

tonies Group

Sustainability Report 2025



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tonies Group

Sustainability Report 2025



Listen, **Grow**
Learn,

Introduction

At tonies, we are **building for future generations**. We rally behind the mission to make a positive impact on more and more children across the world.

tonies is the world's largest interactive audio platform for children. Our intuitive and award-winning audio system has changed the way young children play and learn independently with its child-safe, wireless, and screen-free approach. As a rapidly expanding manufacturing group with products that play a significant role in children's education worldwide, we recognize the importance of sustainability and our responsibility. We remain **mindful of the impact of our operations** across our entire value chain.

We believe that **sustainability starts with our product**. The Toniebox is particularly robust and durable, ensuring long-lasting use. Its screen-free design promotes physical and mental well-being while encouraging independence, as even young children can operate it intuitively. With its reliability, the Toniebox often becomes a beloved companion for children, accompanying them as they grow up.

screen-
free
listening



Beyond the inherent sustainability aspects of our product, tonies' sustainability journey is guided by our **vision**:

Listen, Learn, and Grow Responsibly

This vision underlines our eagerness to establish a solid foundation for improvements and reflects our curiosity, willingness to learn, and commitment to continuous progress. To guide our engagement, we have defined four clear **principles**:

- **Sustainability as an integral part of our doings:** Sustainability is not just a checkbox for us. It is a guiding principle for every decision, encompassing environmental, social, and governance considerations.
- **Open-mindedness and innovation:** We embrace feedback and collaboration with diverse stakeholders – including customers, employees, licensors, suppliers, and investors – to drive innovation.
- **Transparency and accountability:** We are committed to regularly sharing our progress and maintaining a keen awareness of our environmental and social footprint.
- **Continuous improvement:** We implement policies and actions, set targets, and measure progress to address emerging challenges and opportunities.

Our Four Pillars of Action

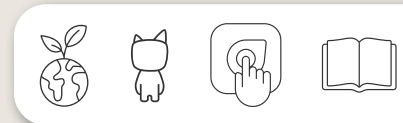
To leverage tonies' contribution effectively, our efforts focus on **topics identified as material** through our materiality assessment, considering our unique business model and value chain.

Planet: Climate Change; Pollution; Resource Use and Circular Economy.

People: Own Workforce; Workers in the Value Chain.

Play: Consumers and End-Users.

Principles: Business Conduct.



While not yet legally required, tonies' second sustainability report is voluntarily guided by the requirements of the **Corporate Sustainability Reporting Directive (CSRD)** and the related 2023 European Sustainability Reporting Standards (ESRS). This proactive alignment underscores our commitment to early readiness and meaningful progress.

2025 Highlights and Advancements

Building on our foundational 2024 report, our focus throughout 2025 was to further refine our understanding of tonies' impact while optimizing internal processes. By enhancing data quality and governance, we have created an even more robust basis for our future efforts. We are particularly proud of the following advancements:

- **Increasing bio-circular content in Pocket Tonies:** In 2025, we transitioned the housing of our Pocket Tonies range to Terluran® ECO GP-35 BC100. This increases the share of ISCC PLUS certified bio-circular feed-stocks from the previous 50% to up to 94% via a mass balance approach.
- **Improving data granularity for informed decision-making:** We focused on refining the quality and depth of our sustainability data, particularly regarding fugitive emissions and heating energy, to ensure a more precise, fact-based foundation for strategic steering.
- **Optimizing reporting infrastructure:** We implemented a dedicated software solution to streamline our internal data collection and reporting workflows, significantly strengthening our governance and data integrity.
- **Expanding our sustainability reporting scope:** In this year's report, we pay particular attention to our little listeners by reporting comprehensively on the topic 'Consumers and End-Users' for the first time.

Going forward, we will build on this foundation to live up to our sustainability principles and vision.

General

Basis for Preparation

This sustainability report has been prepared in accordance with the requirements of the **CSRD** and the associated 2023 **ESRS**, issued by the European Financial Reporting Advisory Group (EFRAG). The sustainability topics and related data points covered were selected on the basis of our Double Materiality Assessment (DMA).

Reporting is conducted on a consolidated basis, with the same **scope of consolidation** as for the financial statements. Thus, the consolidated sustainability data comprises the tonies Group, including the tonies SE as the head of the group as well as all subsidiaries. Deviations from this scope are clearly indicated.

Throughout this report, we take into account our **own operations** as well as our **upstream and downstream value chain** (Figure 1), for example when identifying tonies' material impacts, risks and opportunities (IROs) in the course of our materiality assessment. While our focus in the previous reporting year was primarily on our own operations, we are now expanding our scope to increasingly incorporate upstream and downstream value chain perspectives and data. Specifically, we have integrated more comprehensive reporting on the topic 'Consumers and end-users'. We will continue to work towards further integrating reporting on 'Workers in the value chain' in future reporting cycles.

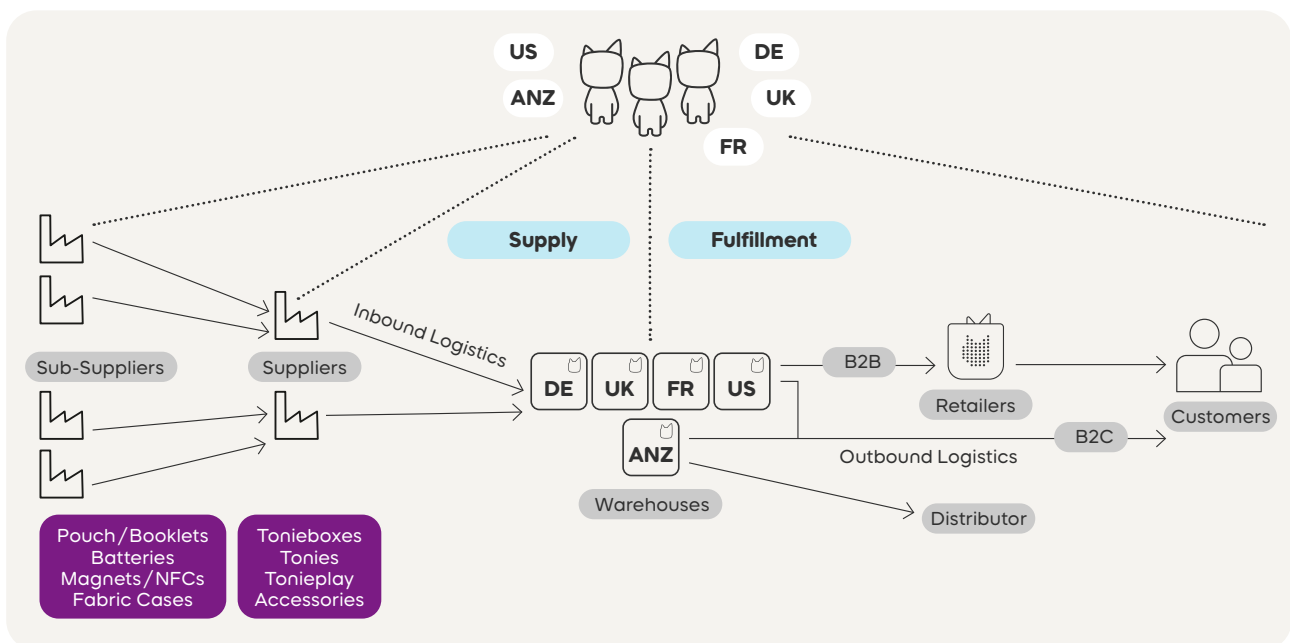


Figure 1: tonies' global value chain

Value chain estimation

Estimates based on indirect sources were used to calculate our **greenhouse gas (GHG) emissions**. This concerns the Scope 2 category 'Purchased electricity' and the Scope 3 category 'Purchased goods and services' identified by the GHG Protocol Corporate Standard and GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Calculations for the 'Purchased electricity' category incorporate national averages where primary data was unavailable. For 'Purchased goods and services', our footprint is calculated using a spend-based approach.

Regarding the use of **national averages**, calculations are **reasonably accurate**, though reported emissions tend to be higher than actual emissions. While the **spend-based** method is currently our best available option for calculating emissions from ‘Purchased goods and services’, it is associated with **lower accuracy**.

Consequently, future disclosures based on an increasing amount of primary data will be contextualized to ensure transparency. For example, substantial differences in reported emissions from one year to the next may be attributed to improved data quality.

To improve accuracy in the future, we plan to phase out spend-based calculation methods for production-related emissions as more precise methods become available.

Sources of estimation and outcome uncertainty

The **quantitative metrics** subject to a high level of **measurement uncertainty** are shown in Table 1. Regarding the listed metric, **limited availability of data** from our upstream value chain represents the source of uncertainty.

Table 1: Metrics subject to a high level of measurement uncertainty

ESRS Disclosure Requirement	Metric	Measurement assumptions, approximations, and judgements
E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	Gross Scope 3 GHG emissions	<p>Emission factors: Using average emission factors</p> <p>Proxy data: Using proxy data from similar processes or industries</p> <p>Simplified models: Employing simplified models to estimate emissions from complex activities</p> <p>Relevance: Judging the relevance and materiality of different sources of Scope 3 emissions to focus on the most significant ones</p>

Governance

Sustainability governance structure, roles, and oversight

tonies’ **sustainability governance structure** is organized into five main levels, each with specific responsibilities and roles to ensure effective management and implementation of sustainability efforts.

At the implementation level, each sustainability initiative is led by a designated **Sustainability Initiative Owner**, typically an employee with leadership responsibility. This individual acts as the team leader, assigning tasks to team members as needed. The Initiative Owner is accountable for executing their respective initiative, with all initiatives collectively contributing to the achievement of tonies’ defined sustainability targets. This structure ensures that the company’s sustainability targets are met through coordinated and practical actions.

Coordinated by a specialized Sustainability Manager, the **Sustainability Project Management Office (PMO)** includes two dedicated sustainability owners from the Strategy and Legal & Compliance teams. These owners have experience in the field and/or take part in appropriate training and support the cross-functional implementation of initiatives and reporting. Together, they ensure the company-wide integration of sustainability by proposing targets and corresponding actions, tracking progress, managing daily collaboration on sustainability matters across teams and departments, coordinating report preparation, and providing progress updates – including potential roadblocks – to the Sustainability Committee.

The **Sustainability Committee (SC)** is composed of C-Level executives and additional employees with leadership responsibility representing key business units. Chaired by the Chief Financial Officer (CFO), the SC steers sustainability at tonies. The SC ensures alignment between overarching business goals and sustainability efforts. It supervises the definition of targets related to material impacts, risks and opportunities, along with corresponding actions and progress made toward their achievement, through meetings or written status updates. The SC also oversees sustainability initiatives, taking action to guide them toward realizing strategic objectives, allocating necessary resources, and removing roadblocks to advance sustainability efforts. Furthermore, the committee is responsible for discussing and reaching consensus on sustainability reporting ambitions, procedures, and content. Lastly, the SC is the central decision-making body, ensuring strong top-level backing for sustainability efforts.

The **Management Board** is involved in all material steps related to sustainability as part of the Sustainability Committee. The Management Board also holds the responsibility for approving and signing off on the sustainability report, reflecting their integral role in the process. The Management Board reports to the Supervisory Board, ensuring alignment and oversight. The composition and diversity of the Management Board are depicted in Table 2.

Table 2: Composition and diversity of the Management Board

	2025	2024
Number of executive members	4	3
Number of non-executive members	0	0
Information about representation of employees and other workers	-	-
Percentage of members by gender	25% female 75% male	33% female 66% male
Board's gender diversity ratio	0.3	0.5

Finally, the **Supervisory Board** and **Audit Committee** receive regular sustainability progress updates during board meetings. They have the authority to approve and sign off on tonies' sustainability report, ensuring accountability at the highest level. The composition and diversity of the Supervisory Board are shown in Table 3.

All members of the Supervisory Board have expertise and experience relevant to tonies and in the area of sustainability.

Table 3: Composition and diversity of the Supervisory Board

	2025	2024
Number of executive members	0	0
Number of non-executive members	6	5
Information about representation of employees and other workers	-	-
Percentage of members by gender	17% female 83% male	20% female 80% male
Board's gender diversity ratio	0.20	0.25
Percentage of independent board members	67%	60%

tonies' governance (Figure 2) provides a structured approach to sustainability, where strategic decisions and reporting are overseen by senior leadership while operational tasks are managed by designated teams and individuals. The responsibilities of each body or team are also reflected in tonies' internal **Group Sustainability Policy**.

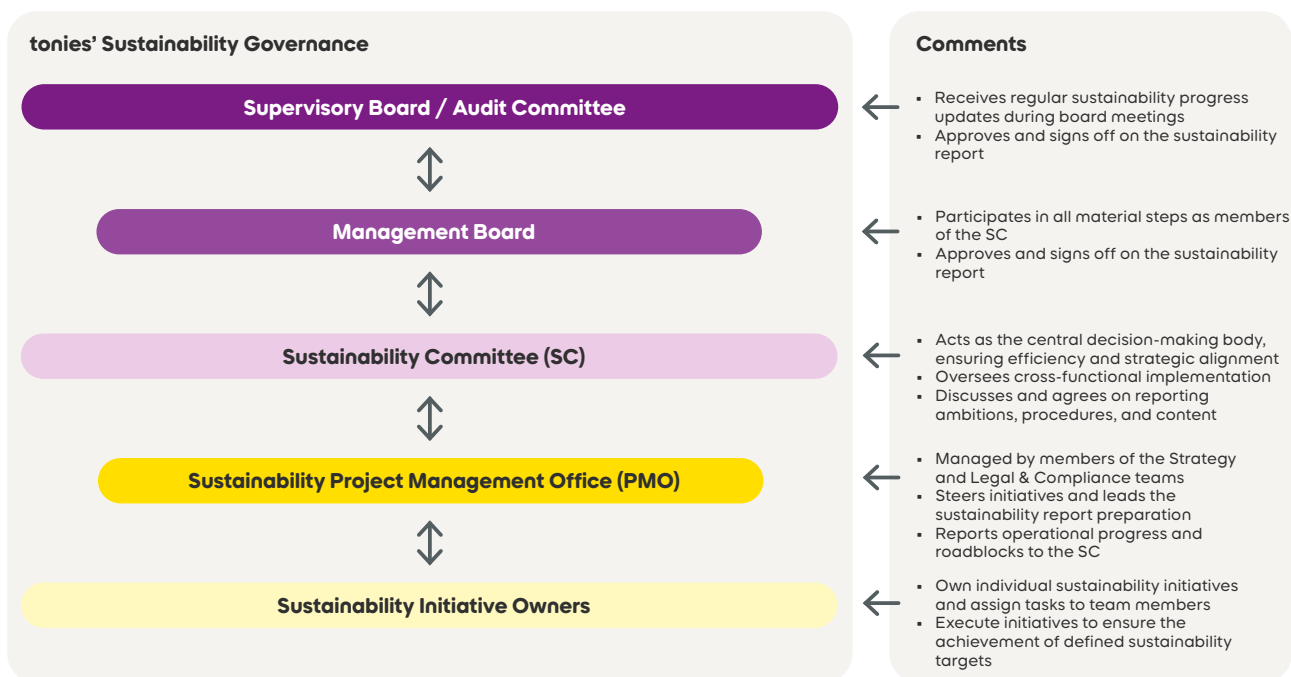


Figure 2: tonies' sustainability governance structure

All members of the **Supervisory Board** have **relevant knowledge** in corporate governance, risk, and compliance matters. New members are also required to complete an Independence Questionnaire, which evaluates their independence – as well as that of their close family – from competitors, controlling shareholders, and other relevant entities.

Moreover, members of tonies' **Management Board** actively **support initiatives** related to business ethics, corporate culture, and the prevention of corruption. Their collective dedication to these principles underscores their role as stewards of responsible governance and ensures alignment with our organizational values.

By prioritizing **expertise in business conduct** and assembling a Management and Supervisory Board that upholds relevant principles, tonies strengthens a culture of accountability, integrity, and trust across the organization. The commitment to upholding **ethical business practices** not only safeguards tonies' reputation but also fosters an environment where employees feel empowered to act with integrity and contribute to tonies' shared success.

Reporting to tonies' Management and Supervisory Boards on sustainability matters

In line with tonies' sustainability governance structure (Figure 2), the **Management and Supervisory Boards** are **informed about sustainability matters** by dedicated sustainability owners from the Strategy and Legal & Compliance teams, supported by the Sustainability PMO. This information is communicated through written status updates and structured meetings. These updates are provided regularly or on an ad-hoc basis as needed, ensuring that the boards are equipped to make informed decisions.

Specifically, **material impacts, risks and opportunities** are identified and assessed by the Sustainability Manager in collaboration with respective topic owners and presented to the Management Board for approval. The implementation of **due diligence** is overseen by the Management Board through the Sustainability Committee's activities, while the Supervisory Board receives high-level progress updates during its meetings. As tonies is currently in the process of formalizing its sustainability-related **policies, actions, metrics, and targets**, the systematic review of their **results and effectiveness** is planned for future reporting periods following their full implementation.

Furthermore, tonies is integrating sustainability considerations into its **business strategy, decision-making, and risk management processes**. The Management and Supervisory Board are factoring in sustainability impacts, risks and opportunities, particularly in discussions around strategic priorities and significant transactions – for example, in the context of our Tonie production, regarding the potential adoption of additional more sustainable materials. tonies is also at an early stage of adapting its risk management framework to incorporate sustainability-related risks.

Integration of sustainability-related performance in incentive schemes

As outlined in tonies' **Remuneration Policy**, the variable components of **Management Board members' remuneration** may include, among other elements, an annual performance bonus. The Management Board members may receive an annual performance-dependent bonus paid in cash, depending on the achievement of **annual performance targets** as Short-Term Incentive (STI). Such performance targets shall consist of approximately **80% financial targets** and **20% individual targets**, including qualitative and quantitative performance criteria. These criteria are outlined in the Management Board members' service agreements or determined individually by the Supervisory Board. The individual targets will particularly consist of strategic and operational criteria, as well as sustainability-related criteria.

During the reporting period, tonies' Supervisory Board incorporated **sustainability-related performance metrics** into the Management Board's incentive schemes for the second consecutive year. To date, climate-specific considerations have not been incorporated into the remuneration of tonies' Management Board or Supervisory Board.

For the 2025 financial year, performance is assessed against a specific **target** set by the Supervisory Board with input from the Sustainability PMO and the Legal & Compliance team. This target applies to all members of **tonies' Management Board** and aims at the preparation of tonies' second sustainability report, including (i) the revalidation of tonies' material sustainability topics; (ii) the assessment of tonies' Corporate Carbon Footprint; and (iii) the preparation of EU Taxonomy disclosures and an updated Code of Conduct for Business Partners, reflecting tonies' sustainability ambitions and commitments to third parties. A portion of the Management Board members' variable remuneration is explicitly tied to the successful achievement of these objectives.

The **Remuneration Policy** is **reviewed** by the Supervisory Board at its due discretion, but in any event every four years. The Supervisory Board presents the Remuneration Policy to the general meeting for approval each time there is a substantial change, but at least every four years.

Risk management and internal controls over sustainability reporting

tonies' approach to sustainability reporting is underpinned by **risk management** and **internal control processes**, ensuring regulatory compliance, data reliability, and a commitment to continuous improvement. These processes are integrated into tonies' sustainability governance structure, with oversight at the operational level ensured by the Internal Controls Manager and the Sustainability Manager.

The **scope, main features and components** in this regard include clearly defined and documented roles and responsibilities within the reporting process to ensure effective checks and balances. Standard operating procedures and comprehensive documentation guide the data collection, processing, and reporting activities.

Data Owners

Subject-matter experts from relevant business units act as Data Owners, leveraging their expertise in tonies' material sustainability topics. They prepare and/or provide required data and draft or review report sections.

Topic Owners

As the first point of control, line managers who act as Topic Owners validate the reliability of information provided by Data Owners, focusing specifically on the accuracy and relevance of the content.

Sustainability Manager

The Sustainability Manager leads report preparation at the operational level. Responsibilities include coordinating data collection, pre-validating inputs, supporting text preparation, assisting Data Owners and Topic Owners throughout the reporting process, and ensuring compliance with regulatory requirements.

Sustainability Owner

The Sustainability Owner responsible for reporting, represented by the Group General Counsel & Chief Compliance Officer, oversees the report preparation process, serving as the second point of control. Oversight is conducted through alignment of weekly key results, bi-weekly update meetings, and additional written or in-person coordination with the Sustainability Manager as needed.

Sustainability report review and approval process

The Sustainability Committee is responsible for reviewing the report. Following this, the report is reviewed by the Management Board (third point of control) for approval and sign-off. Finally, the Supervisory Board (fourth point of control) grants final approval and sign-off, ensuring the accuracy and completeness of the report.

External assurance

Additionally, limited assurance from external auditors is sought, enhancing the quality and credibility of tonies' sustainability disclosures and ensuring alignment with regulatory standards.

