

Sustainability Report 2024

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A note from our CEO

We believe sexual happiness is an essential component of overall health and wellbeing and should be accessible to all. We make it our mission to provide high-quality sexual wellness products, education and support for open, respectful dialogue - empowering individuals to lead fun and fulfilling sex lives.

Our commitment to responsible business practice is rooted in our broader purpose: to lead the world's pursuit of sexual happiness in a way that is inclusive, ethical and sustainable.

As we grow, we remain deeply aware of our responsibility to stakeholders, including employees, customers, suppliers, communities and the environment. We strive to operate transparently and with integrity and we are embedding sustainability into our operations.

This report details our performance across material topics such as environmental impact, supply chain ethics, employee wellbeing, diversity and inclusion, alongside product responsibility.

We align our sustainability practices with internationally recognized frameworks and our sustainability strategy continues to evolve in response to stakeholder expectations and global challenges.

We invite you to share in our progress and to join us in shaping a future where sexual happiness and sustainability go hand-in-hand.

A handwritten signature in black ink that reads "Johannes". The signature is fluid and cursive.

Johannes Plettenberg
CEO Lovehoney Group

Company Overview

Lovehoney Group is the world's leading B2B and B2C sexual wellness products company, shaped by mergers and acquisitions that have brought together some of the industry's strongest brands.

Our business strategy combines scale with innovation, ensuring that the business continues to grow while setting standards for quality, compliance and customer trust.

We create value through a balanced multi-channel approach. Direct-to-consumer retail is our largest channel, delivering both revenue and rich customer insight. Alongside this, we sell via major marketplaces such as Amazon and eBay and run wholesale operations serving adult retailers worldwide. We also extend into mainstream wellness and lifestyle segments by distributing own-brand products to global retail partners.

This commercial model is underpinned by a robust set of capabilities: innovation-led product development, ethical sourcing and compliance, advanced e-commerce and marketing technology, efficient global logistics and discreet, knowledgeable customer support.

Together, these strengths enable Lovehoney Group to reach more people, build stronger brands and shape the future of sexual wellness.

Lovehoney Group is privately owned by investors, founders and minority shareholders.



Lovehoney Group employees at eroFame

MISSION

Our mission is to lead the world's pursuit of sexual happiness by delivering high-quality, innovative sexual wellness products. Designed, manufactured and sold through best-in-class consumer websites and trusted B2B partners, our products bring happiness and connection to millions of people worldwide.

VALUES

- **We lead the way** – making sexual happiness mainstream and accessible to everyone, we lead the way.
- **We make our customers happy** – for our customers, we don't just bring more to sex, we bring more to life.
- **We win together** – a truly global team, we embrace diversity and promote inclusivity and respect.
- **Success starts with you** – we welcome ways to improve ourselves, our colleagues and the company.

PORTFOLIO

We create and license leading product and retail brands in the sexual wellness space. Our portfolio includes over 110 IP-protected innovations, all developed through research-driven design to bring customers safe, exciting and effective products.



MARKETS & REACH

Active across more than 60 countries, we serve customers through trusted B2B partners and marketplaces, as well as our own retail websites.

In 2024, we made over four million retail deliveries directly to customers and welcomed 114 million visitors to our websites.

Our community continues to grow, with more than 1.3 million followers across social media platforms.

LOCATIONS

We operate across eight countries, with factories, warehouses, research and development laboratories, offices and retail stores supporting our global business.



PEOPLE

Our 850+ employees represent 82 nationalities and speak 29 languages, making us a truly diverse and international team.

AWARDS

We are recognized globally for excellence in design, innovation and social impact across both our product and retail brands. Some of our recent awards are shown below, highlighting our leadership in different domains.



ThirdSector Awards



reddot winner 2023
personal care, wellness and beauty design



Sustainability Strategy

Sustainability is one of our strategic principles and a cornerstone of both our long-term growth and our sexual wellness mission. Our approach draws on global best practice, including the United Nations Sustainable Development Goals (SDGs) and focuses on the sustainability issues most relevant to our business.



This commitment is brought to life through our RESPECT Program, built on three key pillars: People, Pleasure and Planet.

Our RESPECT program aligns Lovehoney Group with the sustainability efforts of our many stakeholders and enables us to identify common goals towards society and the environment.

