Ş	(5	
Down-to-Earth	Trust	
Proud of our roots, we live a down-to-earth mentality and always treat each other with respect.	Being honest and trustworthy is the strongest enabler of joint success and loyalty.	
6	○ -m	
Passion	Entrepreneurship	CAR R
We are passionate about toys and strive to create emotions.	We value entrepreneurial thinking. Being curious and learning from mistakes often leads to the best solutions and innovation.	
\heartsuit	2 ₄	



Our Values

These values form the basis of everything we do, and demonstrate who we are as a company.

1.4 Our **Companies**

From the BIG Bobby Car to Simba Toys plush animals, Steffi Love dress-up dolls, Eichhorn wooden building blocks, Majorette racing cars and Dickie Toys tractors: We love to make toys!

The Simba Dickie Group combines three core companies under one umbrella: Simba Toys, Dickie Toys and Smoby Toys. We own more than 20 core brands, together with a portfolio of more than 4,000 products.







S·D·G

1.5 Our Locations

The Simba Dickie Group has three main bases: Fürth (Germany), Hong Kong (China), and Lavans (France). We also have over 45 subsidiaries, which represent us in more than 30 locations worldwide. 8 of these subsidiaries are based in Germany. In 2021, our main export markets were France, the United States and Italy.

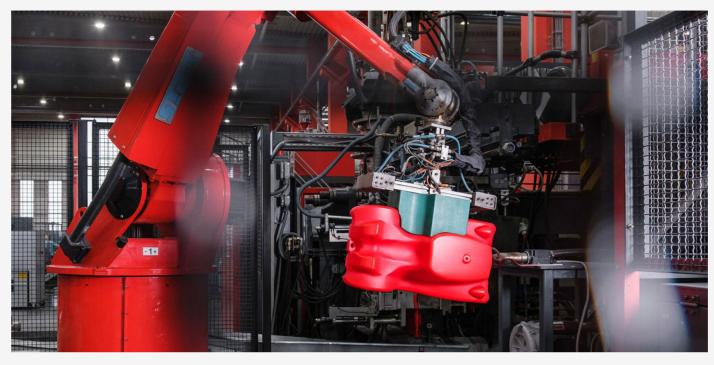
Germany

Our Group headquarters in Fürth also houses the manufacturing sites of Noris-Spiele and Schipper, as well as a sample warehouse.

The popular BIG Bobby Car and the other premium plastic toys in our BIG range are manufactured at the BIG toy factory in Gleißenberg, which is located in the municipality of Burghaslach in northwest Bavaria.

Our logistics centre is located in Sonneberg, Thuringia, and houses 53,600 m² of storage space. In 2020, we completed the installation of a new fully automatic high-bay warehouse.

Our Eichhorn wooden toys are manufactured in Lam in the Bavarian Forest.









The chassis of a BIG Bobby Car in production at the BIG toy factory in Burghaslach (top left). At the Eichhorn factory in Lam, Bavaria, wooden figures are painted in large drums (bottom left).

Headquarters of the Simba Dickie Group in Fürth (middle). The automated small-parts warehouse at our logistics centre in Sonneberg (right). Sustainability Report 2021

3,000 Employees >30 Locations

Headquarters

Fürth, Germany SIMBA-DICKIE-GROUP GmbH

Langeais, France Corolle SAS

Lavans-Lés-Saint-Claude, France SMOBY TOYS SAS

Doetinchem. Netherlands Dutch Toys Group B.B.

City of Industry, North America Jada Toys, INC.

Kowloon, Hong Kong SIMBA DICKIE HK LTD.

Subsidiaries

Aalbeke, Benelux/Belgium N.V. Simba Toys Benelux S.A.

Krivina, Bulgaria Simba Toys Bulgaria Eood

Espoo, Finland Simba Dickie Finland Oy

Mumbai. India Simba Toys India Pvt Ltd.

Pombia, Italy Simba Toys Italia s. r. l.

Dubai. Middle East Simba Toys Middle East FZE

Qatar. Middle East Simba Toys Qatar WLL

Sandefjord, Norway Simba Toys Nordic AS

Vienna. Austria Simba Toys Handels GmbH & Co. KG

Warsaw, Poland Simba Toys Polska Sp. z. o. o.

Bucharest, Romania S.C. Simba Toys Romania SRL

Oberentfelden, Switzerland Simba / Dickie (Switzerland) AG

Madrid, Spain Simba Toys España S. L.