These risk management and internal control processes ensure that tonies' sustainability reporting aligns with ESRS requirements while reflecting the company's commitment to transparency and accountability. Findings are consistently communicated to key decision-makers, facilitating informed oversight and the ongoing enhancement of the reporting process.

Risk assessment approach

In preparing this report, tonies identified potential risks associated with the reporting process based on the expertise and judgement of the Internal Controls Manager and the Sustainability Manager. Risk prioritization is based on their professional assessment of potential impacts on data integrity and compliance. In 2025, tonies optimized its reporting infrastructure by implementing a dedicated software solution to streamline internal data collection and reporting workflows. These improvements serve as a basis for developing more **structured and robust risk management** practices in **future reporting cycles**.

Main risks and mitigation strategies

Entity-related and process-related risks associated with tonies' sustainability reporting were identified, along with corresponding mitigation strategies. These are presented in Table 4 (entity-related risks) and Table 5 (process-related risks).

Table 4: Entity-related risks and mitigation strategies

Risk	Mitigation measures and controls
<p>Misalignment with CSRD/ESRS frameworks: The risk that the voluntary sustainability report does not fully align with ESRS standards, potentially impacting tonies' reputation for transparency and delaying readiness for future mandatory reporting requirements.</p>	<ul style="list-style-type: none"> ● Internal capacity building <ul style="list-style-type: none"> – Assign a dedicated sustainability reporting team responsible for overseeing compliance – Train relevant teams on CSRD/ESRS requirements to enhance understanding and application throughout the reporting process ● Software-supported reporting process <ul style="list-style-type: none"> – Implement a specialized CSRD reporting tool to automate disclosure checklists and ensure technical alignment with ESRS requirements ● Continuous improvement <ul style="list-style-type: none"> – Incorporate feedback from assurance providers into future reporting cycles to address identified weaknesses
<p>Delays in timely availability of information: The risk that not all required information for sustainability reporting is available in a timely manner, impacting the overall timeliness and accuracy of the sustainability report.</p>	<ul style="list-style-type: none"> ● Dedicated reporting team <ul style="list-style-type: none"> – Assign a dedicated team responsible for overseeing the collection and review of data, ensuring potential bottlenecks are addressed promptly – Ensure coordination between the sustainability and finance teams to align reporting timelines ● System-supported data management & review <ul style="list-style-type: none"> – Define standardized data requirements at an early stage – Leverage the CSRD reporting tool's workflows to track collection progress in real-time, replacing manual tracking and ensuring proactive follow-ups

Table 5: Process-related risks and mitigation strategies

Risk	Mitigation measures and controls
<p>Data completeness and integrity: The risk that not all material sustainability data is fully captured or accurately represented, compromising the reliability of the report and tonies' ability to meet stakeholder expectations.</p>	<ul style="list-style-type: none"> ● Comprehensive data collection process <ul style="list-style-type: none"> – Establish clear procedures for identifying and collecting all material sustainability data as defined in the materiality assessment – Ensure all relevant teams are involved in the data collection process ● Data validation and cross-checking <ul style="list-style-type: none"> – Implement a robust internal review process to validate the accuracy and completeness of the data before it is included in the report – Use cross-checking techniques to ensure consistency across different data sources and reporting formats ● Data quality assurance <ul style="list-style-type: none"> – Maintain comprehensive records of data sources, assumptions, and methodologies to ensure transparency and facilitate auditing
<p>Accuracy of estimation results: The risk that data requiring estimation is not accurately calculated, leading to potential misrepresentation and impacting stakeholder trust.</p>	<ul style="list-style-type: none"> ● Transparent methodologies <ul style="list-style-type: none"> – Develop and document clear methodologies for all data estimations to ensure transparency and repeatability ● Validation processes <ul style="list-style-type: none"> – Implement internal reviews and cross-checking to verify the accuracy of estimation results ● Stakeholder communication <ul style="list-style-type: none"> – Clearly communicate the use of estimations, along with their inherent limitations, to manage stakeholder expectations
<p>Availability of upstream and downstream value chain data: The risk that required data from value chain partners is not readily available, complete, or reliable. This could impact tonies' ability to fully report on sustainability metrics.</p>	<ul style="list-style-type: none"> ● Supplier and partner engagement <ul style="list-style-type: none"> – Establish clear communication channels with value chain partners to outline data requirements and expectations ● Alternative data sources <ul style="list-style-type: none"> – Identify and leverage alternative data sources, such as industry benchmarks or regional averages, for gaps in value chain data

Strategy

tonies’ **group strategy 2026** is guided by **three overarching company priorities**, which all touch upon sustainability matters in certain ways:

1) Grow and engage our active user base: This priority sets forth that tonies strives to meet evolving customer expectations, for example, by embedding circularity and sustainability considerations into products and services as we recognize that consumers increasingly prioritize conscious consumption.

2) Scale with efficiency that fuels profit: As we continue to grow and mature, this priority highlights tonies’ commitment to aligning processes, structures, and workforce with the principles of operational excellence. This includes integrating sustainability considerations into business model and decision-making processes, aiming for resource-efficient scaling, balancing growth with the responsibility to minimize environmental impacts and contributing to social well-being.

3) Champion the product lifecycle E2E: To earn the reliability our partners expect, we are building an organization capable of delivering the right product at the right place at the right time. Behind this priority are several initiatives that help us in achieving reliable operations and ensuring a resilient, transparent supply chain. As an example, our E2E Quality Management safeguards delivery excellence for Tonies, Tonieboxes, and packaging, including ongoing material and technology reviews and development.

While not exclusively focused on sustainability, these priorities acknowledge the opportunity to align business objectives with sustainability outcomes. They reflect tonies’ commitment to embedding sustainability principles into business operations in ways that deliver enhanced value to stakeholders.

tonies’ **sustainability goals** are defined in our medium-term target picture (Figure 3). To maximize impact, our product-related efforts focus on enhancing the sustainability of our core products – the Toniebox and Classic Tonies. Regarding stakeholders, we prioritize our consumers and end-users, our workforce, and our direct suppliers.

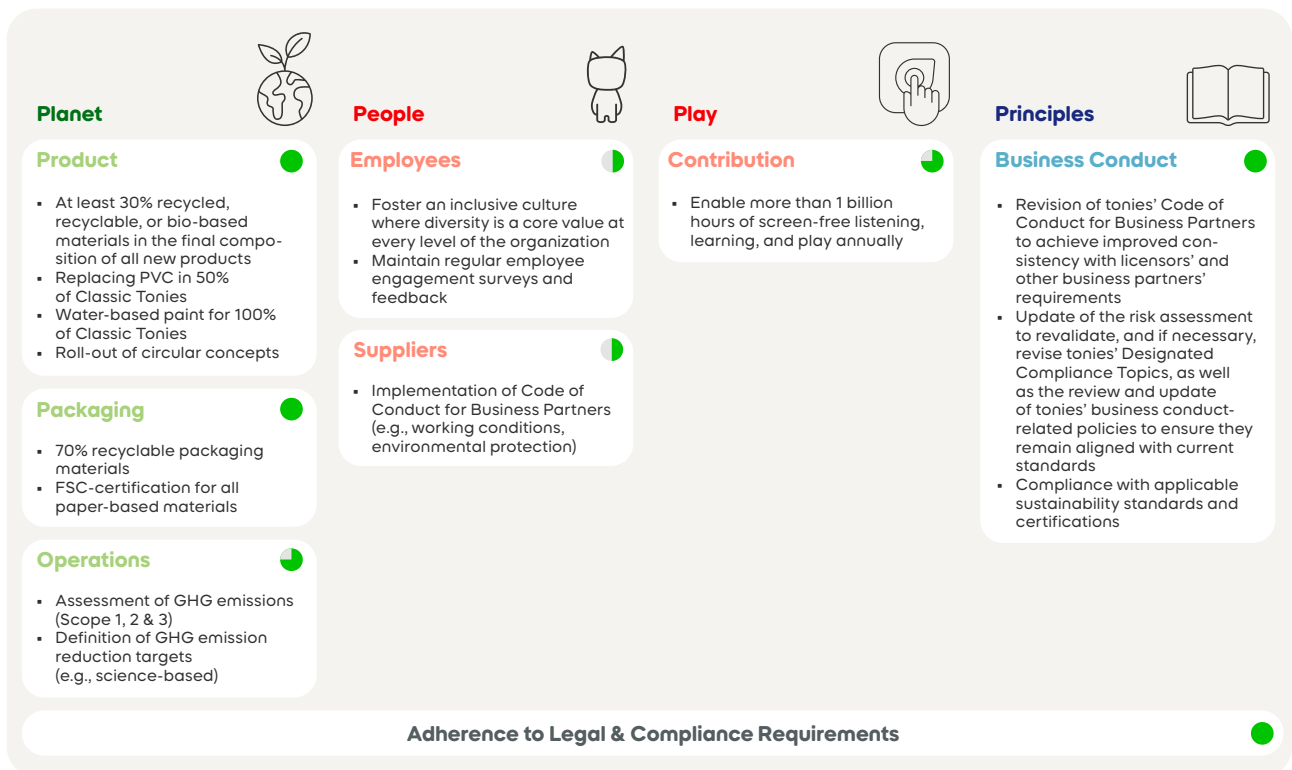


Figure 3: tonies’ medium-term sustainability targets

High stakeholder importance

Low stakeholder importance

Business model and value chain

tonies' **value chain**, as represented in Figure 4, is divided into **five core value phases**, each focusing on a distinct area:

1. New business building

This phase represents the initial stage of creating and establishing new business opportunities. It forms the foundation for innovation and growth.

2. Product and category management

This phase highlights four key focus areas:

- **Category management:** Defining and managing product categories.
- **Ideation and design:** Generating creative ideas and designing products.
- **Content development:** Creating engaging and meaningful content.
- **Prototyping:** Developing and testing prototypes to refine product concepts.

3. Supply chain and operations

This phase emphasizes the efficient management of tonies' supply chain, ensuring the smooth and efficient flow of goods and materials while starting to integrate sustainability into supply chain operations. It focuses on four key areas:

- **Procurement:** Sourcing high-quality materials and services while ensuring cost-effectiveness and considering sustainability aspects.
- **Production and supplier management:** Overseeing production processes and maintaining strong relationships with suppliers.
- **Inventory:** Managing inventory levels to balance supply with demand.
- **Logistics and transport:** Coordinating the transportation and distribution of products to ensure timely delivery.

4. Marketing and sales

This phase focuses on brand visibility, customer engagement, and revenue generation, integrating traditional and digital strategies, through six key focus areas:

- **Product marketing strategy:** Crafting strategies to position tonies' products effectively.
- **Brand strategy:** Strengthening brand identity and ensuring consistent messaging across channels.
- **Promotion:** Executing targeted promotional campaigns to increase awareness.
- **Wholesale:** Building strong relationships with wholesale partners.
- **Retail:** Collaborating with retail partners.
- **E-commerce:** Optimizing online sales channels.

5. Customer interaction

The final phase emphasizes maintaining strong relationships with customers and ensuring a positive experience through three key areas:

- **Customer support:** Providing support to customers by addressing inquiries, resolving issues, and ensuring satisfaction.
- **Returns and exchanges:** Managing return and exchange processes efficiently to maintain customer trust and convenience.
- **Feedback and improvement:** Collecting and valuing customer feedback to identify areas for improvement and enhance products, services, and overall experience.

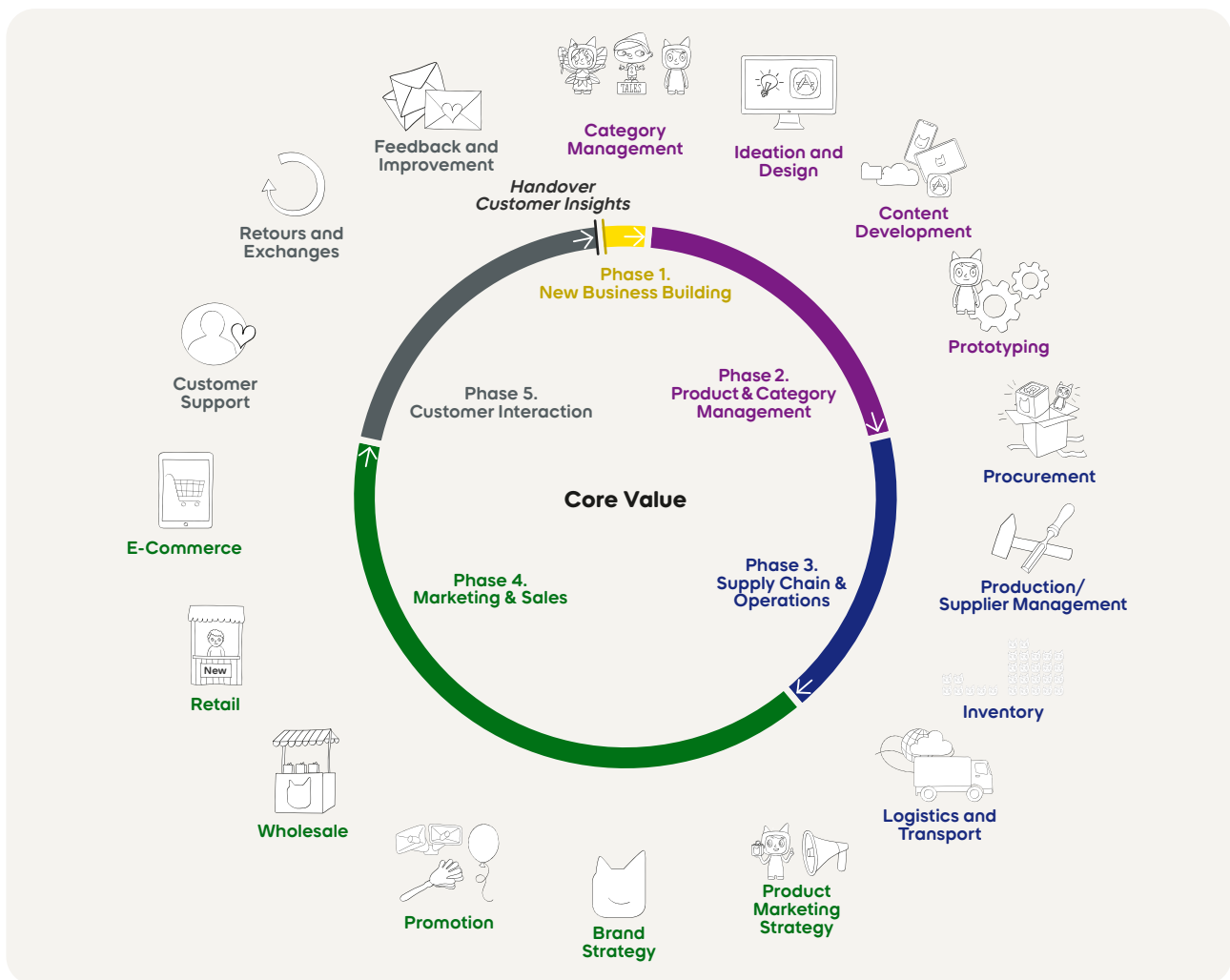


Figure 4: tonies' value chain

Inputs

tonies relies on a range of strategic inputs to bring its interactive audio system to life and is dedicated to gathering, developing, and securing these elements effectively:

- **Technology and innovation:** Innovative technology and design that make tonies' products and services unique.
 - **Research and development:** tonies is committed to continually enhancing its offerings and developing new ones, ensuring they remain engaging and innovative.
 - **Patents and security:** tonies secures patents and trademarks related to its products and services, ensuring that innovations stay proprietary.
- **Energy and resources:** Access to energy and resources for operations.
 - **Supplier collaboration:** tonies partners with trusted suppliers who provide, for example, high-quality and child-safe materials for Tonieboxes, Tonies, accessories and packaging.
- **Licensing and content:** Access to a vast library of audio content from global partners.
 - **Content partnerships:** tonies collaborates with renowned content providers, such as Disney, Warner, or Sony, to offer a broad range of audio titles that enhance the play and educational experience for children.
 - **tonies Originals:** tonies develops its own content, expanding its library to include unique and educational stories tailored to young audiences.
 - **Rights management:** Through licensing agreements and partnerships, tonies ensures access to high-quality, diverse content, continually enriching its library.

- **Human capital:** A diverse and skilled workforce across various functions.
 - **Talent acquisition:** tonies attracts talents globally, with teams dedicated to design, product management, customer service, marketing, and other key areas.
- **Manufacturing partnerships:** Collaboration with experienced manufacturers who produce products according to tonies' specifications and requirements.
 - **Contract manufacturing relationships:** As tonies does not produce its products in-house, it works closely with a network of contract manufacturers.
 - **Quality control:** tonies implements quality control processes and works directly with manufacturers.

By carefully managing these inputs, tonies ensures its value chain remains efficient and resilient. On this basis, tonies delivers a range of tangible **outputs**, offering unique **benefits to its customers, investors, and other stakeholders**.

Outputs

- **Interactive audio system:**
 - Over 11.8 million Tonieboxes and 156 million Tonies sold globally, with the system providing an engaging, child-safe, wireless, and screen-free play and learning experience.
 - Several thousand digital audio titles available, offering a diverse range of content.
 - Products are available in multiple countries on different continents, with Tonieboxes activated in over 100 countries.

Outcomes

- **Benefits for customers:**
 - **Educational value:** The Toniebox can enhance children's independent learning and creativity. It offers a safe, screen-free entertainment option that can foster imaginative play.
 - **Global content access:** A diverse library of content provides children with access to a wide range of age-appropriate, culturally relevant audio material.
- **Benefits for investors:**
 - **Long-term value creation:** Increasing sustainability efforts help tonies mitigate risks, open new growth opportunities, and generate long-term value, ultimately enhancing profitability and shareholder returns.
 - **Attracting responsible investment:** By implementing sustainability initiatives, tonies becomes more attractive to socially and environmentally responsible investors, expanding access to capital and potentially improving stock valuations.
- **Benefits for other stakeholders:**
 - **Suppliers and partners:** tonies' commitment to quality and safety standards supports long-term, mutually beneficial relationships.
 - **Employees:** With a growing global presence and diverse product portfolio, tonies provides a dynamic and rewarding environment for its employees.
 - **Sustainability and community impact:** tonies continues to explore sustainability measures, aiming to create a positive impact in the industry and contribute to the broader well-being of children worldwide.

Interests and views of stakeholders

tonies identifies its **key stakeholders** as illustrated in Figure 5. To address sustainability matters, we continue to analyze stakeholder expectations to better understand their positions on sustainability topics, assess their criticality, and evaluate the company's current level of alignment with these expectations. These insights provide a basis for further interactions and ensure that stakeholder interests are taken into account during our strategic planning and the ongoing development of our sustainability initiatives.



Figure 5: tonies' key stakeholders and their sustainability expectations

Integrating workforce perspectives for a positive work environment

Respecting human rights and ensuring that the interests, views, and rights of its own workforce inform its strategy and business model in this regard is a high priority for tonies. The group's commitment to **human rights** is reflected in its adherence to international standards such as the UN Universal Declaration of Human Rights and the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.

To foster a positive and inclusive work environment, tonies has implemented a comprehensive global Inclusion & Diversity roadmap and an annual employee engagement survey plus quarterly pulse checks. These initiatives are designed to ensure that the **perspectives of the workforce** are integrated into the group's strategy and business model. tonies' efforts demonstrate the group's commitment to creating a positive and inclusive work environment that aligns with business objectives and drives sustainable growth.

Impact, Risk and Opportunity Management

Double materiality assessment process

The starting point for sustainability reporting in accordance with the CSRD and the related ESRS is the **DMA**. Under the double materiality principle, disclosures are required for an ESRS topic if significant impacts on people and the environment (impact materiality) or financial effects on the company (financial materiality) have been identified.

For the 2025 reporting cycle, tonies **built upon the DMA framework established in 2024**. While the core list of material topics remains grounded in our previous assessment, we have transitioned our process into a digital tool-based environment to enhance transparency, efficiency, and methodological rigor.

Our process identifies and monitors impacts through a combination of enhanced desk research and internal alignment with Topic Owners. This year, we **sharpened our focus on the upstream value chain**, specifically incorporating regional contexts for our main suppliers in Tunisia, China, and Vietnam.

To ensure comparability between different types of impacts, we apply the following scoring methodologies:

- **Negative Impacts:** These are assessed based on **Scale, Scope, and Remediability**. These factors are assigned numerical values, summed, and then multiplied by **Likelihood**.
- **Positive Impacts:** These are assessed based on **Scale and Scope**. To maintain comparability with negative impacts (which utilize three factors), the sum of Scale and Scope is adjusted by a factor of 1.5 before being multiplied by **Likelihood**.

The results of these calculations are rounded to whole numbers. Impacts are considered material for reporting purposes if the final rounded score exceeds the defined **materiality threshold**.

We assess **financial risks and opportunities** by evaluating the **Magnitude** of the potential effect on tonies' financial position or performance and the **Likelihood** of its occurrence. Financial risks or opportunities are considered material if the final rounded score exceeds the defined **materiality threshold**.

Sustainability-related risks have not yet been systematically prioritized relative to other types of risks. While tonies recognizes the importance of integrating these risks into its **overall risk framework**, initial efforts include identifying key sustainability-related risks and their potential impacts.

If a single IRO within a sub-topic meets the defined materiality thresholds, the entire sub-topic is classified as material for reporting purposes. Based on the refined assessment, the following topics and sub-topics were identified as **material for the 2025 reporting cycle**:

Environment**Climate change**

- Climate change adaptation
- Climate change mitigation

Pollution

- Substances of concern
- Substances of very high concern

Resource use and circular economy

- Resource inflows, including resources utilization
- Resource outflows related to products and services
- Waste

*For 'Workers in the value chain', tonies continues to apply the phase-in period, providing reporting in an abbreviated format.

Social**Own workforce**

- Working conditions
- Equal treatment and opportunities for all

Workers in the value chain*

- Working conditions
- Equal treatment and opportunities for all
- Other labor-related rights

Consumers and end-users

- Information-related impacts for consumers and/or end-users
- Personal safety of consumers and/or end-users
- Social inclusion of consumers and/or end-users

Governance**Business conduct**

- Corporate culture
- Protection of whistleblowers
- Management of relationships with suppliers
- Corruption and bribery

The materiality assessment is reviewed annually to ensure it reflects our evolving business model and stakeholder expectations.

The following modifications were made during the 2025 reporting cycle:

- Transitioned from a manual assessment to a streamlined tool-based environment.
- Refined formulas for materiality thresholds to ensure consistency going forward.
- Increased the granularity of our value chain assessment by incorporating specific operational flows and regional data for suppliers.

Currently, the processes for identifying, assessing, and managing sustainability-related IROs are not yet integrated into tonies' **overall management framework**. tonies is in the process of establishing a structured approach to incorporate these elements into broader strategic decision-making.

Material impacts, risks and opportunities

Through our **DMA**, tonies has identified the sustainability-related impacts, risks and opportunities that are material to our business and stakeholders. This assessment evaluates materiality from two distinct perspectives to ensure a comprehensive view of our sustainability performance:

- **Impact materiality (inside-out perspective):** This identifies the actual or potential impacts tonies has, or could have, on the environment and people. It reflects our contribution – both negative and positive – to sustainable development.
- **Financial materiality (outside-in perspective):** This identifies sustainability-related risks and opportunities that may result in material financial effects on tonies' business operations, financial position, or cash flows.

The material sustainability-related impacts, risks and opportunities identified through this assessment are presented in Tables 6 – 12.

Environmental impacts, risks and opportunities

Table 6: Material climate change-related IROs

Impact materiality									
Sub-topic	Impact	Nature	Cause	Scale	Scope	Remediability	Likelihood	Time horizon	Value chain stage
Climate change adaptation	Path dependencies in resource utilization and production processes	Negative	Con-tributed	High	Global	With effort	Actual	Long-term	Upstream
Climate change mitigation	GHG emission reductions not (yet) in line with 1.5 degree target	Negative	Directly caused	High	Global	With effort	Actual	Medium-term	Upstream
Financial materiality									
Sub-topic	Financial effect	Nature	Magnitude		Likelihood	Time horizon	Value chain stage		
Climate change adaptation	Physical climate risks, e.g. extreme weather events, temperature extremes	Risk	Medium		Likely	Long-term	Upstream		
Climate change mitigation	Cost of GHG emission reduction measures	Risk	High		Very likely	Long-term	Upstream		

Table 7: Material pollution-related IROs

Financial materiality						
Sub-topic	Financial effect	Nature	Magnitude	Likelihood	Time horizon	Value chain stage
Substances of concern & Substances of very high concern	Sanctions and stricter regulations on the use of substances of concern and/or substances of very high concern	Risk	Medium	Likely	Long-term	Upstream

Table 8: Material resource use and circular economy-related IROs

Impact materiality								
Sub-topic	Impact	Nature	Cause	Scale	Scope	Likelihood	Time horizon	Value chain stage
Resource inflows, including resource use	Use of recycled and renewable resources	Positive	Contributed	Absolute	Wide-spread	Very likely	Medium- and long-term	Upstream and downstream
Resource outflows related to products and services	Product portfolio orientated towards circular economy	Positive	Contributed	High	Wide-spread	Actual	Long-term	Downstream
Waste	Reduction of (non-recyclable) waste production	Positive	Contributed	High	Wide-spread	Actual	Long-term	Downstream
Financial materiality								
Sub-topic	Financial effect	Nature	Magnitude	Likelihood	Time horizon	Value chain stage		
Resource inflows, including resource use	Insufficient availability of resources	Risk	High	Very likely	Short-, medium-, and long-term	Upstream		
Resource outflows related to products and services	Opening of new markets due to circular design	Opportunity	High	Likely	Long-term	Downstream		
Waste	Reputational advantages due to product longevity	Opportunity	High	Very likely	Long-term	Downstream		

Social impacts, risks and opportunities

Table 9: Material own workforce-related IROs

Impact materiality								
Sub-topic	Impact	Nature	Cause	Scale	Scope	Likelihood	Time horizon	Value chain stage
Equal treatment and opportunities for all	Diversity of employees in number and percentage at all levels	Positive	Directly caused	High	Wide-spread	Very likely	Medium-term	Own operations
	Offering regular performance and career development reviews to all employees	Positive	Directly caused	High	Wide-spread	Very likely	Medium-term	Own operations
	Provision of anonymous as well as personal communication channels against violence and harassment	Positive	Directly caused	Medium	Global	Actual	Long-term	Own operations
Financial materiality								
Sub-topic	Financial effect	Nature	Magnitude		Likelihood	Time horizon	Value chain stage	
Working conditions	Consideration of employees' wishes and needs so that employees might be more motivated and satisfied (higher productivity, lower resignation rate)	Opportunity	High		Very likely	Long-term	Own operations	
	Competitive advantages due to the reputation of being an attractive and responsible employer	Opportunity	High		Very likely	Long-term	Own operations	

Table 10: Material workers in the value chain-related IROs

Impact materiality								
Sub-topic	Impact	Nature	Cause	Scale	Scope	Likelihood	Time horizon	Value chain stage
Working conditions	Promoting improved working conditions for value chain workers	Positive	Contributed	High	Wide-spread	Very likely	Medium-term	Upstream
Equal treatment and opportunities for all	No known incidents of violence and harassment within the value chain	Positive	Directly linked	High	Wide-spread	Actual	Long-term	Upstream
Other work-related rights	No known cases of human rights incidents related to child labour within the value chain	Positive	Directly linked	High	Wide-spread	Actual	Long-term	Upstream
Financial materiality								
Sub-topic	Financial effect	Nature	Magnitude		Likelihood	Time horizon	Value chain stage	
Working conditions	Reputational damage and/or supply chain disruptions in case of insufficient consideration of value chain workers' interests and needs	Risk	High		Rather unlikely	Medium-term	Upstream	
Equal treatment and opportunities for all	Negative (social) media attention in case of incidents of violence and harassment within the value chain	Risk	High		Rather unlikely	Medium-term	Upstream	
Other work-related rights	Loss of social license to operate in case of non-compliance with applicable standards	Risk	Very high		Unlikely	Medium-term	Upstream	
	Regional labor rights volatility in China and Tunisia	Risk	High		Rather unlikely	Long-term	Upstream	

Table 11: Material consumers and end-users-related IROs

Impact materiality									
Sub-topic	Impact	Nature	Cause	Scale	Scope	Remediability	Likelihood	Time horizon	Value chain stage
Information-related impacts for consumers and/or end-users	Provision of responsible products that can contribute to the development and education of children	Positive	Directly caused	Absolute	Wide-spread	–	Actual	Long-term	Downstream
	Existence of feedback channels that each customer/end-user can access	Positive	Directly caused	Absolute	Wide-spread	–	Actual	Long-term	Downstream
	Data protection of customers and end-users	Positive	Directly caused	Medium	Wide-spread	–	Very likely	Medium-term	Downstream
Personal safety of consumers and/or end-users	Promotion of physical and mental well-being by reducing screen time	Positive	Contributed	Absolute	Wide-spread	–	Actual	Long-term	Downstream
	Residual risk of product-related injuries despite the implementation of preventive measures	Negative	Contributed	Absolute	Limited	Very severe	Actual	Short-term	Downstream
Social inclusion of consumers and/or end-users	Product and services are available to a wide range of customers/end-users, regardless of diversity and inclusion factors such as identity, background or abilities, due to the design of Toniebox, Tonies and contents	Positive	Directly caused	Absolute	Wide-spread	–	Actual	Long-term	Downstream

Financial materiality						
Sub-topic	Financial effect	Nature	Magnitude	Likelihood	Time horizon	Value chain stage
Information-related impacts for consumers and/or end-users	Unintentional data breaches that lead to a loss of reputation, liability claims and/or legal fines	Risk	High	Rather unlikely	Short-term	Own operations
Personal safety of consumers and/or end-users	Product-related injuries that lead to a loss of reputation and/or liability claims by customers, fines from authorities or claims for damages under competition law	Risk	Very high	Unlikely	Short-term	Downstream
Social inclusion of consumers and/or end-users	Attracting a wide variety of customer/end-user groups due to the inclusive design of Toniebox, Tonies and contents	Opportunity	Very high	Very likely	Long-term	Downstream

Governance impacts, risks and opportunities

Table 12: Material business conduct-related IROs

Impact materiality								
Sub-topic	Impact	Nature	Cause	Scale	Scope	Likelihood	Time horizon	Value chain stage
Corporate culture	Promotion of an ethical and compliance-driven corporate culture	Positive	Directly caused	High	Medium	Actual	Long-term	Own operations
Protection of whistleblowers	Whistleblowers are protected from retaliation	Positive	Directly caused	Medium	Global	Actual	Long-term	Own operations
Corruption and bribery	Promotion of the fight against corruption and bribery	Positive	Directly caused	Medium	Medium	Actual	Long-term	Own operations
Financial materiality								
Sub-topic	Financial effect	Nature	Magnitude		Likelihood	Time horizon	Value chain stage	
Corporate culture	Reputational opportunities and increased employee productivity due to a robust business culture	Opportunity	High		Verly likely	Long-term	Own operations	
Management of relationships with suppliers including payment practices	Close and long-lasting relationships with core suppliers, including licensors, leading to enhanced supply chain resilience and stability	Opportunity	Very high		Verly likely	Long-term	Upstream	
	Insufficient supplier collaboration to mitigate climate-driven resource and infrastructure risks in China and Vietnam	Risk	High		Likely	Medium- and long-term	Upstream	

Compared to the previous reporting period, tonies has refined its material IROs to provide a **more granular view of our global value chain**. Specifically, we incorporated additional IROs that account for our operational flow and the regional contexts of our main suppliers in Tunisia, China, and Vietnam. These updates ensure that our reporting more accurately reflects the geographic and operational nuances of our supply chain and the specific sustainability matters associated with these locations.

tonies' **sustainability efforts** continue to be **aligned with** the identified and assessed **material impacts, risks and opportunities**. These IROs inform our business model, value chain, and strategic decision-making. We are committed to reducing or avoiding negative impacts, reinforcing positive impacts, mitigating risks, and capitalizing on financial opportunities. Our response includes setting targets, defining corresponding actions, and implementing relevant policies, as detailed in the respective chapters of this report.

A thorough analysis of the **financial effects of material risks and opportunities** on our financial position, performance, and cash flows is still pending. While we have identified several key material risks and opportunities related to environmental, social, and governance factors, we have not yet fully assessed their potential impact.

tonies' strategy and business model are on a journey to fully address all material sustainability impacts and risks. We are committed to gradually **integrating sustainability considerations into our strategy and business model**, with an emphasis on areas where we can have the greatest positive impact, such as business planning, product development, and investment decisions.

tonies is committed to enhancing the **resilience** of its **business model** by systematically integrating sustainability into core decision-making processes. Our approach focuses on aligning long-term business viability with responsible value creation. As our internal resources and capabilities expand, we continue to refine our strategic framework to more effectively address material risks and capitalize on emerging sustainability opportunities.



Environment

Climate Change

Being dedicated to innovation and enhancing children's lives, tonies recognizes the **critical importance** of addressing climate change and the **responsibility** we share in mitigating its impacts. We are committed to doing our part to **limit global warming to 1.5°C**.

As we continue our engagement, we remain focused on the groundwork for meaningful action in two key areas: climate change mitigation and adaptation. While we have **not yet set specific reduction targets**, we have continued to work on **understanding our GHG emissions** throughout 2025 as the foundation for goal-setting. Simultaneously, we are beginning to explore ways to **adapt to climate-related risks**, ensuring the resilience of our operations and products in a changing world. tonies is dedicated to expanding and enhancing its efforts as we continue to deepen our understanding and build our capabilities.

Transition Plan for Climate Change Mitigation

To date, tonies has **not yet developed a comprehensive transition plan** for climate change mitigation that outlines the company's roadmap to limiting global warming to 1.5°C in line with the Paris Agreement and achieving climate neutrality by 2050. However, as of the end of 2025, we have already taken meaningful **initial steps** toward addressing climate change.

Following the initial assessment conducted in 2023, tonies evaluates its **Corporate Carbon Footprint (CCF) on an annual basis**, following the **GHG Protocol Corporate Standard** and focusing on Scope 1 and Scope 2 emissions. In addition, we have continued analyzing our Scope 3 emissions, concentrating on emissions from purchased goods and services, as well as transportation-related emissions.

While we have identified the major emission hotspots in our value chain, with the upstream activities of purchased goods and services contributing the most significant share, our current focus is on further refining the **completeness and accuracy of our emissions data**. This approach enables us to gain a detailed understanding of our emission reduction levers, establish robust reduction targets, and implement effective mitigation measures.

Specifically, we see the greatest **opportunities for reducing GHG emissions** in two key areas. First, we aim to lower emissions through more **sustainable design** of tonies products. Second, we are reducing emissions by enhancing the efficiency of our **operations**, including transportation and distribution.

We acknowledge the importance of addressing climate change and aligning with the goals of the Paris Agreement. While climate-related considerations are not yet fully embedded in our operations, and we do not meet the criteria for inclusion in the **EU Paris-aligned Benchmarks**, we are committed to assessing our environmental impact, identifying key emission sources, and setting actionable targets.

In line with our strategic objective to define GHG emission reduction targets (e.g., science-based), tonies intends to develop and **adopt a comprehensive transition plan** for climate change mitigation **by 2030**.

Impacts, Risks and Opportunities

Building on the Double Materiality Assessment, tonies has identified the climate change-related sub-topics ‘Climate change adaptation’ and ‘Climate change mitigation’ as **material sustainability matters**. Table 13 provides further insights regarding identified material impacts and risks.

Table 13: Material climate change-related IROs and descriptions

	Material IRO	Description
Climate change adaptation		
Negative impact	Path dependencies in resource utilization and production processes	The production of tonies products relies on carefully selected, extensively developed, and continuously refined materials and manufacturing processes. These choices ensure that our products meet our strict quality standards and the expectations of our customers. However, in the context of efforts to adapt resource use and production methods to climate change, these established “path dependencies” create a structural lock-in. This may slow down or even hinder necessary adaptation measures, thereby negatively affecting our ability to transition toward more climate-resilient operations.
Physical risk (encompassing both event-driven risks (acute) and longer-term shifts in climate patterns (chronic))	Physical climate risks, e.g. extreme weather events, temperature extremes	Physical climate risks, such as extreme weather events or temperature extremes, represent a financial risk for tonies. These events can disrupt supply chains by limiting the availability of resources or causing other operational difficulties, potentially leading to increased costs. The growing frequency and intensity of such climate-related events may further exacerbate these risks in the future.
Climate change mitigation		
Negative impact	GHG emission reductions not (yet) in line with 1.5 degree target	The GHG emissions associated with tonies contribute negatively to climate change mitigation. While tonies is actively working to lay the foundation for aligning its emission reductions with the 1.5 degree target, the company is still in the early stages of preparation and implementation. As a result, its current corporate emissions have an adverse impact on climate change mitigation. The emissions associated with the production of Tonieboxes, Tonies, and accessories constitute the largest share of the tonies Corporate Carbon Footprint.
Transition risk (arising from the transition to a low-carbon and climate-resilient economy)	Cost of GHG emission reduction measures	Implementing meaningful emission reduction measures requires both human and financial resources. While some defined actions to reduce Scope 1 and Scope 2 emissions may be feasible in the short term, further reductions become increasingly challenging once the “low-hanging fruits” have been addressed. This is particularly true for Scope 3 emissions, especially those arising from purchased goods and services, such as the production of Tonieboxes, Tonies, and accessories. Achieving significant reductions in this key area requires the capacity to bear additional, significant costs.

In the reporting year, tonies has **not conducted a comprehensive resilience or scenario analysis** to assess our strategy and business model in relation to climate change, including the impacts of our activities on climate change and associated physical and transition risks. While we recognize the importance, we have not formally evaluated our physical and transition risks under different climate scenarios. However, we have identified certain financial risks related to climate change, as shown in Table 13, though these were not based on extensive analyses or screenings. We are committed to integrating a comprehensive assessment approach in the future.

Policies

To date, tonies has **not adopted a standalone policy on climate change**. Going forward, our centralized steering of sustainability efforts is intended to ensure a **sound management of our material sustainability matters**. This shall also be reflected in the adoption of topic-specific policies as an addition to the existing **Group Sustainability Policy** which already creates a common understanding regarding tonies' sustainability commitment and approach among all employees.

Actions

tonies is committed to integrating climate mitigation and adaptation into our business model. We are currently in the process of aligning our reporting frameworks with ESRS 2 (MDR-A) requirements. As we are in the **foundational stages of our climate strategy**, our current focus is on building the robust data infrastructure necessary to provide granular metrics on achieved and targeted emission reductions. As we gain deeper insights into our impact, we are continuously researching and implementing lower-emission material alternatives for our components. Simultaneously, we remain focused on optimizing our logistics, ensuring that sustainability is embedded throughout the product lifecycle.

Targets

While tonies' climate change-related **targets** do not yet fully meet the requirements outlined by the ESRS (ESRS 2, MDR-T), they provide valuable guidance on our path toward greater sustainability. Our current targets, as shown in Table 14, **focus on climate change mitigation**, while adaptation targets are not yet planned.

Table 14: Climate change-related targets

Sub-topic	Target	Motivation	Target year	Metric & unit
Climate change mitigation	Assessment of GHG emissions (Scope 1, 2 & 3)	<ul style="list-style-type: none"> To establish a comprehensive and transparent carbon footprint baseline To provide reliable, data-driven insights for internal management and external reporting 	2030	<ul style="list-style-type: none"> Scope 3 category coverage (i.e., number of material GHG Protocol categories for which tonies has a calculation (Categories covered/ 15 – number of non-material categories)) Primary-data share (i.e., emissions quantified with primary data) (% of tCO₂e)
Climate change mitigation	Definition of GHG emission reduction targets (e.g., science-based)	<ul style="list-style-type: none"> To transform our commitment to climate protection into actionable, measurable milestones To ensure operational readiness and fulfill the sustainability criteria of strategic global partners 	2030	Existence and quality of defined GHG emission reduction targets <ul style="list-style-type: none"> (Yes/No) – for whether a target has been defined (Not aligned, Committed, Aligned) – to assess alignment (e.g., with SBTi criteria)

With respect to the target of assessing tonies' GHG emissions, we have already partially achieved this through our annual assessments. We are currently focused on strengthening our data foundation, which will enable us to provide specific status quo metrics in future reports and ultimately fully achieve the formulated target.

Metrics

GHG Emissions Breakdown

Scope 1 GHG emissions amounted to **138.85 tonnes of CO₂e** in 2025, representing **0.07%** of our total GHG emissions for the year. The primary contributor was the category **'Stationary combustion'**, which accounted for 61.45% of Scope 1 emissions.

Scope 2 GHG emissions totaled **53.51 tonnes of CO₂e (location-based)** and **37.56 tonnes of CO₂e (market-based)** in 2025, representing **0.03% (location-based)** and **0.02% (market-based)** of our total GHG emissions. The main contributors were emissions linked to the category **'Purchased electricity'**, accounting for 99.98% (location-based) and 99.97% (market-based) of our Scope 2 total.

A minor share of energy in 2025 was backed by **contractual instruments**. The broader transition to bundled or unbundled energy attribute claims for tonies' locations is yet to be implemented, with remaining emissions reflecting the standard grid mix.

Scope 3 GHG emissions made up the **largest portion of tonies' emissions**, totaling **202,320.33 tonnes of CO₂e** and representing **99.91%** of our total GHG emissions. This underscores the **importance of addressing Scope 3 emissions**, particularly in the **'Purchased goods and services'** category – accounting for 194,897.18 tonnes of CO₂e. Table 15 provides a detailed breakdown of tonies' GHG emissions.