Ibi (Alicante), Spain JUGUETES PICO S. L.

Durban. South Africa SISO Toys South Africa (PTY) Ltd.

Thailand, Pathumthani Simba Toys (Thailand) Ltd. Majorette Thailand Co. Ltd. Unhošt', Czech Republic Simba Toys CZ, spol. s. r. o.

Istanbul, Turkey

Kiev, Ukraine

Biatorbagy, Hungary Simba Toys Hungária Kft.

Bradford, United Kingdom Simba Smoby UK Ltd.





Simba Oyuncak Paz. Ltd. Sti

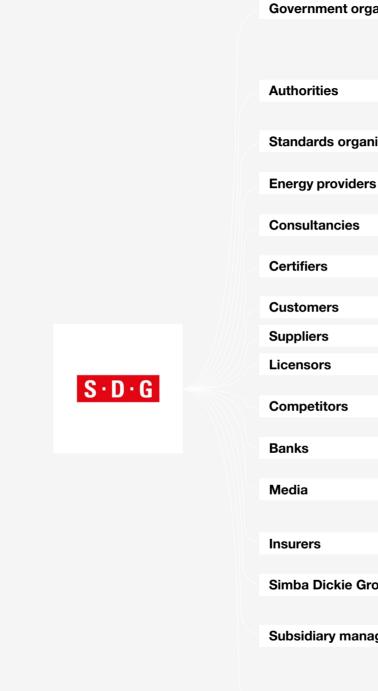
Simba Toys Ukraine Ltd.

Ho Chi Minh City, Vietnam Simba Toys Vietnam Limited

More information:



Integrity is one of our guiding principles. We continually review our communications strategy, and identify opportunities and risks in order to meet the expectations of internal and external stakeholders. In doing so, we never lose sight of our values.



Integrity

Honesty and respect towards all stakeholders form the basis of our culture and are the reason for our success.

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Employees

anisations	Government/industry-specific goals Agreements Standards Technical regulations	
	Approval requirements Subsidies Preferential policies	
isations	Standard specifications	
3	Security of supply Price stability	
	Advisory services	
	Certification of management systems	
	Supplier queries	
	Supplier selection	
	License holder queries	
	Competitive edge due to technological advantage	
	Financing	
	Communication with the public	
	Compliance with insurance conditions	
oup	Group contributions	
gement	Operational performance Financial resources Energy management systems	
	Job opportunities Qualifications Energy management systems	

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O2 Economy

Unless otherwise stated, all economic indicators refer to the calendar years 2020/21. The annual financial statement was audited by HLB, a global network of independent advisory and accounting firms.





2.1 Economic Indicators

In 2021, the Simba Dickie Group posted consolidated revenue of 754.1 million euros – an increase of 5.5% compared with the previous year's figure of 715 million euros.

5.5%

Sustainable success

As a family company, we think in generations and focus on long-term profitable growth.

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Our head office in Fürth

2.2 Compliance

For many years, the Simba Dickie Group has been a reliable partner for employees, suppliers, customers and dealers across all segments of the toy industry. Integrity and fairness are essential if we are to maintain the trust which these stakeholders place in us. In 2014, we issued an anti-corruption policy in order to prevent the acceptance of undue benefits and ensure a fair basis for cooperation. The policy is published on our internal communications platform "HOME". Compliance is the responsibility of our executive management. All employees are encouraged to discuss this topic openly and to report violations.

Trust

Being honest and trustworthy is the strongest enabler of joint success and loyalty.







03

Environment





Grazing sheep on the premises of the BIG toy factory in Burghaslach

3.1 Energy

S · D · G

Cost-efficiency and the responsible use of resources are key objectives of the Simba Dickie Group. The increase in energy consumption across all our sites (see Table 01) can be attributed to the considerable growth in our business. At our manufacturing sites in Lam and Burghaslach, we use existing or procured resources to generate energy.

Energy intensity

Energy intensity is measured based on total energy consumption across our four sites in Fürth, Lam, Sonneberg and Burghaslach (see Table 02). Despite the 7% increase in energy consumption, our specific energy consumption dropped by 15% during the reporting period to 93 Wh / €1 revenue.

Energy consumption from self-generation

In Lam, waste wood from the production process is converted into energy using an on-site system. This energy is used for heating and a range of production processes, such as the drying of wood.

In 2014, we installed a cogeneration unit at our manufacturing site in Burghaslach, which is used to convert natural gas into electricity. The waste thermal energy generated during this process is used for heating.