Table 15: GHG emissions (in tCO₂e)

	2025	2024
Scope 1 GHG emissions		
Gross Scope 1 GHG emissions	138.85	443.58
Percentage of Scope 1 GHG emissions from regulated emission trading schemes	0%	0%
Stationary combustion	85.33	48.95
Mobile combustion	52.78	70.86
Fugitive emissions	0.74	323.77
Scope 2 GHG emissions		
Gross location-based Scope 2 GHG emissions	53.51	134.97
Gross market-based Scope 2 GHG emissions	37.56	123.31
Purchased electricity (location-based)	53.50	51.58
Purchased electricity (market-based)	37.55	39.92
Purchased heat (location-based)	0.01	83.39
Purchased heat (market-based)	0.01	83.39
Significant Scope 3 GHG emissions		
Gross Scope 3 GHG emissions	202,320.33	111,567.82
Percentage of Gross Scope 3 GHG emissions	99.91%	99.49%
Purchased goods and services	194,897.18	105,675.53
Upstream transportation and distribution	7,230.96	5,199.09
Downstream transportation	192.19	419.95
Total GHG emissions		
Total GHG emissions (location-based)	202,512.70	112,146.37
Total GHG emissions (market-based)	202,496.75	112,134.70

Notwithstanding the reported figures, tonies is currently not in a position to confirm whether the observed year-on-year deviations reflect actual emissions reductions or are primarily the result of implementing a **new software solution** and its updated calculation methodologies. Our priority remains the continuous improvement of data quality and the accuracy of underlying activity data.

While the 2025 figures differ significantly from 2024, these changes are driven by enhanced data processes, updated methodologies, and business growth – particularly the launch of the Toniebox 2. To ensure transparency and address the **comparability of reporting periods**, the following methodological changes should be noted:

- **Scope 1:** Gross Scope 1 emissions decreased by 69%. This is primarily attributable to **more precise input data** regarding ‘Fugitive emissions’. In 2024, these were based on high-level estimates, whereas 2025 figures benefit from more granular data.
- **Scope 2:** We observed a reduction of 60% (location-based) and 70% (market-based). This deviation is largely due to refined data collection for heating energy. In 2024, ‘Purchased heat’ was calculated using broader estimates. For 2025, **more precise input data** allowed for a reclassification of energy consumptions to ‘Stationary combustion’ (Scope 1), explaining the shift between categories while improving reliability.
- **Scope 3:** Total Scope 3 emissions increased by 81%. This increase is primarily driven by the ‘Purchased goods and services’ category, reflecting tonies’ **business growth** and the **launch of the Toniebox 2**. Scope 3 emissions for ‘Purchased goods and services’ are currently measured using a **spend-based methodology**. For **transportation**, we have successfully **transitioned** a significant portion of the calculation to **primary data** provided by our value chain partners to enhance reporting accuracy.

To focus our resources on the areas where we can have the greatest impact, we have refined our **reporting boundaries** for 2025. The categories ‘Fuel and energy-related activities’, ‘Waste generated in operations’, and ‘Employee commuting’ – which were calculated using estimates in 2024 – have been excluded from the inventory. This allows us to concentrate on the categories representing over 99% of our Scope 3 footprint.

These methodological refinements represent a necessary step toward long-term transparency and data reliability, even though they limit direct year-on-year comparability during this transition phase.

GHG intensity based on net revenue

Table 16: GHG intensity based on net revenue

GHG intensity per net revenue	2025	2024
total GHG emissions (location-based) per net revenue (tCO ₂ e/mEUR)	321.30	233.37
total GHG emissions (market-based) per net revenue (tCO ₂ e/mEUR)	321.27	233.35

The net revenue of EUR 630.3 million used as the denominator for the GHG emission intensity calculation is directly reconcilable to the line item ‘Revenue’ in the ‘Consolidated Statement of Profit or Loss’.

Pollution

In 2025, we built on previous efforts to address **substances of concern and substances of very high concern** (for definitions, please refer to the 'Metrics' section of this chapter) from a sustainability perspective. While we are still in the early stages of this approach, there is potential for progress, particularly through enhanced collaboration with our suppliers to incorporate currently unavailable supply chain data into future reporting.

Impacts, Risks and Opportunities

Table 17: Material pollution-related IROs and descriptions

	Material IRO	Description
Substances of concern and substances of very high concern		
Risk	Sanctions and stricter regulations on the use of substances of concern and/or substances of very high concern	An associated risk for tonies is the potential for sanctions and stricter regulations regarding the possible use of substances of concern and substances of very high concern. As regulations around the use of these substances continue to evolve, there is a risk that non-compliance with existing or future regulations could lead to financial penalties, reputational damage, and restrictions on production.

Policies

To date, tonies has **not adopted a standalone policy on pollution**. Going forward, our centralized steering of sustainability efforts is intended to ensure a **sound management of our material sustainability matters**. This shall also be reflected in the adoption of topic-specific policies as an addition to the existing **Group Sustainability Policy** which already creates a common understanding regarding tonies' sustainability commitment and approach among all employees.

Actions

During the 2025 reporting year, tonies has **not implemented actions explicitly aimed at sustainability improvements related to pollution**, specifically substances of concern and substances of very high concern. This is because we have focused our sustainability efforts primarily **on the topic of resource use and circular economy** (more information can be found in the 'Actions' section of the chapter 'Resource use and circular economy'). We are confident that our initiatives in this area also contribute to reducing the potential use of substances of (very high) concern in our upstream value chain. For example, when assessing more sustainable material alternatives, ensuring compliance with health and safety standards is our top priority. These and other selection criteria not only reflect our commitment to more sustainable material use but also underscore our attention to minimizing and avoiding substances of concern and substances of very high concern.

Targets

During the 2025 reporting period, our primary focus remained on enhancing supply chain transparency. While no direct reduction measures for specific substances were implemented this year, we significantly expanded our monitoring framework. We updated our supplier confirmation process to require mandatory disclosure not only for substances of very high concern but also for the broader category of substances of concern. This foundational step ensures a comprehensive data baseline for future reduction targets.

Metrics

Substances of concern and substances of very high concern play a role with regard to the **production of our product portfolio** and matter, in particular, in our upstream value chain. To **evaluate the use and impact** of these substances within our value chain, the list of 'substances of concern' and 'substances of very high concern' was reviewed and the data availability concerning these substances was analyzed.

Definition of 'substances of concern'

Substances of concern (SoCs) are substances that

1. fulfil the criteria set out in Article 57 and have been identified in accordance with Article 59(1) of Regulation (EC) No 1907/2006 (REACH) of the European Parliament and of the Council,
2. are classified in Part 3 of Annex VI to Regulation (EC) No 1272/2008 of the European Parliament and of the Council in one of the following hazard classes or hazard categories:
 - category 1 and 2 carcinogenicity,
 - germ cell mutagenicity categories 1 and 2,
 - reproductive toxicity categories 1 and 2,
 - endocrine disruption with effects on human health,
 - endocrine disruption with effects on the environment,
 - persistent, mobile and toxic properties or very persistent, very mobile properties,
 - persistent, bioaccumulative and toxic properties or very persistent and very bioaccumulative properties,
 - category 1 respiratory sensitisation,
 - category 1 skin sensitisation,
 - chronically hazardous to the aquatic environment of categories 1 to 4,
 - damaging to the ozone layer,
 - specific target organ toxicant (repeated exposure) categories 1 and 2,
 - specific target organ toxicant (single exposure) of categories 1 and 2, or
3. have a negative impact on the reuse and recycling of materials in the product in which they are present, as defined in the relevant Union product-specific eco-design requirements.

Whenever 'SOCs' are mentioned in this report, the term refers to the above-defined substances.

Definition of 'substances of very high concern'

Substances of very high concern (SVHCs) are substances that fulfil the criteria of Article 57 of Regulation (EC) No 1907/2006 (REACH) and have been identified in accordance with Article 59(1) of that Regulation.

Whenever 'SVHCs' are mentioned in this report, we refer to the above-defined substances.

In general, tonies has set the requirement for all of its products to not contain any SVHCs exceeding the threshold specified in Regulation (EC) No 1907/2006 (REACH). Therefore, any material that is used for production of any tonies product has to undergo an exhaustive **SVHC screening**. If there is any finding of a substance from the SVHC list, the material or product is not acceptable for tonies to be used for production or distribution. Therefore, tonies can conclude that **no SVHCs are used in any tonies product**.

Regarding **SoCs**, in particular the substances listed in Part 3 of Annex VI to Regulation (EC) No 1272/2008, tonies has no data availability at this point. From a regulatory standpoint, the use of these substances according to Regulation (EC) No 1272/2008 (CLP) is **only regulated for the import of substances and mixtures**. As tonies only imports finished products, there was no formal analysis regarding the presence of these substances conducted in the past. To create more transparency and establish a database to derive actions towards sustainability efforts from we updated our supplier confirmation process to require mandatory disclosure not only for SVHCs but also for the broader category of SoCs, when used in our products.

Based on the **confirmation letters** received to date, no suppliers have reported the use of **SoCs**. Consequently, we currently assume that these substances are not present in our upstream value chain. However, it should be noted that this assessment relies solely on supplier self-disclosures and has not yet been independently verified or validated through third-party audits or laboratory testing.

As outlined, tonies does not currently have independent supply chain data on the use of **SoCs** for the 2025 reporting year. Due to this lack of data, information on the following data points **cannot be reported**:

- Total amount of substances of concern generated or used during production or procured, categorized by main hazard classes
- Total amount of substances of concern leaving facilities as emissions, products, or part of products or services

Regarding SVHCs, based on thorough SVHC screenings conducted for tonies products, we can confirm that the total amount of **SVHCs** leaving facilities as products is **below the reporting limit**.

Resource Use and Circular Economy

With over 11.8 million Tonieboxes and 156 million Tonies sold to date, tonies recognizes its significant responsibility and is committed to promoting **responsible resource use**.

Impacts, Risks and Opportunities

Table 18: Material resource use and circular economy-related IROs and descriptions

	Material IRO	Description
Resource inflows, including resource use		
Positive impact	Use of recycled and renewable resources	At tonies, we strive to use more sustainable materials in our products and packaging. For our Classic Tonies, we are exploring PVC alternatives that meet our high safety and quality standards. Our Pocket Tonies already incorporate "bio-circular" materials, and we are adding recycled content to our pouches. Finding suitable materials is challenging, but we remain committed to exploring innovative solutions to increase the use of recycled and renewable resources.
Risk	Insufficient availability of resources	While not an immediate concern, the ongoing depletion of various raw materials represents a risk for tonies. Valuable metals and rare earth elements, essential for IT, electronics, and batteries, are facing growing supply constraints due to rising demand and extraction challenges. This could impact our supply chain and production costs over time, making resource availability a critical factor for our business.
Resource outflows related to products and services		
Positive impact	Product portfolio orientated towards circular economy	At tonies, we actively support Circular Economy principles and have already taken steps to implement them. Our products are designed for longevity, ensuring continued usability. In the DACH region, we promote repairability through our Toniebox Repair Service and extend product life through refurbishment with our Preloved Toniebox initiative, which is planned to be extended to further markets. Additionally, we handle product returns responsibly by identifying sellable articles and sorting non-sellable articles to support market-specific recycling capabilities. By implementing these initiatives, tonies has already taken steps to align its product portfolio with Circular Economy principles.
Opportunity	Opening of new markets due to circular design	Exploring innovative solutions in line with Circular Economy principles could open up new market opportunities for tonies in the future, offering more sustainable ways for our little listeners to enjoy our products.
Waste		
Positive impact	Reduction of (non-recyclable) waste production	At tonies, we reduce waste by ensuring product durability and supporting the repair and refurbishment of the Toniebox. Our products are designed for longevity, with the Toniebox's repair-friendly design and our repair service available in the DACH region extending its lifespan. Additionally, our refurbished Preloved Toniebox helps prevent avoidable waste. We also collaborate with disposal firms to enhance recycling solutions and offer product returns at the end of their lifecycle for responsible disposal.
Opportunity	Reputational advantages due to product longevity	Designing durable products like the Toniebox, tonies has the opportunity to enhance its reputation for quality and reliability. Product longevity supports customer satisfaction and loyalty, attracting consumers who value long-lasting, high-quality products, and reinforcing tonies' position.

While tonies' products were **originally** designed to ensure quality, safety, and durability using **industry-standard materials**, we remain committed to further development. Tonieboxes and Tonies continue to be primarily made from plastic-based materials and require electronic components, paper-based resources, and other materials. We continue to evaluate steps toward more sustainable resource use.

Policies

To date, tonies has **not adopted a standalone policy on resource use and circular economy**. Going forward, our centralized steering of sustainability efforts is intended to ensure a **sound management of our material sustainability matters**. This shall also be reflected in the adoption of topic-specific policies as an addition to the existing **Group Sustainability Policy** which already creates a common understanding regarding tonies' sustainability commitment and approach among all employees.

Actions

To address its material impacts, risks and opportunities related to resource use and circular economy, tonies has implemented and planned several actions. These actions can be categorized into **two areas: product-related and packaging-related** initiatives.

However, not all actions have been fully detailed in alignment with the requirements of the ESRS (ESRS 2, MDR-A). For example, specific time horizons or allocated resources have yet to be defined.

Product

"Bio-circular" material

In 2025, we transitioned the housing of our **Pocket Tonies** range to the ABS material Terluran® ECO GP-35 BC100. This upgrade increases the share of **ISCC PLUS certified renewable feedstocks** from the previous 50% to up to **94%**, following a mass balance approach.

PVC replacement

We are aiming to go further by working on finding a more sustainable **alternative to PVC** for our Classic Tonies. In the **meantime**, we are also exploring ways to **reduce the PVC material** used per figurine by refining the design. These efforts focus on reducing overall material consumption while preserving quality and detail.

Water-based paints

tonies has begun transitioning from solvent-based to water-based paints for our Classic Tonies. This shift not only offers **environmental benefits** but also supports **healthier working conditions** at our suppliers. In 2025, our manufacturing partner further **increased the share** of Classic Tonies coated with **water-based paints**.

Circular Economy principles

At tonies, we are integrating Circular Economy principles into our service offering, particularly:

- 'Usability' – through the long lifespan and continued use of tonies products,
- 'Repairability' – by offering our Toniebox 1 Repair Service,
- 'Refurbishment' – through the launch of our Preloved Toniebox 1, and
- 'Recycling' – by handling returns responsibly.

In 2024, we launched the **Toniebox 1 Repair Service** in the DACH region. This service focuses on repairing key components of the Toniebox that may lose functionality by accidents or over time, such as the ears, battery, or platform. Our goal is to extend the lifespan of Tonieboxes, minimize waste, and provide customers and our little listeners with a sustainable option for preserving their listening experience. In 2025, **13,898 repairs** were carried out through our Toniebox Repair Service, making a significant contribution to reducing the environmental footprint of our products. An additional benefit of this service is that even after the 2-year warranty period expires, customers can still have their boxes repaired at a reasonable price. This makes it an appealing and cost-effective **alternative to purchasing a new one**.

In 2022, we launched the **Preloved Toniebox 1** program in Germany and Austria. This initiative refurbishes Tonieboxes, giving them a second life and reducing the need for new resources. In 2025, the program successfully reactivated and sold **12,168 Preloved Tonieboxes**. We plan to further expand circular concepts in the future.

Packaging

Increasing recycled content

In 2025, we introduced more sustainable packaging for both Tonieboxes and **Tonie figurines**. For our Tonie figurines, we replaced the 100% virgin material **pouches with pouches made from 30% recycled material**, reducing our reliance on virgin resources. The corresponding booklets continue to be printed on FSC-certified paper.

FSC-certified paper packaging

Additionally, with the introduction of the **Toniebox 2**, we implemented **FSC-certified paper packaging**. This ensures that our packaging comes from responsibly managed forests, supporting sustainable forestry practices.

Targets

While tonies' resource use and circular economy-related **targets** do not yet fully meet the requirements outlined by the ESRS (ESRS 2, MDR-T), they still provide valuable guidance on our path toward more sustainability. In line with our actions, we distinguish between two categories: **product-related** (Table 19) and **packaging-related** (Table 20) targets.

Table 19: Resource use and circular economy-related product targets

Sub-topic	Target	Motivation	Target year	Metric & unit
Resource inflows, including resource use	At least 30% recycled, recyclable, or bio-based materials in the final composition of all new products	Reducing fossil-plastic reliance, lowering carbon impact, and signaling that new formats are developed for a more sustainable, future-proof portfolio	2030	Share of new products using at least 30% recycled, recyclable, or bio-based materials in the final composition (%)
Resource inflows, including resource use	Replacing PVC in 50% of Classic Tonies	Ensuring ongoing regulatory compliance while enhancing tonies' sustainability and trust	2030	Share of Classic Tonies manufactured using PVC alternative (%)
Resource inflows, including resource use	Water-based paint for 100% of Classic Tonies	Shifting from solvent- to water-based paints offers environmental benefits (more sustainable resource use, cleaner waste streams) and supports healthier working conditions (lower VOC exposure, better air quality) at suppliers	2030	Share of Classic Tonies coated using water-based paints (%)
Resource outflows related to products and services	Roll-out of circular concepts	Supporting Circular Economy principles – for example, by offering Repair Services and Preloved Programs – while simultaneously providing added value to our customers	2030	Markets with Preloved Program/ Repair Service (Number)

Table 20: Resource use and circular economy-related packaging targets

Sub-topic	Target	Motivation	Target year	Metric & unit
Resource inflows, including resource use	70% recyclable packaging materials	Ensuring ongoing regulatory compliance and meeting stakeholder expectations	2030	Share of recycled/recyclable packaging materials (%)
Resource inflows, including resource use; Waste	FSC-certification for all paper-based materials	Showing that materials come from responsibly managed forests or verified recycled sources and meeting stakeholder expectations	2030	Share of paper-based materials produced using FSC-certified paper (%)

Metrics

Resource inflows

In line with tonies' value chain, resource use is predominantly driven by the production and distribution of Tonieboxes, Tonie figurines, Tonieplay articles, accessories, and their respective packaging. Since we do not maintain our own production facilities, this report reflects the resource inflows (i.e., final products) from our suppliers. We **focus** on data related to our **core products**. Table 21 provides insights into tonies' resource inflows for 2025, featuring data on Tonieboxes, Tonie figurines (Classic, Pocket, and My First Tonies), Tonieplay articles, and related primary packaging.

The **largest quantities** of resource inflows consisted of **paper**, polyvinyl chloride (**PVC**), and acrylonitrile butadiene styrene (**ABS**). tonies primarily utilizes paper for packaging, PVC for the bodies of Classic Tonies, and ABS for the production of Tonieboxes.

Table 21: Resource inflows for Tonieboxes, Tonieplay, and Tonies (in tonnes)

	2025
Total materials used	7,829.04
Paper	2,036.50
Polyvinyl Chloride (PVC)	2,007.80
Acrylonitrile Butadiene Styrene (ABS)	1,653.75
n/a*	550.27
Polyethylene Terephthalate (PET)	401.52
Polyurethane (PU)	399.68
Silicone	321.89
Neodymium Iron Boron (NdFeB) material	101.91
Silicon Dioxide (SiO₂) material	88.24
Nickel Metal Hydride (Ni-MH) material	86.14
Steel	79.96
Thermoplastic Polyurethane (TPU)	28.73
Cotton (GOTS certified)	21.44
Ferrite	19.24
Polyoxymethylene (POM)	13.77
Polyethylene (PE)	10.07
Thermoplastic Elastomer (TPE)	4.77
Polypropylene (PP)	3.36

*The 550 tons of unspecified materials primarily comprise batteries, electronic assemblies, and electro-acoustic components. These components are classified as complex due to their multi-material nature and the integration of critical minerals, which makes a granular weight breakdown by raw material at the supplier level currently unavailable.

Data is derived from individual product specifications. Total material inflows were extrapolated by multiplying the weights of key materials by the volume of units delivered by suppliers during the reporting year.

Due to **data limitations**, certain materials — specifically complex components such as batteries, electronic assemblies, and electro-acoustic parts — are excluded. These are categorized as complex due to their multi-material composition and the inclusion of critical minerals, for which a granular weight breakdown at the supplier level is currently unavailable. Furthermore, materials such as paints, stickers, foils, and adhesives are omitted due to their minimal weight.

Resource outflows

Waste

tonies is committed to managing waste responsibly. Focusing on the company's own operations, three types of waste are relevant: waste from product returns (including packaging), excess inbound transport packaging, and household waste generated in tonies' office facilities. Since household waste constitutes an immaterial volume, it has been excluded from this report. Consequently, the primary waste in scope arises from our **warehouse operations**. tonies' waste is composed of **defective products, sales packaging, and transport packaging**. An overview of tonies' resource outflows is provided in Table 22.

Table 22: Resource outflows (in tonnes)

	2025	2024
Total waste generated	435.64	412.18
Total amount of hazardous waste	1.39	0.06
Total amount of radioactive waste	0.00	0.00
Hazardous waste diverted from disposal	0.47	0.02
Hazardous waste diverted from disposal due to preparation for reuse	0.00	0.00
Hazardous waste diverted from disposal due to recycling	0.46	0.02
Hazardous waste diverted from disposal due to other recovery operations	0.02	0.00
Non-hazardous waste diverted from disposal	166.12	263.70
Non-hazardous waste diverted from disposal due to preparation for reuse	0.00	64.48
Non-hazardous waste diverted from disposal due to recycling	165.97	199.22
Non-hazardous waste diverted from disposal due to other recovery operations	0.15	0.00
Hazardous waste directed to disposal	0.92	0.03
Hazardous waste directed to disposal by incineration	0.00	0.00
Hazardous waste directed to disposal by landfilling	0.92	0.03
Hazardous waste directed to disposal by other disposal operations	0.00	0.00
Non-hazardous waste directed to disposal	268.17	148.44
Non-hazardous waste directed to disposal by incineration	6.98	27.13
Non-hazardous waste directed to disposal by landfilling	261.18	121.32
Non-hazardous waste directed to disposal by other disposal operations	0.00	0.00
Non-recycled waste	269.08	148.48
Percentage of non-recycled waste	62%	38%

Defective products, when returned to the warehouse, are either reworked or handed over to disposal companies according to local regulations and available infrastructure. tonies always strives to find the most sustainable processing method for each market.

Our most complex product, the **Toniebox**, undergoes a process resulting in either refurbished products for resale or (partially) disassembled components. In the **DACH and EU** regions, disassembled parts are sorted by material, which are then transferred to a disposal company for recycling. In **other markets**, returned Tonieboxes are kept in stock, awaiting the launch of local refurbishment initiatives. **Other electronic and non-electronic products** are handed over to a waste management partner for recycling, incineration, or landfill.

In the **DACH and EU** regions, **other electronic products** are sent to a specialized disassembly facility for further processing aimed at recycling. For **Tonie figurines**, a dedicated shredding process has been developed to separate PVC from magnets and NFC chips, enabling almost complete recycling. **Non-electronic accessories** are handed over to a disposal company for recycling, incineration, or landfill. **Sales packaging and transport packaging** materials, if not reused, are collected in the warehouse, sorted into cardboard and plastics, and handed over to a disposal company for recycling.

Our waste streams comprise **various material fractions** from returned products and packaging. These include injection-molded plastics (PVC), synthetic and cotton fabrics, printed circuit boards (PCBs), metals (such as screws, wires, and loudspeakers), and batteries (Li-ion and LiFePO₄), as well as paper, cardboard, and plastic films.

In the **Australia and New Zealand** region, we operate via a B2B distributor model. Because the distributor operates from a shared warehouse and takes delivery of imported goods without them being unpacked, our B2B operations in this region generate no direct waste.

Methodologies used

For the **DACH** region (including EU Shop countries), the **United Kingdom**, and **Australia and New Zealand**, waste data was collected directly **from warehouse operators**.

For the **United States** and **France**, waste data was **calculated** based on product datasets. These sets detail product type, weight, and sales packaging weight by fraction, correlated with sold and returned volumes. For waste from returns, the weight data was multiplied by the number of returned items recorded in internal systems. All sales packaging from articles used for product bundling is categorized as waste. Transport packaging weight per returned item was estimated using average calculations.

Product end-of-life waste management

Toniebox and Tonie figurines are designed for an average **lifespan that exceeds the typical usage period** of one child, allowing the product to be passed on to another user.

The design of the Toniebox is highly **repair-friendly**, as it is primarily assembled with screws and features very few glued components. This construction facilitates general repairability, supported by our Toniebox 1 Repair Service available to the public in the DACH region. It also enables our **refurbishment** process, which is active for Toniebox 1 in the DACH region and countries served by our EU shop. Additionally, tonies offers a **take-back program** for products at the **end of their lifecycle** to ensure professional recycling.



Social

Own Workforce

tonies acknowledges that its success is underpinned by the dedication and commitment of its diverse workforce, comprising **over 600 individuals** from a multitude of backgrounds, each bringing unique talents and experiences from different regions around the globe. tonies maintains a mix of full-time and part-time staff, along with employees on both permanent and fixed-term contracts.

The group operates in **Germany, the United States, the United Kingdom, France, and Australia & New Zealand**. The majority of the workforce is based in Germany, followed by a significant presence in the United States. The group is committed to treating its workforce with dignity and respect, ensuring that the highest standards of ethical conduct are consistently upheld.

Impacts, Risks and Opportunities

Business model & impacts

tonies' strategy and business model are deeply connected to the impacts on its workforce. The group's commitment to **diversity** aligns with its innovative and creative business model, as a diverse workforce brings together a wide range of perspectives, fostering creativity and innovation. This diversity is essential for developing unique solutions and maintaining a competitive edge in the market.

Regular **performance and career development reviews** are integral to tonies' strategy of continuous improvement and growth. By providing clear career pathways and fostering personal growth, it is ensured that employees are empowered and equipped to contribute to the group's success.

The availability of whistleblowing and other direct **communication channels** against violence and harassment as well as regular employee engagement survey results are connected to and inform the group's strategy of maintaining a positive and respectful workplace culture. This commitment to employee well-being and safety is crucial for sustaining high morale and productivity, which are key drivers of the group's performance.

Business model & opportunities

tonies recognizes that its workforce is a critical asset, and the material risks and opportunities arising from impacts and dependencies on its employees are closely linked to the group's strategy and business model. Regular employee engagement surveys provide a **platform for employees to voice their opinions**, leading to a more positive and responsive work environment. This enhances employee satisfaction, informed decision-making, and drives continuous improvement, ultimately strengthening the organizational culture. An engaged and motivated workforce contributes to higher productivity and lower resignation rates, supporting the group's growth and success.

Offering a variety of financial and non-financial benefits allows tonies to attract and retain top talent, enhancing employee productivity and fostering a positive work environment. These benefits, including flexible work options and professional development opportunities, contribute to higher job satisfaction and engagement. These benefits vary by country, reflecting diverse employee expectations. As a result, the group gains a competitive advantage by being recognized as an **attractive and responsible employer**, which supports its market position and long-term success.

By addressing these **impacts and opportunities**, tonies ensures that its strategy and business model are aligned with the needs and well-being of its workforce, driving both employee satisfaction and organizational success. Building on the DMA, tonies has identified the own workforce-related sub-topics **‘Equal treatment and opportunities for all’** and **‘Working conditions’** as **material sustainability matters**. Table 23 provides further insights regarding identified material impacts and opportunities.

Table 23: Material own workforce-related IROs and descriptions

	Material IRO	Description
Working conditions		
Opportunity	Consideration of employees' wishes and needs so that employees might be more motivated and satisfied (higher productivity, lower resignation rate)	Regular employee engagement surveys at tonies provide a platform for employees to voice their opinions, leading to a more positive and responsive work environment, increased engagement and trust. For the company, these surveys enhance employee satisfaction, inform decision-making, and drive continuous improvement, ultimately strengthening the organizational culture.
Opportunity	Competitive advantages due to the reputation of being an attractive and responsible employer	Offering a variety of financial and non-financial benefits allows tonies to attract and retain top talent and foster a positive work environment. These benefits, including flexible work options and professional development opportunities, contribute to higher job satisfaction and engagement, ultimately driving organizational success.
Equal treatment and opportunities for all		
Positive impact	Diversity of employees in number and percentage at all levels	A diverse workforce at tonies brings together a wide range of perspectives, experiences, and ideas, fostering creativity and innovation. This diversity enables employees to collaborate and develop unique solutions to challenges. By valuing inclusion and diversity, tonies creates a welcoming and supportive work environment where all employees feel valued and respected, promoting a sense of belonging and encouraging them to be their authentic selves at work.
Positive impact	Offering regular performance and career development reviews to all employees	Regular performance and career development reviews at tonies provide employees with clear career pathways, enhance motivation, and foster personal growth. The bi-annual feedback cycles and voluntary Individual Development Planning framework empower employees to take charge of their development, leading to improved performance, talent retention, and organizational growth.
Positive impact	Provision of anonymous as well as personal communication channels against violence and harassment	The availability of anonymous communication channels allows employees to report violence and harassment without fear of retaliation, fostering security and trust. Promptly addressing these incidents helps maintain a positive workplace culture, essential for morale and productivity. Robust systems in place contribute to employees' mental well-being and job satisfaction.

All employees benefit from the identified positive impacts. The identified opportunities arising from impacts and dependencies on people in the group's own workforce also relate to all of its own workforce.

The majority of employees perform office work and are therefore not exposed to any material impacts or risks with regard to health and safety. Accordingly, tonies has not identified any material health and safety impacts or risks relating to its own workforce.

The group is proud to report that no significant risks have been identified in its operations concerning the sub-topic 'Other work-related rights' such as forced or child labor. This is partly due to the robust regulatory frameworks in place within the countries where the group operates. tonies remains committed to upholding these standards and ensuring that its own operations are conducted respectfully and in compliance with human rights.

Policies

Human rights

In the **Code of Conduct**, which all employees are required to follow, tonies explicitly commits to respecting human rights and the standards of the ILO. The group adheres to the UN Guiding Principles on Business and Human Rights, as well as its own guidelines, outlined in the Group Human Rights Policy. These commitments support the group's ambitions regarding human rights adherence.

The **Group Human Rights Policy** forms the binding basis for the implementation of human rights standards for tonies' workforce and was adopted by tonies' Management Board. These guidelines recognize the core labor standards of the ILO and the OECD Guidelines for Multinational Enterprises, committing to prevent, mitigate, and, as far as possible, end adverse impacts on human rights within tonies' operations. This commitment in the Group Human Rights Policy is aligned with the guidelines set out in the **Modern Slavery & Transparency Statement** and the Code of Conduct. This includes the prohibition of child labor (ILO 138), the elimination of the worst forms of child labor (ILO 182), and the abolition of forced labor (ILO 105). The group strictly opposes forced or compulsory labor, including forms of slavery, modern forms of slavery, and human trafficking as part of its Group Human Rights Policy.

For tonies, respecting human rights, including labor rights, is considered essential to maintaining a positive work environment. These include the right to work in just and favorable conditions, the right to equal pay, the elimination of all forms of forced labor and the abolishment of child labor. Respecting human rights is therefore paramount, despite the complexity of the task.

The group has set up a systematic approach for identifying and addressing actual or potential adverse impacts it has on human rights, whether directly through own business activities or indirectly through business relationships. The group undertakes efforts to implement its own human rights due diligence approach, which is in alignment with the UN Guiding Principles on Business and Human Rights. The group focuses on essential human and labor rights issues of its workforce, which are overseen by the Legal & Compliance and HR Departments.

Equal treatment and opportunities for all

As part of the **Code of Conduct**, tonies respects the dignity and individuality of all employees. Interactions are characterized by mutual respect, fairness, team spirit, professionalism, and openness. Discrimination in recruitment, promotion, training, and development of the group will not be tolerated. All employees are treated equally, regardless of gender, gender identity or expression, age, skin color, culture, race, ethnic origin, sexual identity, disability, religion, or world view. Discrimination, mobbing, and harassment of any kind, including sexual harassment and psychological abuse or physical duress as well as verbal abuse is not tolerated at tonies and are therefore strictly forbidden. The group advocates for equal opportunity and diversity.

Every employee is encouraged to report suspected misconduct or violations of the Code of Conduct or applicable laws and regulations, as well as internal standards. The group embraces, among other things, the freedom to raise concerns and a serious commitment to protecting its reputation and success. The adherence of legal regulations and internal guidelines are important to protect the employees and the group from potential damages and the trust placed by customers and business partners. Therefore, it is important for the group to be aware of possible violations at an early stage to be able to react accordingly. The whistleblowing system described in the **Whistleblowing Policy** enables both employees and third parties to raise concerns if they become aware of circumstances that may indicate a violation of human rights at tonies or its business partners, thereby contributing to the establishment and maintenance of a strong corporate and compliance culture.

The overall responsibility with respect to human rights lies with the CEO. The Chief Human Resources Officer (CHRO) has the responsibility for the protection of tonies' own employees. To fulfil the associated tasks, the CHRO is supported by several further departments.

Working conditions

Consideration of employees' wishes and needs so that employees might be more motivated and satisfied

In the **Code of Conduct** tonies states that all employees are invited to give honest feedback and openly discuss matters of importance to them, and that they can be sure their issues will be heard and handled with care. The Code of Conduct also ensures that the group values good work and recognizes the fundamental rights of employees. This includes that wages are not to be paid below the minimum and working time is not to exceed the maximum set by local law, and should always live up to the standards set by the ILO.

The group does not currently have a formal workplace accident prevention policy or management system. In Germany, an external tool is used to provide annual safety training for employees, while the UK entity has a **Health & Safety Policy** that outlines its commitment to maintaining a safe and healthy workplace. Furthermore, tonies US has a **formal workplace accident response and reporting policy**. Employees must immediately report any injury, accident, or unsafe condition to a manager, and submit an injury report form to HR as soon as possible. Follow-up, investigation, and return-to-work determinations are handled by HR. Our management system for workplace injury prevention and claims administration is managed through our workers' compensation insurance provider, Hartford Insurance.

Competitive advantages due to the reputation of being an attractive and responsible employer

The group warrants compliance with the relevant national regulations and agreements on working hours and regular paid vacation. In addition, tonies values being a family-friendly organization. Therefore, the group offers some flexible mobile working arrangements, allowing employees – depending on their role and team needs – to fulfill parts of their work remotely, supporting a better balance between personal and professional life.

In Germany, the **Guideline for Working Time & Recording of Working Time** supports tonies' flexitime model, allowing employees to set their own working hours and break times (in accordance with employment law requirements), ensuring flexibility within the working time framework.

Actions

Engaging about impacts

The group conducts an **annual global engagement survey** as well as a **quarterly pulse surveys** to gather direct employee feedback and closely monitor results and engagement levels. Additionally, the CEO regularly hosts **'Open Office Hours'** – an agenda-free remote meeting format where any employee can dial in, engage in dialogue with the CEO, share their thoughts, and get answers to questions about organizational updates.

In 2023, tonies took significant steps to strengthen its commitment to Inclusion & Diversity (I&D). With guidance from an external I&D expert, the group conducted a comprehensive internal I&D survey, gaining valuable insights into the perspectives of its workforce. These insights, along with focus group interviews and discussions, formed the foundation of tonies' first strategic I&D roadmap. Since then, an employee resource group – the 'I&D Champion Group' – with 15 members has been established. The group meets three times a year, guided by the HR function, to define the annual I&D themes and focus areas of their work, such as hosting training sessions on Unconscious Bias or organizing a Pride or Disability Awareness Week.

The CHRO is **responsible** for monitoring and fostering engagement with the group's own workforce and ensuring that the insights gained inform the overall group strategy.

Remediating negative impacts and raising concerns

Employee surveys

tonies conducts an annual comprehensive survey to thoroughly assess employee experience and engagement. This survey is complemented by quarterly pulse checks, which are shorter surveys designed to capture more immediate feedback. The responses to these surveys are confidential, and only aggregated results are shared. People managers receive specific team results as long as at least five team members have completed the survey, ensuring that no individual data is disclosed and that employees cannot be identified when answering the survey. Based on the **survey** results, department heads, the HR team as well as the Management Board develop and prioritize measures to **address identified areas of improvement**.

Whistleblowing system

tonies is committed to adhering to legal obligations and internal guidelines to protect the organization and employees from potential damages. Employees and management bodies who become aware of circumstances indicating violations of human rights or other misconduct are **encouraged to report** these to a line manager, tonies' Legal & Compliance Department, or via the online whistleblowing system immediately. Policies are in place to **protect individuals** from retaliation when using these channels.

The **whistleblowing system** is designed to handle grievances and complaints from employees and third parties, reinforcing a strong corporate and compliance culture. It meets the requirements of the **EU Whistleblower Directive (2019/1937)** while aligning with tonies' corporate values and commitment to open communication. All information received through the whistleblowing system is processed by tonies' Legal & Compliance Department.

The system safeguards whistleblowers by protecting their identity, ensuring confidentiality, and preventing reprisals for those who raise concerns in good faith. It also enables the evaluation of reported information, facilitates further clarification, and helps identify and implement process improvements to prevent future recurrence. Whistleblowers receive a confirmation of receipt, typically within seven days, and feedback upon case closure or completion, usually within three months. To **ensure awareness and trust** in the whistleblowing system, tonies regularly communicates about its availability and provides training to its workforce.

Equal treatment and opportunities for all

Diversity of employees in number and percentage at all levels

The group recognizes that inclusion and diversity are not only fundamental values but also crucial drivers of innovation, creativity, and organizational success. To support these values, tonies has established an employee resource group, the **I&D Champion Group**. This group plays a pivotal role by contributing ideas to and driving the I&D roadmap, role modeling inclusion, and taking action to ensure the commitments are achieved. The I&D Champion Group consists of a diverse group of volunteers from across the organization, representing various roles, backgrounds, and perspectives.

Inclusion and diversity in action: The group actively supports marginalized groups, leverages privilege to advocate for equity, and consistently challenges systemic injustices through listening, learning, and action. The group embraces diverse cultural perspectives, practices, and traditions within the organization and critically examines and dismantles preconceived judgments through special training, fostering fairer and more inclusive attitudes and behaviors.

tonies consistently strives to enhance processes, practices, and outcomes through ongoing evaluation, adaptation, and refinement. The group organizes a yearly calendar of events and initiatives that promote inclusion and celebrate diversity, providing content to employees to enhance their understanding of I&D matters. Additionally, the group identifies and eliminates biases and barriers that might prevent employees from feeling valued and included.

Inclusive language and cultural celebrations: Adopting inclusive and diverse language is a paramount commitment at tonies, acknowledging the influential power of language over internal culture and external perceptions. This commitment resonates with the way the employees work and communicate with each other, reflecting tonies' dedication to equality and respect. The group celebrates diversity through inclusive events, cultural festivities, and initiatives that foster cross-cultural collaboration. The group works collaboratively as one team to help educate employees on I&D by sharing knowledge, experiences, and celebrating differences.

Mitigating bias & maximise inclusion training for hiring managers: The company is committed to building an inclusive workplace where everyone feels welcome and included. Once part of that is making sure our hiring processes are fair and open to all and that starts with understanding unconscious biases. That's the company inviting all hiring managers to take part in the 'Unconscious Bias Workshop for Hiring Managers', hosted by an external I&D expert, in May and September 2025. The session intended to recognize where bias can show up in our decision-making and explore ways we can reduce its impact when hiring and gain practical tools to help make the company's hiring processes thoughtful and inclusive.

Pride awareness month: In June 2025, tonies proudly celebrated internally its second Pride Awareness Month, dedicated to honoring and supporting the LGBTQIA+ community. Throughout this month, the group highlighted to its employees the importance of diversity, equality, and inclusion, showing solidarity with the LGBTQIA+ community and committing to creating a safe and welcoming environment for all.

Transparency and communication: The group is committed to transparency in its I&D efforts. The work, progress, and initiatives of the People I&D Champion Group are regularly communicated to all employees via intranet pages, ensuring that everyone is aware of the group's commitment to fostering an inclusive workplace.

Offering regular performance and career development reviews to all employees

The group places a high priority on offering regular performance and personal growth reviews to all employees, which is one of the core values of the group, encapsulated in the principle 'We set the bar high while remaining empathetic and caring'. This principle underlines the importance of this positive impact on the workforce.

Performance feedback: The group conducts bi-annual performance feedback cycles that include self-reflection as well as manager and peer reviews. tonies believes in an open, trusting, and transparent feedback culture, ensuring that all feedback is shared with the employee and the respective HR manager. These performance feedback cycles are managed via an external employee engagement and feedback tool.

Individual development planning: tonies has implemented a voluntary Individual Development Planning (IDP) framework that puts employees in the driving seat to take ownership of and drive their own personal growth. This framework helps identify strengths, areas for improvement, and career development goals. It comprises two key components:

1. **Self-reflection** – Exploring personal drivers and motivations, determining which strengths to further develop, and identifying areas for improvement.
2. **Actionable planning** – Translating insights into concrete steps by defining development goals, outlining necessary actions, establishing success criteria, and identifying available resources.

tonies provides resources and information on professional development opportunities available for informal and self-directed learning opportunities as well as formal and organized learning opportunities. The organization tracks and assesses the effectiveness of these actions and initiatives through regular employee engagement surveys and feedback sessions.

Provision of anonymous as well as personal communication channels against violence and harassment

tonies takes several actions to pursue material positive impacts on its workforce, particularly in providing communication channels against violence and harassment.

Remediation of complaints: The group has implemented a comprehensive whistleblowing system, detailed in section 'Remediating negative impacts and raising concerns'. The effectiveness of implemented actions is monitored through regular follow-ups and feedback mechanisms, with the Legal & Compliance Department overseeing outcomes and assessing their impact on employee well-being and organizational culture.