For more information, see Table 03.

Table 01: Energy consumption in kWh

	2020
Total	20,507,410 kWh
Fürth	3,383,693 kWh
of which CO ₂ neutral	68%
Sonneberg	3,366,384 kWh
of which CO ₂ neutral	12%
Lam	3,561,707 kWh
of which CO ₂ neutral	78%
Burghaslach	10,195,626 kWh
of which CO ₂ neutral	16%

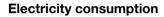
Table 02: Energy intensity

	2019/2020	2020/2021	Percentage change
Absolute energy consumption in kWh	20,507,410 kWh	21,929,061 kWh	+ 7%
Energy consumption / €1 revenue	110.2 Wh / €	93 Wh / €	- 15%

Table 03: Energy consumption from self-generation in kWh

	2020	2021	Percentage change
Total	4,199,416 kWh	4,493,245 kWh	+ 7%
Lam	2,064,677 kWh	2,208,665 kWh	+ 7%
of which CO ₂ neutral	100%	100%	
Burghaslach	2,134,739 kWh	2,284,580 kWh	+ 7%
of which CO ₂ neutral	0%	0%	

2021	Percentage change
21,929,061 kWh	+ 7%
3,734,610 kWh	+ 10%
72%	+ 6%
3,727,470 kWh	+ 11%
13%	+ 8%
3,674,885 kWh	+ 3%
81%	+ 4%
10,792,096 kWh	+ 6%
16%	



The figures for our manufacturing site in Burghaslach refer to electricity purchased from E.ON. Electricity generated from our on-site cogeneration unit is listed under "Energy consumption from self-generation" (page 21). The electricity consumption of each of our sites is listed in Table 04.

Oil consumption

Our facility in Lam is primarily heated via an on-site wood-fired system. Oil-fired heating is only used during periods of downtime. In 2021, no heating oil was purchased, as existing inventory from the year 2020 is expected to last for several years.

Diesel and petrol consumption

The consumption figures in Table 05 refer to the fuel consumption of company cars used by our employees (such as field staff), as well as that of company-owned trucks. In 2020, we were able to make savings in diesel and petrol consumption due to the drop in business travel caused by Covid-19. The slight increase in diesel consumption in 2021 can be attributed to the resumption of limited business travel.

Table 04: Electricity consumption in kWh

	2020
Total	5,673,262 kWh
Fürth	869,719 kWh
of which CO ₂ neutral	100%
Sonneberg	651,144 kWh
of which CO ₂ neutral	61%
Lam	1,290,719 kWh
of which CO ₂ neutral	56.3%
Burghaslach	2,861,680 kWh
of which CO ₂ neutral	56.3%

Table 05: Diesel and petrol consumption in kWh

	2020
Gesamt	1,374,991 kWh
Fürth	1,060,257 kWh
Sonneberg	57,066 kWh
Lam	112,264 kWh
Burghaslach	145,404 kWh

2021	Percentage change
6,060,246 kWh	+ 7%
918,111 kWh	+ 6%
100%	
735,002 kWh	+ 13%
65%	+ 7%
1,354,563 kWh	+ 5%
56.3%	
3,052,570 kWh	+ 7%
56.3%	

2021	Percentage change
1,385,031 kWh	+ 1%
1,062,573 kWh	
53,217 kWh	- 7%
111,657 kWh	- 1%
157,584 kWh	+ 8%

Natural gas consumption

Since 1st July 2018, our Fürth site has been supplied with 100% green gas by infra fürth GmbH (see <u>page 30</u>). Both our Fürth and Sonneberg sites are heated with natural gas. At our Burghaslach facility, natural gas is supplied to the on-site cogeneration unit, which is used to generate electricity.

The figures for total natural gas consumption are listed in Table 06. In 2021, our Burghaslach facility used 6,971,916 kWh of natural gas for its on-site cogeneration unit, and 564,582 kWh for heating.

Liquefied gas consumption

At our Burghaslach facility, propane is used to drive gas-powered forklift trucks. The corresponding consumption figures are listed in Table 07.