Working conditions

Consideration of employees' wishes and needs so that employees might be more motivated and satisfied

tonies implements various actions to pursue opportunities for social dialogue with its workforce, actively addressing employees' wishes and needs.

Performance feedback: The group has implemented a tool-based 360° performance feedback cycle, providing each employee with a comprehensive view of their performance and growth opportunities. This process is supported by feedback training and workshops, aimed at enhancing skills in both giving and receiving feedback effectively. Since 2024, tonies conducts two feedback cycles per year.

CEO communication: The CEO has a dedicated messaging channel where he regularly shares updates, photos, and moments of joy. Additionally, the CEO holds regular remote Open Office Hours, allowing employees to dial in, ask questions, provide feedback, and engage directly with him.

Competitive advantages due to the reputation of being an attractive and responsible employer

The group takes several actions to seize opportunities to be an attractive and responsible employer for its workforce.

Working time, support & flexibility: Depending on their role and location, employees have the option to work partially remotely. They are entitled to more than the statutory minimum of vacation days, with additional special leave available for events such as marriage, relocation, funerals, or childbirth. Employees can also choose to convert a portion of their salary into extra vacation days.

Financial benefits: tonies offers different financial benefits to its own workforce. For example, contributions for private pension schemes, remote work or mobility allowances. However, financial benefits vary across countries, aligning with local employees' expectations and local practices. tonies ensures that all employees receive competitive compensation.

tonies monitors and evaluates the effectiveness of its actions and initiatives through regular employee engagement surveys and feedback sessions.

By adhering to ethical standards and continuously assessing and refining its policies and actions, the group ensures that its practices do not cause or contribute to material negative impacts on its workforce.

Targets

tonies has not yet established ESRS-compliant targets for the group's material own workforce-related IROs. However, the company has already defined **qualitative, medium-term targets** to guide its efforts (Table 24).

Table 24: Own workforce-related targets

Sub-topic	Medium-term target
Equal treatment and opportunities for all	Foster an inclusive culture where diversity is a core value at every level of the organization
Working conditions	Maintain regular employee engagement surveys and feedback

tonies tracks the effectiveness of these efforts through the described processes. For example, the results from the employee engagement surveys offer valuable insights into the engagement index, which serves as a key indicator and benchmark for continuous improvement. A target for the engagement index is yet to be set.

Metrics

Employee characteristics

The headcount is reported at the end of the reporting period, including people who left on the last day of the period (both full-time and part-time employees), as well as interns and apprentices.

Members of the Management Board, General Managers and employees on leave are also included in the report, which changes last year's methodology.

Table 25: Headcount of employees by gender

Headcount of employees by gender	2025 (year-end)
Total	634
Male	276
Female	357
Not reported or Other	1

Gender distribution is reported only for entities with more than 50 employees (headcount).

Table 26: Headcount of employees by country

Headcount of employees by country	2025 (year-end)
Total	634
Germany	426
USA	116
United Kingdom	55
France	31
Other	6

Table 27: Headcount of employees by contract type

	Male	Female	Other
Total employees	294	379	1
Permanent employees	276	357	1
Temporary employees	18	22	-

Permanent employees are defined as those with indefinite employment contracts, including pre-pension part-time employees. Temporary employees are those with fixed-term contracts, also including pre-pension part-time employees. tonies does not employ individuals on non-guaranteed hours contracts.

Table 28: Employee turnover based on headcount

	Unit	2025
Number of employees left the group	Number	125
Employee turnover	%	20.1

Employee turnover is calculated as the number of permanent employees who have left the group, relative to the average number of permanent employees based on the last four quarterly end-of-period figures. The headcount calculation for this KPI is determined by the total number of full-time, part-time, and fixed-term employees, adjusted for part-time reductions. Board members, Market General Managers, dormant employment relationships, apprentices, working students, interns, and pre-pension part-timers in the release phase are excluded from this calculation.

Diversity

Table 29: Gender distribution at top management level

	Headcount	in %
Top management*	14	100
Male	11	79
Female	3	21
Other	0	0

* Including Board members and Market General Managers

The number of headcounts is reported at the end of the reporting period.

Table 30: Employees by age group

	Headcount	in %
Distribution of employees by age group	634	100
Under 30 years old	83	13
30 – 50 years old	454	72
Over 50 years old	56	9
Not reported	41	6

The number of headcounts is reported at the end of the reporting period.

Comparative data for 2024 has been omitted as our headcount calculation methodology was updated, making a direct year-on-year comparison misleading. tonies is committed to reporting consistency and will include comparative figures in subsequent reporting cycles.

Persons with disabilities

The group is committed to promoting an inclusive and diverse workplace. As part of tonies' dedication to transparency and inclusivity, the group provides the following information regarding the percentage of employees with disabilities. As of the latest reporting period, **0.79% of employees** are individuals with disabilities, in accordance with legal regulations governing data collection.

tonies adheres to the definition outlined by the UN Convention on the Rights of Persons with Disabilities (UN CRPD). According to the UN CRPD, persons with disabilities are individuals who have long-term physical, mental, intellectual, or sensory impairments that, in interaction with various barriers, may hinder their full and effective participation in society on an equal basis with others.

Training and skills development

tonies has established a global performance feedback cycle that is mandatory for all employees. This process ensures consistency and fairness across the organization, promoting a culture of growth. It includes structured **performance assessments**, followed by mandatory **feedback sessions** between employees and managers. These sessions offer an opportunity to review achievements, discuss career aspirations, and align expectations. All employees are part of the regular performance and career development process.

The figures shown in Table 31 are from the July 2025 performance feedback cycle, to which all permanent employees who had completed their probationary period were invited to participate.

Table 31: Performance and development reviews by gender

	Employees that participated in regular performance and career development reviews (%)	Total employees per category
Male	95	276
Female	97	357
Other	100	1

Incidents, complaints and severe human rights impacts

tonies has received one report of discrimination but no complaints regarding other human rights issues. In line with the ESRS definition (Annex II: Acronyms and Glossary of Terms), an incident is defined as a legal action or complaint registered with tonies or competent authorities through a formal process, or an instance of non-compliance identified by tonies through established procedures.

Table 32: Reporting on discrimination

Reporting on discrimination	Unit	2025	2024
The total number of incidents of discrimination, including harassment, reported in the reporting period	Number	1	2
Number of complaints filed through channels for people in own workforce to raise concerns	Number	5	2
Number of complaints filed to National Contact Points for OECD Multinational Enterprises	Number	0	0
Amount of fines, penalties, and compensation for damages as result of incidents of discrimination, including harassment and complaints filed	€	0	0

Table 33: Reporting on human rights issues

Reporting on human rights issues	Unit	2025	2024
Number of severe human rights issues and incidents connected to own workforce	Number	0	0
Number of severe human rights issues and incidents connected to own workforce that are cases of non respect of UN Guiding Principles and OECD Guidelines for Multinational Enterprises	Number	0	0
Number of complaints filed to National Contact Points for OECD Multinational Enterprises	Number	0	0
Amount of fines, penalties, and compensation for severe human rights issues and incidents connected to own workforce	€	0	0

Workers in the Value Chain

Impacts, Risks and Opportunities

Table 34: Material workers in the value chain-related IROs and descriptions

	Material IRO	Description
Equal treatment and opportunities for all		
Positive impact	No known incidents of violence and harassment within the value chain	tonies actively promotes safe and respectful working conditions across the value chain. Measures include implementing a global Inclusion & Diversity roadmap, requesting social audit reports from core direct suppliers, and providing a whistleblowing system for confidential and anonymous reporting of potential wrongdoing. No incidents of violence or harassment within the value chain have been reported to date.
Risk	Negative (social) media attention in case of incidents of violence and harassment within the value chain	Incidents of violence or harassment among value chain workers can attract critical media coverage, damaging tonies' reputation and stakeholder trust. tonies mitigates this risk through requesting annual social audit reports from core direct suppliers, providing a whistleblowing system, and implementing human rights due diligence.
Working conditions		
Positive impact	Promoting improved working conditions for value chain workers	Initial measures – such as requesting annual social audit reports from core direct suppliers and transitioning to water-based paints in the figurine production process, which support healthier working conditions compared to solvent-based alternatives – are already underway. While important progress has been made, the full potential to drive long-term improvements across the supply chain has yet to be fully realized.
Risk	Reputational damage and/or supply chain disruptions in case of insufficient consideration of value chain workers' interests and needs	Failure to address value chain workers' interests and needs can cause reputational damage and supply chain disruptions, affecting brand trust and operations. tonies mitigates this, for example, through annual Human Rights Risk Analyses and social audits, with enforcement actions in case of non-compliance.
Other work-related rights		
Positive impact	No known cases of human rights incidents related to child labour within the value chain	tonies takes preventive measures to avoid child labour in its value chain, including conducting an annual Human Rights Risk Analysis and requesting social audit reports from core direct suppliers. No confirmed incidents of child labour have been identified to date.
Risk	Loss of social license to operate in case of non-compliance with applicable standards	Non-compliance with human rights or labor standards can lead to stakeholder disengagement and regulatory scrutiny, threatening tonies' social license to operate. Regular audits, transparent reporting, and ESG-aligned supplier management help ensure adherence to relevant standards and expectations.
Risk	Regional labor rights volatility in China and Tunisia	Reports regarding 'poverty alleviation through labor transfer' programs in China and challenges related to collective bargaining rights in Tunisia represent a risk for tonies. These regional developments have the potential to, going forward, influence trade environments or lead to increased regulatory scrutiny under frameworks like the UN Guiding Principles. To manage these risks proactively, tonies integrates ESG criteria into its Supplier Scorecard, conducts an annual Human Rights Risk Analysis, and requests annual social audit reports from core direct suppliers to ensure alignment with the company's ethical standards.

Policies

tonies' internal policies adopted in connection with 'Workers in the value chain' focus on the issue of human rights. The objective of tonies' **Group Human Rights Policy** is to provide basic standards and a framework enabling tonies and business partners to safeguard human rights. The Policy contains the guidelines of central importance regarding the duty of diligence with respect to human rights. This includes both internationally recognized standards as well as respective national laws. Additionally, it offers an overview of the core principles for protecting human rights, outlines the governance and due diligence processes, and details notification channels for reporting potential violations. The standards described in this policy provide a binding basis for social and business relations within the tonies Group and towards our business partners. Other relevant policies in this context include the **Whistleblowing Policy** and the **Group Data Protection Policy**.

Actions

Furthermore, tonies implements the following **actions** related to workers in the value chain:

- Conducting an annual **Human Rights Risk Analysis**
- Integrating ESG criteria into our **Supplier Scorecard**, which is still in the process of being implemented
- Continuing to transition to **water-based paints** in the figurine production process, leading to healthier working conditions compared to solvent-based paints
- Requesting annual **social audit reports** from our core direct suppliers
- Providing a **whistleblowing system** for confidential and anonymous reporting of potential wrongdoing

Targets

The topic 'Workers in the value chain' is integrated into our **sustainability strategy** through a specific supplier-related target focused on conditions within our upstream value chain (Table 35).

Table 35: Workers in the value chain-related targets

Sub-topic	Target	Motivation	Target year	Metric & unit
Working conditions	Implementation of Code of Conduct for Business Partners (CoCBP) (e.g., working conditions, environmental protection)	To uphold ethical, social, and environmental standards across the supply chain by ensuring that all business partners operate responsibly and in alignment with laws and tonies' values	2030	Suppliers with CoCBP implemented (%)

Regarding this **target**, we are currently finalizing the revision of our CoCBP to ensure full alignment with the requirements of licensors and other business partners. This revised version will then form the basis for achieving the target.

Business Model and Strategy

Several components of our **business model** acknowledge the importance of strong, long-lasting relationships with our suppliers. Our Code of Conduct (CoC) outlines tonies' core values, which include taking social responsibility, embracing diversity, and focusing on the long-term effects of our doing. Issues such as respect for human rights, prohibition of child labor and compliance with other standards relating to labor rights and the provision of a safe workplace are set out in a separate Code of Conduct for Business Partners (CoCBP). To better understand and verify actual and potential risks of human rights violations of our business partners, we conduct an annual risk assessment which enables us to identify increased risk for violations of human rights within our supply chains and prioritize mitigation and remedial measures, if necessary. To monitor the effectiveness of our measures, tonies regularly reviews social audit reports which we request yearly from our core first-tier suppliers.

Consumers and End-Users

Impacts, Risks and Opportunities

Business model & impacts

Consumers and end-users represent the **center of our business model**. This becomes already clear when considering the properties of the Toniebox: Its durable design allows for extended playtime, while its user-friendly features encourage independence, making it easy for even very young children to use. Additionally, being screen-free shall support both physical and mental well-being. In case specific information or support is needed, our consumers and end-users can contact our dedicated Customer Happiness team. For sustainability-related enquiries, we provide a dedicated email address (sustainability@tonies.com) so that requests are directly forwarded to tonies' Sustainability team.

Moreover, **social inclusion** represents an **integral part** of our business model. This is also reflected in our collection of Tonies: our Creative Tonies are available in three different skin colors and with the help of different costumes, they make it possible to discover new characters. We hope that every child will find a Creative Tonie to identify with. Additionally, we have been carefully selecting our content, relaunching Tonies with more inclusive language and removing ones that do not quite meet our standards. We have been working with a network of writers, voice-over artists, experts and contributors from all different backgrounds to make sure we are as inclusive and welcoming as can be.

The topic 'Consumers and end-users' is also reflected as a **top priority** in our company program for 2026, which is to grow and engage our active user base, providing even more value by expanding our product and content offer in a reliable, consistent and sustainable way.

Business model, risks & opportunities

As expanding the product and content ecosystem is part of our strategy, it creates a direct link between the **well-being of our end-users (children)** and our business success.

Because our business model relies entirely on the trust of parents and the safety of the child's environment, any perceived compromise in **data privacy, product safety, or content appropriateness** poses a material **financial risk** that could lead to liability claims and reputational damage. We mitigate these risks through our Group Data Protection Policy, an independent Data Protection Officer, and pre-launch risk analyses combined with continuous monitoring to ensure compliance and safety.

Parallel to these protections, our commitment to **inclusive design** offers a **financial opportunity** to expand our market reach. By collaborating with diverse creators and offering inclusive, educational, and multilingual content, we attract a wide variety of customer groups, which strengthens brand loyalty and market position.

Table 36: Material consumers and end-users-related IROs and descriptions

	Material IRO	Description
Information-related impacts for consumers and/or end-users		
Positive impact	Provision of responsible products that can contribute to the development and education of children	The provision of responsible products supports children's development by fostering curiosity, creativity, and education. The positive impact of the Toniebox was validated by a study conducted by the University of Wisconsin-Madison (Norman & Wardrip, 2025). Creative Tonies promote freedom of expression and personalized storytelling. Content like the Conservation Crew and Clever Tonies "Sunspeed Explorers" introduces important topics such as sustainability and endangered species in an engaging, age-appropriate way. These offerings give parents and caregivers access to safe, value-driven content while supporting conscious consumption.
Positive impact	Existence of feedback channels that each customer/end-user can access	The availability of accessible feedback channels ensures that consumers and end-users can voice concerns, ask questions, or seek support. With a dedicated Customer Happiness team and a direct email for sustainability-related enquiries, consumers receive timely, personalized responses. This fosters trust, transparency, and engagement between tonies and its community.
Positive impact	Data protection of customers and end-users	Robust data protection measures ensure that consumer and end-user information is handled securely and transparently. With independent audits and individual handling of data-related enquiries, tonies demonstrates strong commitment to GDPR compliance. Features like encrypted data provision and accessible cookie settings further build trust and safeguard user privacy.
Risk	Unintentional data breaches that lead to a loss of reputation, liability claims and/or legal fines	Data breaches can harm tonies' reputation and result in legal penalties or liability claims. To manage this risk, tonies collaborates with an independent Data Protection Officer, provides secure data handling and transparency through dedicated support channels, has a Group Data Protection Policy in place, and ensures ongoing compliance with GDPR and related regulations.
Personal safety of consumers and/or end-users		
Positive impact	Promotion of physical and mental well-being by reducing screen time	The screen-free design of our product promotes children's physical and mental well-being, encouraging active listening and imaginative play. By demonstrably reducing screen time (Norman & Wardrip, 2025), it supports healthier routines and developmental benefits.
Negative impact	Residual risk of product-related injuries despite the implementation of preventive measures	Despite comprehensive preventive measures, a residual risk of product-related injuries cannot be fully eliminated. To minimize this, tonies conducts risk analyses before launch and maintains robust post-market monitoring through complaint management, product checks, and supplier oversight. This approach ensures swift identification and mitigation of potential safety issues, prioritizing user well-being.
Risk	Product-related injuries that lead to a loss of reputation and/or liability claims by customers, fines from authorities or claims for damages under competition law	Potential product-related injuries can trigger customer claims, regulatory fines, and loss of brand trust. tonies addresses this by performing pre-launch risk analyses, maintaining complaint and market monitoring systems, conducting supplier oversight, and designing screen-free, safe products to minimize risk throughout the product lifecycle.
Social inclusion of consumers and/or end-users		
Positive impact	Product and services are available to a wide range of customers/end-users, regardless of diversity and inclusion factors such as identity, background or abilities, due to the design of Toniebox, Tonies and contents	The inclusive design of the Toniebox, Tonies, content, and games ensures accessibility for a diverse range of users, regardless of identity, background, or abilities. Carefully selected and updated content, multilingual offerings, and collaboration with diverse creators promote representation and belonging. Durable, intuitive products encourage independent use, while customizable Creative Tonies reflect a variety of skin tones and characters, fostering inclusive play.
Opportunity	Attracting a wide variety of customer/end-user groups due to the inclusive design of Toniebox, Tonies and contents	Inclusive design of Toniebox, Tonies, games and content expands tonies' market reach and enhances brand loyalty. tonies fosters this by carefully selecting and relaunching content with inclusive language, collaborating with diverse creators, offering multilingual free content, and designing durable, user-friendly products with customizable, diverse Creative Tonies.

Our material risks and opportunities are primarily concentrated on the **age group of 1 to 8 years**. This group requires maximum protection regarding content appropriateness and physical safety.

Policies

tonies' policies to manage its material impacts, risks and opportunities related to consumers and end-users are outlined below. These policies cover **all consumers and end-users**, with a particular focus on children as the primary end-users of our products.

Responsible products

tonies manages impacts related to high product safety standards, ensuring the positive contribution of responsible products to children's education and well-being through reduced screen time. The related policies aim to mitigate potential risks while leveraging opportunities by providing inclusive products and services accessible to a wide range of users regardless of identity or ability.

To ensure compliance across global markets, the **Group Product Compliance Policy** outlines fundamental principles for adhering to legal mandates, technical norms, and retailer requirements to prevent non-compliance and maintain brand integrity. In instances where products placed on the market require corrective measures to ensure ongoing safety, the **Group Recall Policy** defines procedures for actions such as withdrawals to fulfill legal obligations and ensure due care.

Consumer protection is further supported by the **Group Complaint Policy**, which sets procedures for handling feedback from customers, dealers, or authorities to effectively monitor and address potential concerns. For digital security, the **Group Vulnerability Disclosure Policy** establishes a public practice for receiving and informing customers about potential security-related improvements in products and services. Additionally, the **Group Anti-Trust Policy** ensures fair dealings with business partners and prevents prohibited market coordination.

Data protection

tonies has policies in place to manage the positive impact of protecting customer data and to mitigate the financial risks associated with potential data security incidents, such as liability claims or legal fines. We ensure that the handling of personal information meets strict regulatory and ethical standards to maintain the trust of our users.

The **Group Data Protection Policy** informs employees on how to implement data protection requirements in accordance with applicable laws. Complementing this, the **Privacy Policy** – which is available publicly – provides transparent information regarding the processing of data across tonies' website, applications, and services, including payment processing.

Communication and feedback channels

tonies maintains a positive impact by providing accessible feedback channels for customers and end-users. These policies ensure that communication is conducted responsibly and that a strong corporate compliance culture is maintained through open dialogue and transparency.

The **Group Communications Policy** ensures that all corporate communication complies with applicable laws and tonies' brand values. For digital engagement, the **Social Media Guidelines** provide a framework for employees to support the brand while maintaining a professional and secure online presence. Finally, the **Whistleblowing Policy** offers a secure system for both employees and third parties to report potential concerns, helping the company address issues at an early stage and maintain the trust placed in us by customers and business partners.

Human rights commitments

tonies is committed to respecting internationally recognized human rights as defined by the UN Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles & Rights at Work, and the OECD Guidelines for Multinational Enterprises. These commitments are operationalized through the **Group Human Rights Policy**, which serves as a binding framework for all social and business relations. To ensure alignment with the UN Guiding Principles on Business and Human Rights, overall responsibility for human rights resides with tonies' CEO.

A central mechanism for monitoring compliance and providing remedy is the **whistleblowing system**, which enables both employees and third parties – including consumers – to report potential violations. This platform supports anonymous reporting and ensures that all concerns are treated with absolute confidentiality to uphold a culture of integrity and transparency.

Actions

Perspectives of consumers and end-users

At tonies, “we put our customers at the heart of what we do”. This guiding principle ensures we deliver exceptional value to both children and their caregivers by striving to understand, anticipate, and exceed their needs. To manage our material impacts – such as ensuring product safety, promoting well-being through reduced screen time, and maintaining inclusive designs – we leverage data and consumer expertise to inform our strategic decisions and daily activities.

To integrate the perspectives of our users into our business processes, tonies has two **specialized departments**:

- **Customer Happiness team:** This team specializes in managing consumer inquiries, including order-related and technical support. Their work ensures that the positive impact of accessible feedback channels is maintained, allowing us to respond to user needs and identify areas for improvement.
- **Consumer Insights team:** This team focuses on the why behind consumer behavior, researching underlying mindsets, motivations, and aspirations. These insights inform the development of responsible products that support child education and the promotion of mental well-being.

Perspectives from these teams are **shared regularly across the organization** to ensure that consumer-driven insights directly inform our work:

- **Global Customer Happiness Weekly Business Report:** Provides all employees with updates on department performance and recent consumer inquiries.
- **Custom Reporting and Global Consumer Insights Newsletter:** The team shares project-based custom reports and analyses, as well as a monthly communication that highlights specific research, such as families’ engagement with Tonieplay, to keep the company connected to what matters to our users.

Through these channels, consumer insights are made practical and applicable, enabling our teams to bring consumer experiences to life while driving the success of our product ecosystem.

The **Chief Experience Officer (CXO)** is the most senior role with operational responsibility for ensuring consumer engagement and integrating those results into the company’s approach. This is executed by the CXO team, a function that unites Brand, Product, and Content to ensure every decision is made with a customer-centric focus.

Remediating negative impacts and raising concerns

To address the remediation of the identified material negative impact – the residual risk of product-related injuries – tonies employs the following processes and assessment methods:

Processes for providing remedy

tonies utilizes a systematic approach to identify, avoid, and remediate potential product risks at different stages of the product lifecycle:

- **Pre-market launch:** A product-related risk analysis is conducted during development to identify potential risks early and avoid them through defined corrective measures.
- **Complaint management:** The Customer Happiness team records and evaluates complaints from various stakeholders. If a potential risk is identified, the complaint is forwarded to a dedicated Product Risk team for further processing and remediation.
- **Market and supplier monitoring:** Different teams collect safety-related information from social media and the press, forwarding it for evaluation. Additionally, tonies evaluates information from suppliers regarding changes in manufacturing or procurement processes to identify possible risks.

Assessing effectiveness of remedy

To ensure that remediation and preventive measures are effective, tonies maintains the following oversight:

- **Product checks:** The Quality team carries out regular product checks to verify that safety standards are maintained.
- **Ongoing evaluation:** The Customer Happiness team continuously records and evaluates stakeholder complaints, which allows the company to monitor whether identified issues have been resolved or if further action is required.

In case **specific information or support** is needed, our consumers and end-users can contact our dedicated **Customer Happiness team**.

For **sustainability-related enquiries**, we provide a dedicated email address (sustainability@tonies.com) so that requests are directly forwarded to tonies' **Sustainability team**.

Contributing to positive change

tonies is dedicated to creating positive change for children and families – using our audio platform to foster education and well-being.

Meaningful content

We aim to provide value-driven content that nurtures lifelong awareness and emotional resilience:

- **Mindfulness and emotional regulation:** Through specialized Tonies like Mo the Sloth (Meditation) and Sara the Llama (Yoga), we provide guided journeys and movement exercises designed to help children unwind, recognize their emotions, and build resilience. These offerings introduce essential tools like breathwork and sleep stories to support mental well-being.
- **Environmental awareness:** Our conscious content, such as the Sunspeed Explorers and Conservation Crew, introduces sustainability and the protection of endangered species in an age-appropriate, engaging format.
- **Freedom of expression:** Creative Tonies empower children to engage in personalized storytelling, promoting freedom of expression and creative independence.

Data protection and privacy

tonies maintains a secure digital ecosystem to safeguard the privacy of its users:

- **Compliance:** An external, independent Data Protection Officer regularly supports our adherence to GDPR and other relevant regulations.
- **Individual support:** Every data protection inquiry is handled individually by dedicated Customer Happiness and Legal & Compliance teams to ensure transparency.
- **Data management:** We provide stored personal data in an encrypted format or via post, utilizing identity verification through our support services to protect user identities.

Physical and mental well-being

The tonies ecosystem is designed to support healthy developmental routines:

- **Supporting daily habits and routines:** tonies offers a purposeful collection of audio figures designed to help children master daily tasks such as bedtime, hygiene, and potty training. By turning these everyday challenges into fun adventures, these Tonies help parents build consistency, positive behaviors, and confidence in their children.
- **Reducing screen time:** Our screen-free design encourages active listening and imaginative play, which has been shown to demonstrably reduce screen time for children.
- **Validated developmental impact:** The positive effect of the Toniebox on children's development was validated by research from the University of Wisconsin-Madison (Norman & Wardrip, 2025).

tonies pursues the opportunity to provide an inclusive ecosystem where every child feels represented and welcome.

Inclusion and accessibility

We strive to ensure that our products and content are representative and accessible to all families:

- **Representation in design:** Creative Tonies are available in diverse skin tones and customizable characters to foster inclusive play and belonging.
- **Inclusive content and language:** We carefully select our content library, relaunching Tonies with inclusive language and collaborating with a diverse network of writers and voice-over artists.
- **Multilingual offerings:** Our audio library provides free content in multiple languages to welcome children from diverse backgrounds.

Targets

While tonies' consumers and end-users-related **target** does not yet fully meet the requirements outlined by the ESRS (ESRS 2, MDR-T), it still provides valuable guidance on our path toward sustainability. We aim to enable more than 1 billion hours of screen-free listening, learning, and play annually – measured through total hours of active Toniebox usage, representing displaced screen time. This metric turns tonies' core impact into a measurable sustainability target, quantifying tonies' **contribution to well-being**. To support children's development, tonies provides age-appropriate, independent opportunities to play, grow, and discover.

Table 37: Consumers and end-users-related targets

Sub-topic	Target	Motivation	Target year	Metric & unit
Personal safety of consumers and/or end-users	Enable more than 1 billion hours of screen-free listening, learning, and play annually	To quantify and maximize tonies' positive impact on children's physical and mental well-being by providing a measurable alternative to digital screen exposure	2026	Total hours of active Toniebox usage, representing displaced screen time (Billion Hours)

Business Model and Strategy

Our **primary end-users** are children (vulnerable group), while our **primary consumers** (purchasers) are parents and gift-givers.

- **Harmful products:** Not applicable; our products are designed to promote development and well-being. Being screen-free, they provide a healthy counterbalance to digital screen time.
- **Privacy/Non-discrimination:** We provide digital services (Toniecloud/App) where protection of personal data and non-discriminatory content are material.
- **Information dependency:** End-users and consumers depend on clear, accessible safety instructions and age-appropriate labels to ensure safe handling of the Toniebox and Tonies.
- **Vulnerability:** Our end-users are particularly vulnerable (children) regarding health (material safety), privacy, and the influence of marketing.

Nature of negative impacts

Material negative impacts are not systemic to our business model but are monitored as:

- **Individual incidents:** Potential product defects (e.g., battery or material issues) that are managed through rigorous quality control and our Customer Happiness processes.
- **Specific relationships:** We mitigate risks by ensuring that retail and license partners adhere to our standards regarding age-appropriate marketing and ethical conduct.

To the contrary, **positive impact** on children's development through regular use of the Toniebox has been **documented scientifically**. A study conducted by the University of Wisconsin demonstrated that, for instance, children using the Toniebox showed 32% higher emergent literacy scores and improved vocabulary compared to those who did not.

Drivers of positive impacts

Positive impacts stem from our 'screen-free' philosophy and inclusive design:

- **Activities:** Product design that fosters cognitive development, independence (fine motor skills), and social inclusion through diverse Creative Tonies and inclusive storytelling
- **Affected groups:** Children worldwide, including those with visual impairments or learning disabilities who benefit from the tactile and auditory nature of the system

Arising risks and opportunities

While unlikely, unintentional data breaches and product-related injuries represent significant **risks**. These could lead to substantial **liability claims, legal fines, and penalties**. Such incidents would cause an immediate loss of consumer trust.

Conversely, the inclusive design of the Toniebox, combined with multilingual and diverse content, presents a material **opportunity** for market expansion. By attracting a wider variety of global customer groups and enhancing brand loyalty through durable, user-friendly products, we drive increased **customer lifetime value and market share growth**.

Younger children, particularly toddlers, face higher risks regarding physical product safety, such as choking hazards and durability issues. Consequently, we ensure the products they play with are certified for age-appropriateness. Our R&D and testing protocols are strictly tailored to the highest toy safety standards to mitigate these risks; furthermore, all products feature clear age labeling to help customers make responsible purchasing decisions.



Governance

Business Conduct

Effective governance is the foundation of corporate sustainability, ensuring responsible leadership, ethical practices, and long-term value creation. tonies' **corporate governance** is determined by the applicable Luxembourg Law, the company's articles of association, as well as the rules of procedure of the Management Board, the rules of procedure of the Supervisory Board, and the terms of reference of the Audit Committee.

The **management and supervisory bodies** of the company have profound **expertise** in matters concerning business conduct. tonies' **compliance system** contributes to the effective implementation of our values, principles, and rules.

Impacts, Risks and Opportunities

Table 38: Material business conduct-related IROs and descriptions

	Material IRO	Description
Corporate culture		
Positive impact	Promotion of an ethical and compliance-driven corporate culture	At tonies, integrity, responsibility, and transparency are at the core of our corporate culture, framed by our Code of Conduct and Code of Conduct for Business Partners. We uphold legal and ethical standards, foster a speak-up culture, and respect diversity and inclusion in both our workplace and products. tonies adopts relevant policies to further support our values and ensure compliance with our commitments across the organization.
Opportunity	Reputational opportunities and increased employee productivity due to a robust business culture	A robust ethical and compliance-driven corporate culture enhances tonies' reputation, strengthening trust among stakeholders, customers, and business partners. It can even enhance employee engagement, as clear values, an open expression space, and respective initiatives foster a sense of purpose and belonging.
Protection of whistleblowers		
Positive impact	Whistleblowers are protected from retaliation	tonies is committed to fostering a speak-up culture where employees and external stakeholders can raise concerns without fear of retaliation. Our Whistleblowing Policy and system ensure whistleblowers are protected, including the safeguarding of their identity. By protecting those who speak up, tonies reinforces trust and encourages ethical business conduct.
Management of relationships with suppliers including payment practices		
Opportunity	Close and long-lasting relationships with core suppliers, including licensors, leading to enhanced supply chain resilience and stability	tonies fosters close, long-term relationships with its core suppliers, including licensors, enhancing supply chain resilience and stability. Through regular communication and proactive engagement, we ensure supply continuity and minimize disruptions. Our commitment to these partnerships, reinforced by activities such as site visits, builds trust and collaboration, enabling strategic cooperation. tonies' Code of Conduct for Business Partners sets the framework for the company's relationships with suppliers.
Risk	Insufficient supplier collaboration to mitigate climate-driven resource and infrastructure risks in China and Vietnam	Manufacturing concentration, including in China and Vietnam, exposes tonies to increasing physical climate risks such as extreme weather and resource stress (e.g., water and energy volatility). These regional environmental factors can lead to unannounced infrastructure downtimes or shortages of critical components, representing a financial risk through production delays and increased procurement costs. tonies manages this risk by deepening collaborative, long-term relationships with core suppliers, moving beyond transactional procurement and toward a shared resilience approach.
Corruption and bribery		
Positive impact	Promotion of the fight against corruption and bribery	tonies is committed to preventing corruption and bribery. As a Designated Compliance Topic at tonies, measures are proactively managed to mitigate legal and reputational risks. Our Group Anti-Corruption Policy provides clear guidelines on ethical business conduct. Furthermore, employees have access to training to ensure compliance with regulatory requirements.

Policies

tonies has adopted a range of policies related to business conduct and has implemented corresponding actions. The details of these **policies and initiatives** are outlined below.

Code of Conduct

Under tonies' **Code of Conduct**, all employees of the group are required to abide by applicable laws and uphold a culture of integrity. The Code of Conduct outlines tonies' core values, which include corporate responsibility, embracing diversity, and considering the long-term impact of our actions.

Code of Conduct for Business Partners

In all business dealings, employees and teams shall work together with each other and our business partners on the basis of openness, respect and constructive cooperation, thereby fostering a culture and work environment that empowers every employee to do their best and provide a safe work environment. Relationships with our business partners play an important role in this context. Therefore, issues such as respect for human rights, prohibition of child labor, and compliance with other standards relating to labor rights and the provision of a safe workplace are set out in a separate **Code of Conduct for Business Partners** to which tonies commits itself in individual cases as well. The standards contained therein are based in many respects on those of the ILO and are intended to contribute to implementation and compliance along our supply chain.

Data protection and IT security

Given that tonies operates online, the group is aware of its special responsibility with regard to data protection and IT security. To ensure robust protection, we have adopted the **Group Data Protection Policy** and the **Group IT Security Policy**. To safeguard personal data of its employees, customers, suppliers, and business partners, tonies complies with the applicable provisions and requirements under relevant data protection laws and is particularly committed to basic principles such as purpose limitation, storage limitation, and the accountability of the person responsible for processing the data. tonies has implemented appropriate technical and organizational measures to prevent its data from unauthorized access. Employees are required to use company property only for business purposes and protect it from loss or damage by treating it with care. Furthermore, tonies places great importance on safeguarding confidential information, including, but not limited to, technical and financial data, as well as business strategies.

Corruption and bribery

Like any other organization, tonies encounters a variety of compliance risks. Based on an initial risk assessment, anti-corruption has been identified as a Designated Compliance Topic for tonies, requiring the company to comply with relevant regulatory requirements. A Designated Compliance Topic refers to a subject or area that is linked to substantial compliance risks, such as potential fines or damage to reputation. As a result, it requires proactive management to avoid regulatory violations and mitigate these risks effectively.

Specifically, the **Group Anti-corruption Policy** provides guidelines and a framework used to protect tonies, its management bodies, employees, customers, and business partners from risks and damage that may arise in connection with corruption. The policy covers business interactions with external parties and public officials. It describes key procedures and principles to prevent corruption and bribery-related incidents, such as prohibition of giving or accepting systematic benefits, considering social adequacy, and separate granting and accepting of benefits from business decisions. Additionally, the policy provides specific guidelines on gifts, event invitations, donations, sponsorships, and contributions.

Economic sanctions, anti-money laundering, and counter-terrorism financing

As a global company, we recognize the importance of regulations designed to prevent relationships with sanctioned individuals or entities, as well as to avoid any financial involvement in money laundering or the financing of terrorism. We are committed to ensuring full compliance with these regulations and have also adopted related policies, including the **Group Economic Sanctions Policy** and the **Money Laundering & Terrorism-Financing Prevention Policy**.

New policies are introduced through **internal announcements** and a **digital platform**, where employees review and, if required, formally acknowledge the contents. Depending on the subject matter, these resources are supplemented by mandatory training sessions to ensure a thorough understanding of the policy's implications. This approach ensures that all adopted policies are readily accessible and that their importance is clearly communicated across the organization.

Whistleblowing

We encourage all employees and other stakeholders to raise concerns. Concerns can internally be addressed to line managers or the Chief Compliance Officer. To simplify the reporting process, we have implemented an online **whistleblowing system** that allows both internal and external stakeholders to submit **anonymous reports**. The reports are addressed to the tonies employees responsible for making an initial assessment of the reported topic. The Legal & Compliance Department acts as official contact point in this regard. Although reports are submitted anonymously, the whistleblower can be contacted for questions and clarifications, which may be crucial for a thorough assessment.

The **Whistleblowing Policy** describes these procedural aspects, explains the different ways to create a report, and provides an overview of the different roles and responsibilities within the process. It also emphasizes key principles for whistleblower protection, including safeguarding their identity when personal data is provided and upholding the 'no reprisals for whistleblowers' principle. tonies is committed to **promptly, independently, and objectively investigating** all business conduct incidents.

Actions

Management of relationships with suppliers

This section outlines tonies' approach to managing supplier relationships, procurement practices, and incorporating social and environmental criteria into supplier selection, with a focus on fostering **long-term partnerships**. It specifically relates to all **direct (first-tier) product-related suppliers**, including those for the Toniebox, Tonies, and accessories.

Policy on preventing late payments

We value robust relationships with our suppliers, while **a formal policy is not yet adopted** to prevent late payments. The reasons for this include:

- **Existing contractual practices:** Payment terms are clearly outlined in supplier contracts, to the suppliers with established contractual agreements, providing a structured framework to ensure transparency and timely payments.
- **Relationship-driven approach:** Our strong relationships with suppliers, supported by regular communication and collaboration, effectively minimize payment issues without the need for a formalized policy.
- **Ongoing formalization efforts:** We are in the process of enhancing relationship management processes. This includes establishing policies to align with stakeholder expectations.

Supplier relationship management

We leverage a **structured approach** to managing relationships with suppliers, ensuring alignment with our business and sustainability goals.

- **Code of Conduct and business ethics:** Our Code of Conduct and Code of Conduct for Business Partners establish the foundation for all supplier relationships. We ensure commitment to our Code of Conduct for Business Partners by incorporating it into contracts with suppliers that have established contractual agreements.
- **Supply chain resilience and stability:** We engage proactively with suppliers to mitigate potential disruptions, maintaining open lines of communication through regular meetings focused on ensuring supply continuity and resilience.
- **Commitment to long-term partnerships:** We foster trust and collaboration through regular communication, site visits, and annual audits. The long-term partnership approach with suppliers potentially enables us to build strategic partnerships and pursue sustainability objectives.

Selection criteria for suppliers

Going forward, tonies' **supplier selection process** integrates ESG criteria to ensure alignment with our values, with specific KPIs used to evaluate environmental, social, and governance performance:

- **Environmental:** Availability of regularly updated environmental certifications (e.g., ISO 14001, EMAS)
- **Social:** Availability of regularly updated social certifications (e.g., ICTI, SA8000), as well as the score achieved in tonies' Human Rights Risk Analysis
- **Governance:** Degree of compliance with tonies' Code of Conduct for Business Partners

The **Supplier Scorecard** designed to formalize and streamline this assessment process is not yet fully implemented. Once operational, the scorecard shall encourage continuous improvement in sustainability practices.

Trainings

During the 2025 reporting period, no dedicated training sessions on business conduct were held. tonies is setting up a **new digital platform** for web-based training, with compliance topics such as anti-corruption and data protection included. The company remains **committed to conducting comprehensive training** on a two-year cadence and, by doing so via a web-based format, ensuring that relevant training metrics and completion rates will be available for subsequent reporting periods.

Targets

tonies has not yet established ESRs-compliant targets for the group's material business conduct-related IROs. However, the company has defined **qualitative, medium-term targets** to guide its efforts.

Table 39: Business conduct-related targets

Sub-topic	Target	Motivation	Target year	Metric & unit
Management of relationships with suppliers including payment practices	Revision of tonies' Code of Conduct for Business Partners to achieve improved consistency with licensors' and other business partners' requirements	To support ongoing compliance with legal requirements and agreements with tonies' business partners	2026	CoCBP has been revised (Yes/No)
Corporate culture	Update of the risk assessment to revalidate, and if necessary, revise tonies' Designated Compliance Topics, as well as the review and update of tonies' business conduct-related policies to ensure they remain aligned with current standards	To ensure ongoing compliance and relevance of tonies' Compliance Management System (CMS)	2030	<ul style="list-style-type: none"> • Risk assessment has been updated (Yes/No) • Policies have been updated (Yes/No)
Management of relationships with suppliers including payment practices	Compliance with applicable sustainability standards and certifications	To create transparency regarding our suppliers' sustainability standards and certifications	2030	Suppliers with CoCBP implemented (%)

Metrics

Incidents of corruption or bribery

The **Legal & Compliance Department is responsible for investigating** reports received in connection with corruption and bribery and, if necessary, initiating further investigations. In accordance with the general reporting structure, information is also provided to the Management Board (or the responsible member of the Management Board), depending on circumstances of the individual case.

In the reporting period, **no incidents of corruption or bribery** were reported.

Payment practices

tonies is committed to upholding **fair payment practices** and ensuring equitable treatment of all partners, discouraging any misuse of our position to gain unfair advantages, especially in our dealings with small and medium-sized enterprises (SMEs).

The **average time to pay an invoice**, measured from the invoice date to the payment date, is **48 days**. The increase in payment days compared to last year's disclosure is due to a transition to a more precise calculation methodology, rather than a change in actual payment behavior.