Table 06: Natural gas consumption in kWh

	2020
Total	11,254,281 kWh
Fürth	1,453,717 kWh
of which CO ₂ neutral	100%
Sonneberg	2,658,174 kWh
of which CO ₂ neutral	0%
Burghaslach	7,142,390 kWh
of which CO ₂ neutral	0%
of which for on-site cogeneration unit	6,480,561
of which for heating	661,829

Table 07: Liquified gas consumption in kWh

	2020
Total	46,152 kWh
Burghaslach	46,152 kWh
of which CO ₂ neutral	0%

2021	Percentage change
45,444 kWh	
45,444 kWh	- 2%
0%	

3.2 Emissions

Diesel and petrol consumption

CO₂ emissions from diesel and petrol used in company cars and trucks are listed in Table 08.

Natural gas consumption

Since 1st July 2018, our Fürth site has been supplied with 100% green gas by infra fürth GmbH. CO₂ emissions from natural gas consumption are listed in Table 09.

Liquefied gas consumption

Table 10 shows CO₂ emissions from liquified gas consumption at our site in Burghaslach, where propane is used in production as well as logistics in order to drive on-site fork lifts.

Table 08: CO₂ emissions from diesel and petrol consumption

	2020	2021	Percentage change
Total	366.04 t	368.76 t	1%
Fürth	282.03 t	282.65 t	0%
Sonneberg	15.18 t	14.16 t	- 7%
Lam	29.86 t	29.7 t	- 1%
Burghaslach	38.97 t	42.25 t	+ 8%

Table 09: CO, emissions from natural gas consumption in t

	2020	2021	Percentage change
Total	1.965.43 t	2,101.03 t	+ 7%
Fürth	0 t	0 t	0%
Sonneberg	536.95 t	593.73 t	+ 11%
Burghaslach	1,428.48 t	1507.3 t	+ 6%

Table 10: CO₂ emissions from liquified gas consumption in t

	2020	2021	Percentage change
Total	10.52 t	10.36 t	- 2%
Burghaslach	10.52 t	10.36 t	- 2%

3.3 Waste

S · D · G

At the Simba Dickie Group, waste and recyclable materials are sorted wherever possible to facilitate further processing by our waste disposal partners. All waste which we generate is collected from our various sites and processed by a range of waste disposal companies.

Where possible, waste is also recycled within our production processes. As mentioned above, waste wood at our facility in Lam is used to power an on-site heating system. During periods of lower heating demand, the waste wood is stored or sold as briquettes.

At our Burghaslach facility, plastic waste from the manufacturing process is ground, sorted and recycled. This waste is coloured using black masterbatch. Almost all wheels used on BIG Bobby Cars are made using this type of recycled plastic.

Hazardous waste

Our sites also produce hazardous waste (see Table 11). In Fürth, this includes paint tins from the manufacture of models, as well as fluorescent lamps, which have been replaced with more energy-efficient lighting.

At our facility in Lam, hazardous waste includes sludges from paint or varnish, as well as halogenfree machining emulsions.

Non-hazardous waste

During the reporting year, volumes of nonhazardous waste increased again (see Table 12) due to the disposal of waste wood as part of a clean-up campaign at our facility in Sonneberg.

For a breakdown of non-hazardous waste, see Table 13.

Table 11: Total volume of hazardous waste in t			
	2020	2021	Percentage change
Total	6.12 t	5.19 t	- 15%

Table 12: Total volume of non-hazardous waste in t

	2020	2021	Percentage change
Total	702.85 t	975.26 t	+ 39%

Table 13: Breakdown of non-hazardous waste

	2020	2021	
Plastics	7%	5%	
Films	3%	4%	
Commercial waste	16%	20%	
Paper and cardboard	64%	52%	
Waste wood	N/A	9%	
Green waste	3%	2%	
Bulk waste	N/A	3%	
Other	6%	5%	

3.4 Water

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In Germany, all our sites are connected to public water supply networks. At our Sonneberg facility, water consumption increased due to the construction of a new warehouse. Water consumption also rose at our Burghaslach site, while consumption at our other locations remained at approximately the same level as the previous year (see Table 14).

Table 14: Water consumption

	2020	2021	Percentage change
Total	8,064 m ³	9,111 m ³	+ 13%
Fürth	2,978 m ³	2,678 m ³	- 10%
Sonneberg	1,473 m ³	2,480 m ³	+ 68%
Lam	516 m ³	521 m³	+ 1%
Burghaslach	3,097 m ³	3,432 m ³	+ 11%

3.5 Environmental **Protection**

At the Simba Dickie Group, we take proactive measures to protect the environment and contribute towards a sustainable future.



Introduction of the ISO 50001 standard at our Sonneberg facility

In 2021, we also introduced the ISO 50001 standard at our Sonneberg site following its successful implementation at our Burghaslach facility. In this context, we analysed the site's energy flows and energy efficiency, and took measures to optimise energy management.



Thuringen 🖽 huringen 🛱

ate in Sonneberg

Thuringia Sustainability Accord

Jack S

This year, SDG entity Simba Dickie Vertriebs GmbH joined the Thuringia Sustainability Accord (NAT).

The Thuringia Sustainability Accord is a voluntary agreement through which companies based in Thuringia work together with the Thuringian state government to promote sustainable development. The Accord covers a range of economic, environmental and social aspects.



EU Circular Economy Package

In 2018, the European Parliament adopted the EU Circular Economy Package. This package of measures contains a series of legal requirements which are designed to stimulate the transition from a linear to a circular economy. The primary objective is to prevent packaging waste, followed by promoting the use of recyclable packaging. Where disposal is unavoidable, packaging must be easily recyclable.

The SDG has made a continuous contribution to these goals by introducing changes to its product packaging and logistics processes.

Optimised packaging

To prevent waste, the Simba Dickie Group has introduced the following changes to its packaging:

- The use of plastic covers on blister cards is avoided wherever possible. The advantages of this strategy are two-fold, as pure cardboard packaging is easier both to recycle and unpack.
- Punch holes, locking mechanisms and latches on packaging and gift boxes have been modified to minimise the use of resources, as well as make packaging more user-friendly and easier to recycle.
- Wires, cable ties and PVC strips (used to fix doll hair in place) have been replaced with paper strips or user-friendly quick release mechanisms.
- We have phased out fixings on much of our packaging. Instead, we design our packaging based on the contours of the product, meaning additional fixation is not required.
- Where possible, boxes with plastic windows have been replaced with open windows. In addition to reducing plastic consumption, this also enables customers to touch the product inside the packaging.
- We refrain from using polybags wherever possible and use paper bags as an alternative.

Optimised pallet capacity

In 2020, we launched a program to optimise pallet capacity. The program aims to ensure that the space on each pallet is used as efficiently as possible.

It also aims to significantly reduce the amount of secondary packaging, as well as further improve packaging quality standards to minimise damage during transport and storage.

Logistics and production

In 2020, we started to migrate to a new packaging facility at our manufacturing site in Lam. The migration was fully completed in 2021, and will help to reduce the environmental footprint of transport to outworkers.

In addition, we invested in modern, energyefficiency injection moulding machines at our manufacturing site in Burghaslach. These will enable us to analyse a wider range of energy and material data.

More information:

EU Circular Economy Package





Wood production in Lam

Materials

S · D · G Sustainability Report

The Simba Dickie Group is committed to protecting biodiversity. For this reason, we source our raw materials from sustainable forestry certified by the Forest Stewardship Council[®] (FSC®). All FSC®-certified forestry operations are required to meet a series of economic, environmental and social standards as part of the certification process.

A large part of the Eichhorn range is made in Germany at our manufacturing site in Lam in the Bavarian Forest. All products made at this site are FSC®-certified (licence no.: FSC-C002577), as are the products made at our factory in Netvorice, Czech Republic (licence no.: FSC-C015457).

We produce in the

Bavaran

Environment

We know our responsibilities towards our planet and consider environmental impact in our decisions.

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S·D·G

Energy-saving measures

The SDG works with the energy auditor tomsys Projekt GmbH in order to identify targeted measures for saving energy and reducing emissions at our manufacturing sites in Fürth and Lam. At our sites in Burghaslach and Sonneberg, we have implemented the ISO 50001 energy management system.

During the reporting year, we also installed an automatic energy data collection system at our logistics centre in Sonneberg. Based on the data collected, we were able to identify and implement a range of measures to optimise energy use.

Employee training

We are committed to raising employees' awareness of environmental protection and sustainability across all our sites. For this reason, we revised the training materials for our annual general training course to incorporate these themes.

Air conditioning

At our site in Fürth, we installed new blinds to reduce energy consumption from air conditioning.

Lighting

We are continuing to convert our lighting systems to LED fixtures across all our sites. Over the coming years, we expect to be able to make further electricity savings, in particular through measures such as the installation of motion sensors.

At our site in Fürth, we continued to replace fluorescent lamps with LED lighting: as of December 2021, 80% of the lighting in our showroom and canteen had been converted to LED fixtures.



Energy consumption from self-generation

As described on <u>page 21</u>, waste wood at our manufacturing site in Lam is converted into energy using an on-site system. This eliminates the greenhouse emissions that would otherwise be generated by the transport of waste or purchase of other sources of energy.