Our **standard payment terms** typically suggest a period of **30–60 days** after receipt of the invoice, allowing sufficient time for internal checks and processing. However, payment modalities are negotiated individually with each business partner or supplier to accommodate specific agreements. As part of our commitment to fostering long-term partnerships, we prioritize adhering to the agreed payment terms with all our suppliers.

tonies is currently unable to disclose the **percentage of payments aligned** with standard payment terms due to limitations in data tracking. However, we are committed to improving our systems and processes to enable transparent reporting on this metric in the future.

tonies has **no outstanding legal proceedings** related to late payments.



Appendix

Disclosure Requirements and Incorporation by Reference

Table 40 lists all **Disclosure Requirements** covered in **this sustainability report**, following the outcome of the materiality assessment. Furthermore, we have made use of the option to incorporate some **information by reference** to parts of **tonies' Annual Report 2025**. The respective disclosure requirements or specific data points are listed in Table 41.

Table 40: List of Disclosure Requirements covered in this sustainability report, following the outcome of the materiality assessment

ESRS 2: General disclosures		Page
BP-1	General basis for preparation of sustainability statements	6
BP-2	Disclosures in relation to specific circumstances	6 – 7, 30
GOV-1	The role of the administrative, management and supervisory bodies	7 – 9
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	9 – 10
GOV-3	Integration of sustainability-related performance in incentive schemes	10
GOV-4	Statement on due diligence	70
GOV-5	Risk management and internal controls over sustainability reporting	10 – 12
SBM-1	Strategy, business model and value chain	13 – 16
SBM-2	Interests and views of stakeholders	9, 17
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	20 – 24, 27, 31, 34, 43, 52, 55, 62
IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	7 – 8, 18 – 19
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	18 – 19, 68 – 74
ESRS E1: Climate change		Page
ESRS 2, GOV-3	Integration of sustainability-related performance in incentive schemes	10
E1-1	Transition plan for climate change mitigation	26
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	27
ESRS 2, IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	18 – 19, 27
E1-2	Policies related to climate change mitigation and adaptation	28
E1-3	Actions and resources in relation to climate change policies	28
E1-4	Targets related to climate change mitigation and adaptation	28
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	29 – 30
ESRS E2: Pollution		Page
ESRS 2, IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	18 – 19, 31
E2-1	Policies related to pollution	31
E2-2	Actions and resources related to pollution	31
E2-3	Targets related to pollution	32
E2-5	Substances of concern and substances of very high concern	32 – 33

ESRS E5: Resource use and circular economy		Page
ESRS 2, IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	18 – 19, 34 – 35
E5-1	Policies related to resource use and circular economy	35
E5-2	Actions and resources related to resource use and circular economy	35 – 36
E5-3	Targets related to resource use and circular economy	37
E5-4	Resource inflows	38
E5-5	Resource outflows	39 – 40
ESRS S1: Own workforce		Page
ESRS 2, SBM-2	Interests and views of stakeholders	17
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	42 – 43
S1-1	Policies related to own workforce	44 – 45, 63
S1-2	Processes for engaging with own workforce and workers' representatives about impacts	44 – 45, 48, 63
S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	45 – 46
S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	46 – 48
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	48
S1-6	Characteristics of the undertaking's employees	49
S1-9	Diversity metrics	50
S1-10	Adequate wages	48
S1-12	Persons with disabilities	50
S1-13	Training and skills development metrics	50 – 51
S1-17	Incidents, complaints and severe human rights impacts	51
ESRS S4: Consumers and end-users		Page
ESRS 2, SBM-2	Interests and views of stakeholders	56 – 57
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	54 – 55, 59 – 60
S4-1	Policies related to consumers and end-users	56 – 57
S4-2	Processes for engaging with consumers and end-users about impacts	57
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	56 – 58, 64
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	57 – 59
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	59
ESRS G1: Business conduct		Page
ESRS 2, GOV-1	The role of the administrative, management and supervisory bodies	7 – 9, 62
ESRS 2, IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	18 – 19
G1-1	Business conduct policies and corporate culture	63 – 66
G1-2	Management of relationships with suppliers	65
G1-3	Prevention and detection of corruption and bribery	63 – 66
G1-4	Incidents of corruption or bribery	66
G1-6	Payment practices	66

Table 41: Information incorporated by reference to tonies' Annual Report 2025

ESRS Disclosure Requirement/Data Point		Section/Report	Page
GOV-1	The role of the administrative, management and supervisory bodies (composition, identity)	Corporate governance and responsibility statement	79 – 81
SBM-1	Strategy, business model and value chain (strategy, business model, products, services)	Consolidated Management Report; Notes to the Consolidated Financial Statements	36 – 37, 39 – 41, 96, 135
SBM-1	Strategy, business model and value chain (markets, customer groups)	Consolidated Management Report; Notes to the Consolidated Financial Statements	36 – 37, 110 – 112, 135
SBM-1	Strategy, business model and value chain (value chain)	Consolidated Management Report	65
SBM-1	Strategy, business model and value chain (total headcount, headcount by geographical area)	Consolidated Management Report	63
Not applicable	Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)	Consolidated Management Report	58 – 62

Statement on Due Diligence

Table 42 illustrates how tonies' **due diligence process** on sustainability matters is **reflected in this sustainability report**. The mapping aligns with ESRS 1, Chapter 4, showcasing the main aspects and steps of due diligence. By linking these aspects to relevant Disclosure Requirements under the ESRS, the mapping provides a clear overview of tonies' practices and their integration into sustainability governance, risk management, and reporting.

Table 42: Core elements of due diligence and related paragraphs in this report

Core Elements of Due Diligence	Section/Sustainability Report Sections	Page
(a) Embedding due diligence in governance, strategy and business model	General Environment Social Governance	7 – 9, 13 – 16 26 42, 53, 54, 59 62 – 63
(b) Engaging with affected stakeholders in all key steps of the due diligence	General	17
(c) Identifying and assessing adverse impacts	General Environment Social Governance	18 – 24 27, 31, 34 43, 52, 55 62
(d) Taking actions to address those adverse impacts	General Environment Social Governance	19, 24 28, 31, 35 – 36 45–48, 53, 57–59 65
(e) Tracking the effectiveness of these efforts and communicating	General Environment Social Governance	10 – 12, 24 28 – 30, 32 – 33, 37 – 40 48 – 51, 53, 59 66

Datapoints Deriving from other EU Legislation

Table 43 lists all **data points derived from other EU legislation**, as outlined in ESRS 2, Appendix B. It indicates where each data point is addressed in this report and identifies those assessed as not material or not applicable.

Table 43: Datapoints deriving from other EU legislation

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section	Page
ESRS 2 GOV-1 Board's gender diversity § 21 (d)	X		X		General	8
ESRS 2 GOV-1 Percentage of board members who are independent § 21 (e)			X		General	8
ESRS 2 GOV-4 Statement on due diligence § 30	X				Appendix	70
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities § 40 (d) i	X	X	X		not applicable	-
ESRS 2 SBM-1 Involvement in activities related to chemical production § 40 (d) ii	X		X		not applicable	-
ESRS 2 SBM-1 Involvement in activities related to controversial weapons § 40 (d) iii	X		X		not applicable	-
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco § 40 (d) iv			X		not applicable	-
ESRS E1-1 Transition plan to reach climate neutrality by 2050 § 14				X	Environment	26
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks § 16 (g)		X	X		Environment	26
ESRS E1-4 GHG emission reduction targets § 34	X	X	X		Environment	28
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) § 38	X				not material	-
ESRS E1-5 Energy consumption and mix § 37	X				not material	-
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors § 40 to 43	x				not material	-
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions § 44	X	X	X		Environment	29
ESRS E1-6 Gross GHG emissions intensity § 53 to 55	X	X	X		Environment	30

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section	Page
ESRS E1-7 GHG removals and carbon credits § 56				X	not applicable	-
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks § 66			X		transition period applies	-
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk § 66 (a)		X			transition period applies	-
ESRS E1-9 Location of significant assets at material physical risk § 66 (c)						
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes § 67 (c)		X			transition period applies	-
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities § 69			X		transition period applies	-
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil § 28	X				not material	-
ESRS E3-1 Water and marine resources § 9	X				not material	-
ESRS E3-1 Dedicated policy § 13	X				not material	-
ESRS E3-1 Sustainable oceans and seas § 14	X				not material	-
ESRS E3-4 Total water recycled and reused § 28 (c)	X				not material	-
ESRS E3-4 Total water consumption in m3 per net revenue on own operations § 29	X				not material	-
ESRS 2 IRO-1 – E4 § 16 (a) i	X				not material	-
ESRS 2 IRO-1 – E4 § 16 (b)	X				not material	-
ESRS 2 IRO-1 – E4 § 16 (c)	X				not material	-
ESRS E4-2 Sustainable land/agriculture practices or policies § 24 (b)	X				not material	-
ESRS E4-2 Sustainable oceans/seas practices or policies § 24 (c)	X				not material	-
ESRS E4-2 Policies to address deforestation § 24 (d)	X				not material	-

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section	Page
ESRS E5-5 Non-recycled waste § 37 (d)	X				Environment	39
ESRS E5-5 Hazardous waste and radioactive waste § 39	X				Environment	39
ESRS 2 SBM-3 Risk of incidents of forced labor § 14 (f)	X				not material	-
ESRS 2 SBM-3 Risk of incidents of child labor § 14 (g)	X				not material	-
ESRS S1-1 Human rights policy commitments § 20	X				Social	44
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8 § 21			X		Social	44
ESRS S1-1 processes and measures for preventing trafficking in human being § 22	X				not material	-
ESRS S1-1 workplace accident prevention policy or management system § 23	X				Social	45
ESRS S1-3 grievance/complaints handling mechanisms § 32 (c)	X				Social	46
ESRS S1-14 Number of fatalities and number and rate of work-related accidents § 88 (b) and (c)	X		X		not reported	-
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness § 88 (e)	X				not reported	-
ESRS S1-16 Unadjusted gender pay gap § 97 (a)	X		X		not reported	-
ESRS S1-16 Excessive CEO pay ratio § 97 (b)	X				not reported	-
ESRS S1-17 Incidents of discrimination § 103 (a)	X				Social	51
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD § 104 (a)	X		X		Social	51
ESRS 2 SBM-3 – S2 Significant risk of child labor or forced labor in the value chain § 11 (b)	X				transition period applies	-
ESRS S2-1 Human rights policy commitments § 17	X				transition period applies	-

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section	Page
ESRS S2-1 Policies related to value chain workers § 18	X				transition period applies	-
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines § 19	X		X		transition period applies	-
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8 § 19			X		transition period applies	-
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain § 36	X				transition period applies	-
ESRS S3-1 Human rights policy commitments § 16	X				not material	-
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines § 17	X		X		not material	-
ESRS S3-4 Human rights issues and incidents § 36	X				not material	-
ESRS S4-1 Policies related to consumers and end-users § 16	X				Social	56 – 57
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines § 17	X		X		Social	56 – 57
ESRS S4-4 Human rights issues and incidents § 35	X				not applicable	-
ESRS G1-1 United Nations Convention against Corruption § 10 (b)	X				not applicable	-
ESRS G1-1 Protection of whistleblowers § 10 (d)	X				not applicable	-
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws § 24 (a)	X		X		Governance	66
ESRS G1-4 Standards of anti-corruption and anti-bribery § 24 (b)	X				Governance	63

Abbreviations

ABS	Acrylonitrile Butadiene Styrene (a type of plastic)
CCF	Corporate Carbon Footprint
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CHRO	Chief Human Resources Officer
CoC	Code of Conduct
CoCBP	Code of Conduct for Business Partners
CO₂e	Carbon Dioxide Equivalent
CSRD	Corporate Sustainability Reporting Directive
DMA	Double Materiality Assessment
EFRAG	European Financial Reporting Advisory Group
ESG	Environmental, Social, Governance
ESRS	European Sustainability Reporting Standard(s)
GHG	Greenhouse Gas
GOTS	Global Organic Textile Standard
IDP	Individual Development Planning
ILO	International Labor Organization
IROs	Impacts, risks and opportunities
I&D	Inclusion & Diversity
MDR-A	Minimum Disclosure Requirements regarding actions
MDR-T	Minimum Disclosure Requirements regarding targets
PMO	Project Management Office
PVC	Polyvinyl Chloride (a type of plastic)
REACH	Registration, Evaluation, Authorisation and Restriction of Chemicals
SC	Sustainability Committee
SOC(s)	Substance(s) of Concern
SVHC(s)	Substance(s) of Very High Concern

Imprint

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Disclaimer

Certain statements included in this document are forwardlooking statements. Forwardlooking statements can typically be identified by the use of words such as “expects”, “may”, “will”, “could”, “should”, “intends”, “plans”, “predicts”, “envisages” or “anticipates” or other words of similar meaning. These forwardlooking statements are based upon current expectations and assumptions regarding anticipated developments and other factors affecting the tonies SE. They are not historical or current facts, nor are they guarantees of future performance. By their nature, forwardlooking statements involve several risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by the forward looking statements. These risks, uncertainties and assumptions could adversely affect the outcome and financial effects of the plans and events described in this document. These forwardlooking statements speak only as of the date of this announcement. Except as required by any applicable mandatory law or regulation, the tonies SE expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forwardlooking statements contained in this document to reflect any change in the tonies SE's expectations with regard thereto or any change in events, conditions or circumstances on which any such forwardlooking statements are based. Neither tonies SE nor any other person accepts any responsibility for the accuracy of the opinions expressed in this document or the underlying assumptions.



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9, Rue de Bitbourg
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To the Management Board of
tonies SE

9, rue de Bitbourg
L-1273 Luxembourg

Limited assurance report on tonies SE's Sustainability Report

Limited Assurance Conclusion

We have conducted a limited assurance engagement on the Sustainability Report of tonies SE (the "Company" or the "Group"), (the "Sustainability Report"), for the year ended 31 December 2025.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the accompanying Sustainability Report is not prepared, in all material respects, in accordance with articles 29(a) of the EU Directive 2013/34/EU ("the Directive") including:

- Compliance with the European Sustainability Reporting Standards ("ESRS");
- The process carried out by the Group to identify the information reported (the "Process") is in accordance with the description set out in the section "Impact, Risk and Opportunity Management".

Basis for Limited Assurance Conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (revised) ("ISAE 3000"), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, established by the International Auditing and Assurance Standards Board ("IAASB") as adopted for Luxembourg by the Institut des Réviseurs d'Entreprise ("IRE").

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the Responsibilities of the réviseur d'entreprises agréé section of our report.

Our independence and quality management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the “Commission de Surveillance du Secteur Financier” (CSSF), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Management (“ISQM”) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements as adopted for Luxembourg by the CSSF, which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Emphasis of matter- Use of estimates and measurement uncertainty

We draw attention to the disclosures in “Basis for Preparation” (pages 6–7), where the Group explains that certain information, including greenhouse gas emissions, is based on estimates using national averages and a spend-based approach.

The Group further states that such calculations may differ from actual emissions and that the spend-based method is associated with lower accuracy. In addition, gross Scope 3 greenhouse gas emissions are subject to a high level of measurement uncertainty, driven by assumptions and limited availability of data from the upstream value chain.

Our conclusion is not modified in respect of this matter.

Emphasis of matter- Use of phase-in provisions

We draw attention to the disclosures in “Impact, Risk and Opportunity Management” (page 19), where the Group states that reporting on certain topics, including “Workers in the value chain,” continues to be subject to a phase-in period, with reporting provided in an abbreviated format.

Our conclusion is not modified in respect of this matter.

Emphasis of Matter – Changes in double materiality assessment methodology

We draw attention to the disclosures in “Impact, Risk and Opportunity Management” (page 18), where the Group describes enhancements to its double materiality assessment, including the transition to a tool-based environment, refined scoring methodologies and increased granularity of value chain assessment.

Our conclusion is not modified in respect of this matter.

Emphasis of Matter - Implementation and enhancement of policies, actions and targets

We draw attention to the disclosures in the section “Governance – Reporting to tonies’ Management and Supervisory Boards on sustainability matters” (page 9), where the Group states that it is currently in the process of formalizing its sustainability-related policies, actions, metrics and targets, and that the systematic review of their results and effectiveness is planned for future reporting periods.

Furthermore, as described in “Impact, Risk and Opportunity Management” (page 19), the Group indicates that it is in the process of establishing a structured approach to integrate sustainability-related impacts, risks and opportunities into broader strategic decision-making.

Accordingly, certain elements of the Group's sustainability framework are still under development and not yet fully operational.

Our conclusion is not modified in respect of this matter.

Other matter- Comparative information

The Sustainability Report for the year ended 31 December 2025 reflects changes in scope, methodology and level of detail compared to the prior year. In particular:

- Reporting on "Consumers and end-users" is provided comprehensively for the first time, whereas in the prior year this topic was subject to a phase-in provision,
- Reporting on "Workers in the value chain" remains subject to phase-in provisions,
- The Group has refined its double materiality assessment methodology, and
- The Group has enhanced its data collection processes and reporting infrastructure.

As a result, comparability of certain disclosures and metrics with the prior year may be limited.

Our conclusion is not modified in respect of this matter.

Responsibilities of the Management Board and those charged with governance for the Sustainability Report

The Management Board of the Group is responsible for designing, implementing and maintaining a process to identify the information reported in the Sustainability Report in accordance with ESRS and for disclosing this Process in the section "Impact, Risk and Opportunity Management – Double materiality assessment process" of the Sustainability Report.

This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short, medium, or long term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

The Management Board of the Group is further responsible for the preparation of the Sustainability Report in accordance with the article 29(2) of the EU Directive 2013/34/EU, which includes the information identified by the Process, including:

- compliance with the ESRS;
- designing, implementing and maintaining such internal control that Management Board determines is necessary to enable the preparation of the Sustainability Report that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Those charged with governance are responsible for overseeing the Group's sustainability reporting process.

Inherent limitations in preparing the Sustainability Report

In reporting forward-looking information in accordance with ESRS, the Management Board of the Group is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. The actual outcome is likely to be different since anticipated events frequently do not occur as expected.

In determining the disclosures in the Sustainability Report, the Management Board of the Group interprets undefined legal and other terms. Undefined legal and other terms may be interpreted differently, including the legal conformity of their interpretation and, accordingly, are subject to uncertainties.

Responsibility of the réviseur d'entreprises agréé

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Report are free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Report as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000, we exercise professional judgement and maintain professional skepticism throughout the engagement.

Our responsibilities in respect of the Sustainability Report, in relation to the Process, include:

- Performing procedures, including obtaining an understanding of internal controls relevant to the engagement, to identify risks that the Process to identify the information reported in the Sustainability Report does not address the applicable requirements of ESRS, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Designing and performing procedures to evaluate whether the Process to identify the information reported in the Sustainability Report is consistent with the Group's description of its Process as disclosed in the Sustainability Report.

Our other responsibilities in respect of the Sustainability Report include:

- Performing risk assessment procedures, including obtaining an understanding of internal controls relevant to the engagement, to identify where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control;
- Designing and performing procedures responsive to where material misstatements are likely to arise in the Sustainability Report. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Report. The procedures performed in a limited assurance engagement vary in nature and form, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, identification of disclosures where material misstatements are likely to arise in the Sustainability Report, whether due to fraud or error.

In conducting our limited assurance engagement, with respect of the Process, we:

- Obtained an understanding of the Process by:
 - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
 - reviewing the Group's internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures about the Process implemented by the Group was consistent with the description of the Process set out in the Sustainability Report.

In conducting our limited assurance engagement, with respect to the Sustainability Report, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Report by conducting interviews with the Group's key personnel;
- Evaluated whether all information identified by the Process to identify the information reported in the Sustainability Report is included in the Sustainability Report;
- Evaluated whether the structure and the presentation of the Sustainability Report is in accordance with the ESRS;
- Performed inquiries of relevant personnel and analytical procedures on selected disclosures in the Sustainability Report;
- Performed substantive assurance procedures based on a sample basis on selected disclosures in the Sustainability Report;
- Compared selected disclosures in the Sustainability Report with the corresponding disclosures in the Consolidated Financial Statements and Management Report within the tonies SE 2025 Annual report;
- Evaluated the methods, assumptions, and data for developing estimates and forward looking information;

Other information

The Management Board of tonies SE is responsible for the other information. The other information comprises the sections of the tonies SE 2025 Annual Report that are incorporated by reference into the Sustainability Report, namely the Corporate Governance and Responsibility Statement, the Consolidated Management Report (including, among other topics, strategy, business model, markets, value chain, headcount, and taxonomy disclosures), and selected Notes to the Consolidated Financial Statements. The other information does not include the Sustainability Report and our assurance report thereon.

Our conclusion on the Sustainability Report does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our limited assurance engagement on the Sustainability Report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Sustainability Statement or our knowledge obtained in the limited assurance engagement, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Luxembourg, 9 April 2026

For Forvis Mazars, Cabinet de révision agréé
5, rue Guillaume J. Kroll
L-1882 LUXEMBOURG

Signed by:


A blue bracket-shaped line connects the text "Signed by:" to the signature and the name below.

Houssein DOM
Réviseur d'entreprises agréé