The cogeneration unit at our site in Burghaslach (see <u>page 21</u> for details) ensures high levels of fuel efficiency, and therefore significantly reduces our demand for natural resources.

Both of these measures help to protect the environment, ensure the responsible use of resources, and minimise energy costs.



Emissions savings

S · D · G

In addition to saving energy, preventing greenhouse gas emissions that cause climate change is also a key priority of the Simba Dickie Group.

Our site in Fürth is supplied with electricity and natural gas from the energy firm infra fürth GmbH, which fully offsets our natural gas emissions through a range of carbon offset schemes.

The greenhouse gas emissions from our sourced energy supplies were calculated based on data from our energy suppliers and the German Federal Office for Economic Affairs and Export Control. The emissions for each energy source were then calculated accordingly (see also Tables 08-10). In absolute terms, there was an increase in our total emissions. However, in relation to the growth in output, our emissions fell.

CO₂ emissions from purchased electricity

Since 2017, our site in Fürth has been supplied exclusively with green electricity. For this reason, no CO_2 emissions are specified for this site. Our total CO_2 emissions from purchased electricity rose by approximately 20% (see Table 15).

Table 15: CO, emissions from purchased electricity in t

	2020	2021	Percentage change
Total	1,149.73 t	1,383.93 t	+ 20%
Fürth	0 t	0 t	0%
Sonneberg	138.69 t	145.53 t	+ 5%
Lam	313.04 t	380.63 t	+ 22%
Burghaslach	698.00 t	857.77 t	+ 23%



\bigcirc **ClimatePartner**

Eichhorn constructor

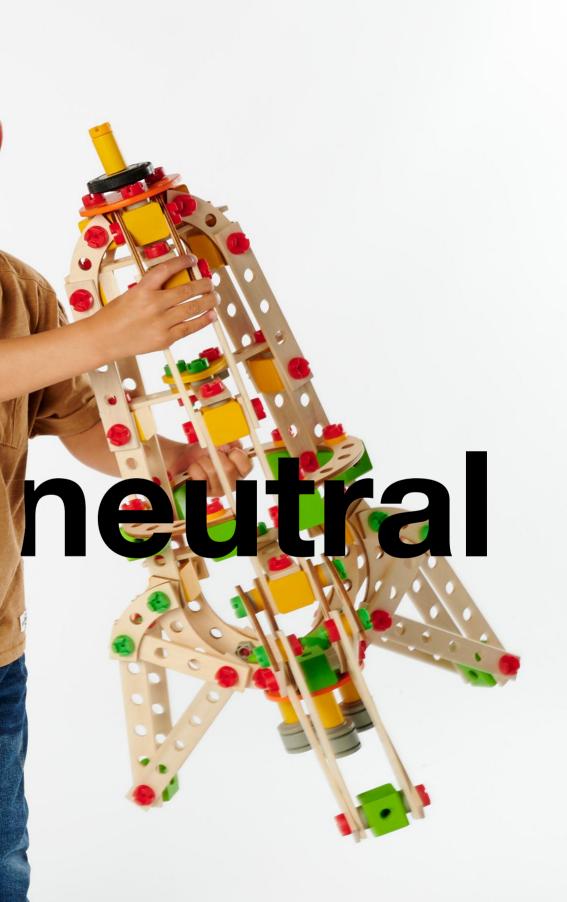
The CO₂ footprint of our Eichhorn Constructor range was calculated in collaboration with ClimatePartner. Production-related emissions for the year 2022 were offset in advance over the course of this year. This means that all products in the Constructor range are manufactured using carbon-neutral processes in accordance with internationally recognised standards. The carbon footprint was calculated using the so-called "cradle-to-customer plus endof-life" approach, which covers the entire product life cycle.

More information:

Eichhorn + ClimatePartner

Our **Eichhorn** Constructor range is

Carbon



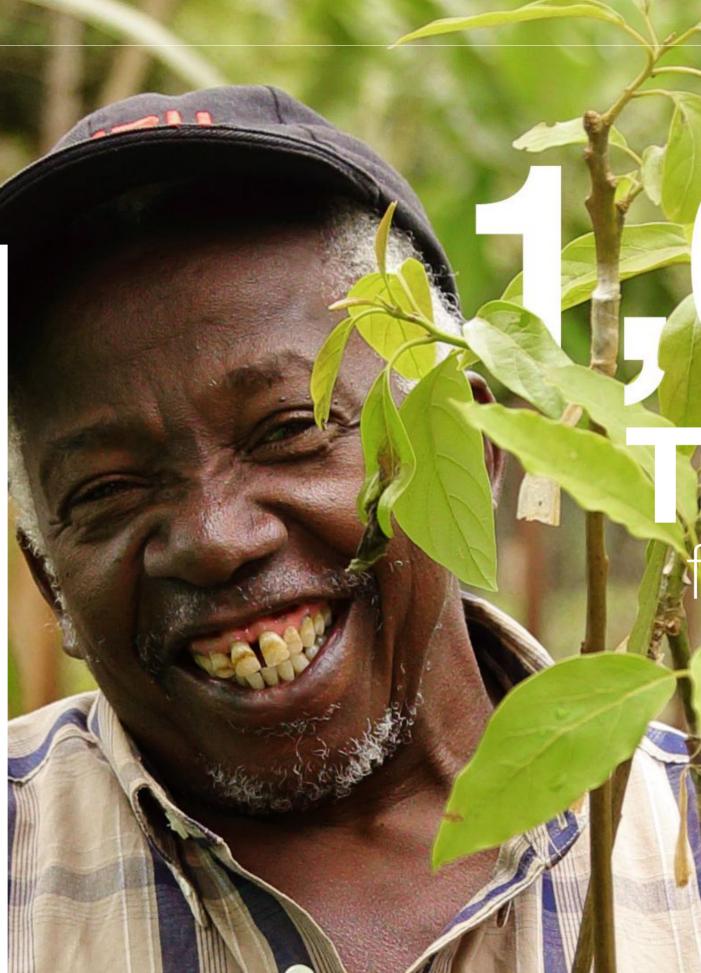




Reforestation

The SDG has been investing in the agro-forestry project Treedom since 2019. Through these investments, we have funded the planting of 1,000 trees in Madagascar, which will absorb many tonnes of CO_2 over the coming years.

The project also provides start-up financing to enable smallholder farmers in different regions of the world to grow native crops. In doing so, Treedom helps to build sustainable ecosystems, and also generates social and environmental benefits: farmers can keep the harvest from their crops, which enhances food security and enables them to earn an income.



33

rees or Madagascar

)4 Social

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4.1 SDG as an **Employer**

We are dedicated, talented and always full of motivation. In addition to exciting projects, a job at the SDG also comes with many other benefits:

- We are a family-owned company. Our employees are part of this large family. Flat hierarchies and open doors are the cornerstones of our organizational culture.
- Our team members also benefit from flexible working hours and the option to work from home.
- Our on-site canteen serves a daily changing menu of tasty and healthy meals for breakfast and lunch, as well as free drinks.
- We offer a range of sports programmes to promote the health and well-being of our employees.
- All our sites have excellent transport links. For example, our head office in Fürth is located directly next to a bus stop.
- Our employees receive discounts and benefits, both in our online shops and at select partners.
- Employees have the opportunity to work at one of our many offices worldwide and participate in international projects.



Business is People

Our global team is our strongest asset, and we aim to create an environment where everyone is able to grow constantly and enjoys being part of our group.

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4.2 Workforce Structure

As of 31st December 2021, there were 894 staff members employed at the Simba Dickie Group in Germany. For more information, see Table 16.

The number of apprentices increased from 12 to 18 (see Table 17, <u>page 37</u>). This reflects the Group's wish to address the ongoing skills shortage, and also had the additional benefit of contributing towards a younger workforce.

Table 16: Workforce structure

	2020	2021
Total	792	894
Employees by gender		
Male	398	389
Female	394	383
Breakdown of employees	by age group	
Up to 30 years	133	130
31 to 40 years	149	144
41 to 50 years	162	165
51 to 60 years	241	238
Over 60 years	107	101

4.3 Talent

S · D · G

We are always on the lookout for talented people. And we train them ourselves.

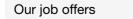
At the Simba Dickie Group, we offer apprenticeships for the following positions:

- IT specialist (application development)
- IT specialist (system integration)
- Industrial management assistant
- Process mechanic for plastic and rubber technology (mould components)
- Tool mechanic (mould engineering)
- Warehouse logistics specialist

Apprentices receive individual support and have good chances of being offered a permanent position after successfully completing their apprenticeship. In 2021, as in previous years, all apprentices were transferred to a permanent position.

Table 17: Apprentices	
	2020
Total	12
Fürth	
Industrial management assistants	6
IT specialists	0
Burghaslach	
Process mechanic for plastic and rubber technology (mould engineering)	3
Lam	
Industrial mechanic (maintenance)	1
Sonneberg	
Industrial management assistants	1
Warehouse logistics specialist	1

Would you also like to become part of our family?



04 Social	37
4.3 Talent	

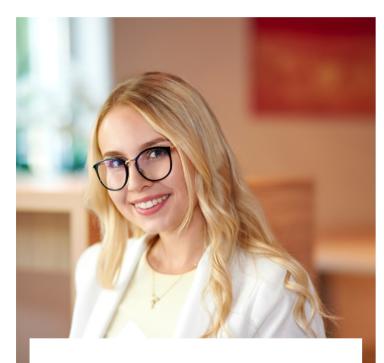
31/12/2021
18
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0

Teamplay

An open door mindset and controversial discussions are a key part of our company culture.



Apprentice stories



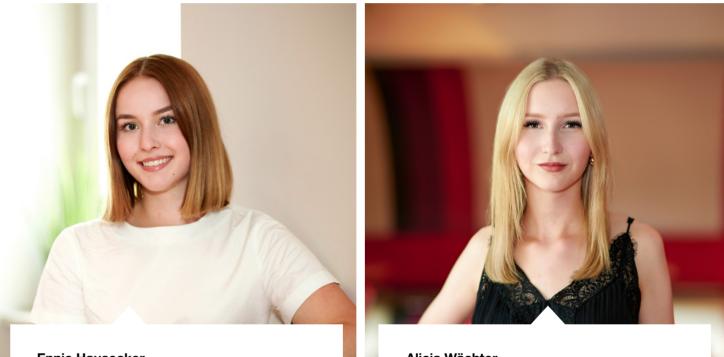
Laetitia Kopp

"During my apprenticeship at the Simba Dickie Group, I always felt like a valued and fully-fledged team member. The company encourages you to come up with your own ideas and work independently. I've never regretted my decision to do an apprenticeship instead of a university degree, because it enabled me to gain valuable work experience."



Patrick Lorber

"An apprenticeship at the Simba Dickie Group is very varied, because you gain an insight into numerous firms, each of which has different approaches and ways of working. This means that in addition to specialist training, you also acquire extensive knowledge of working practices."



Ennie Hausecker

"By working in a range of different departments across the Simba Dickie Group, you gain an in-depth insight into the diverse and varied business functions and face new challenges every day."

04 Social	38
4.3 Talent	

Alicia Wächter

"One of the best things about my apprenticeship was that I was able to make a real impact. I had the opportunity to implement my own ideas in product management and play an active role in developing products/toys, which I was then able to follow through the subsequent stages of marketing and sales."

4.4 Data Protection

The protection of customer and employee data is of paramount importance to the Simba Dickie Group. For this reason, in 2017 we implemented a series of internal measures to reform our data protection policies.

During the reporting period, no substantiated complaints were made against the SDG pursuant to breaches of customer privacy or the loss of customer data.

Our data protection team comprises a Chief Data Protection Officer and two additional data protection officers, who are available to respond to questions, problems or feedback concerning data protection raised by employees. Together with our various departments and employees, the data protection officers ensure that personal data and any processing software is used in full compliance with the law. The data protection team reports directly to the executive management of the Simba Dickie Group.

An external specialist provides support and organises data protection training for employees at regular intervals in collaboration with the data protection team. Relevant information for employees is also provided on our internal communications platform "HOME". From here, employees can also access a form for reporting personal data breaches. This ensures that the data protection team is promptly informed of serious breaches.

4.5 Occupational Health and Safety

We have a special responsibility towards our employees. Ensuring a safe and healthy work environment for all our staff is extremely important to us.

Occupational safety

In 2021, the occupational safety team continued to optimise and conduct intensive monitoring of all our occupational safety measures. This team consists of a core group of staff, which is supported by local employees depending on the location.

We have conducted risk assessments of workplaces, machinery and manufacturing processes across all areas of our operations. To this end, the Simba Dickie Group also works with external occupational safety specialists. Over the coming years, we plan to intensify our activities in this area.

Occupational health

In 2021, Covid-19 continued to have a significant impact on the lives and work of our employees. For this reason, our main focus in the area of occupational health was the development, implementation and adaptation of suitable hygiene concepts to protect employees across all our companies worldwide.

Contact and Legal Notice

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