STAKEHOLDERS

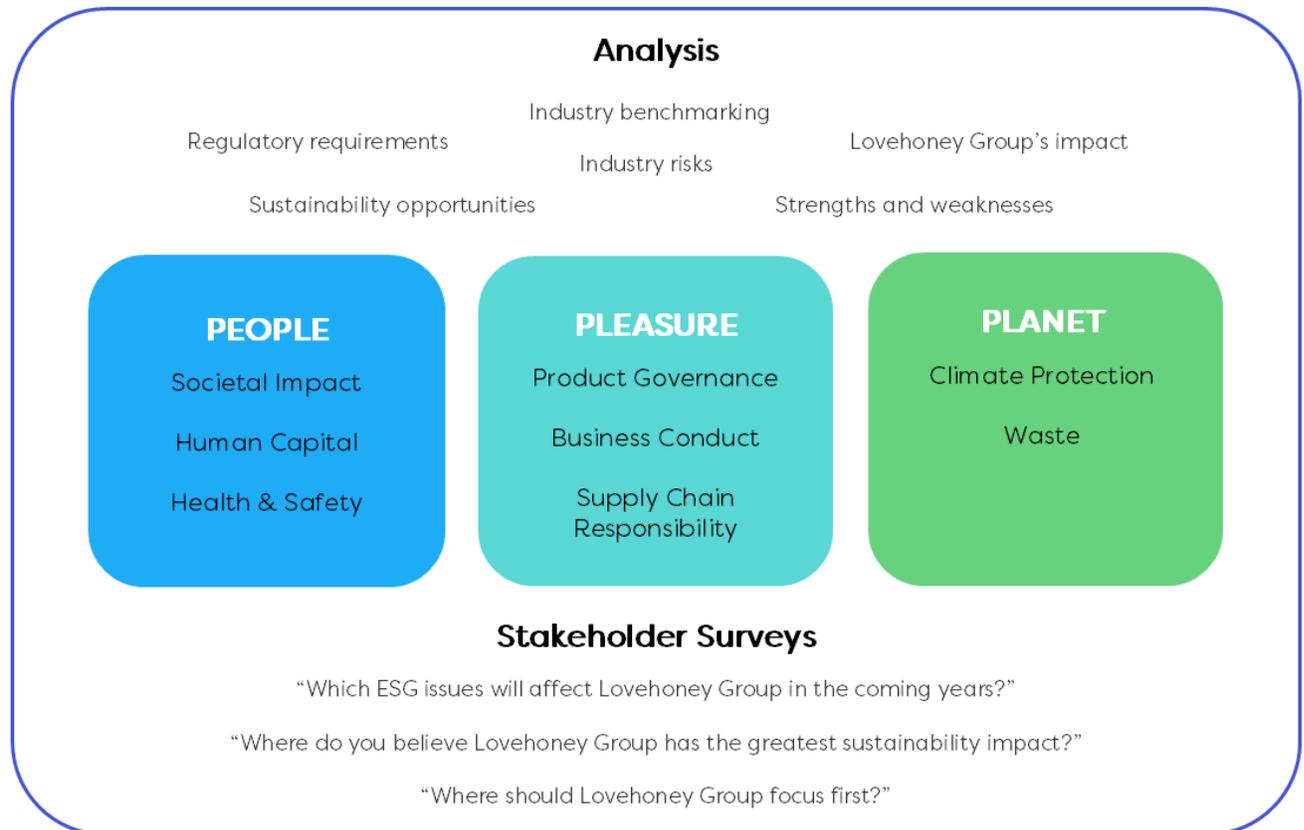
We engage with a diverse range of stakeholders to understand their perspectives, expectations and concerns regarding our sustainability impacts. Our key stakeholder groups include **employees, customers, suppliers, shareholders, banks and legal advisors.**

Engagement takes place both through daily interactions and regular feedback, as well as through structured mechanisms such as surveys, interviews, supplier audits and investor meetings. These interactions are integral to our materiality assessment, helping us identify actual and potential sustainability impacts, risks and opportunities across our value chain. The insights gathered directly inform our sustainability strategy, ensuring alignment with stakeholder interests and regulatory expectations.

FOCUS AREAS

To determine the sustainability topics most material to our business, we conducted a comprehensive **materiality assessment** incorporating stakeholder engagement, industry benchmarking and risk analysis. As part of this process, we asked key stakeholders a series of questions, including “*where do you believe Lovehoney Group has the greatest sustainability impact?*”, helping us identify how stakeholders perceive sustainability issues in relation to Lovehoney Group. Our materiality assessment also considered the Sustainability Accounting Standards Board (SASB) analysis of our industry risks and opportunities.

Lovehoney Group Materiality Assessment



Topics mapped highest in our materiality assessment reflect areas stakeholders see as being of strategic focus for Lovehoney Group, based on our business model, geographic footprint and operational activities. Topics positioned lower are not less important, but are areas where stakeholders see our impact or risk as more contained, or where strong internal practices are already in place. All topics shown are fundamental to our sustainability strategy and ongoing commitments.

Leading from our materiality assessment, we identified a prioritized set of material topics spanning environmental, social and governance dimensions, which form the foundation of our RESPECT sustainability program.

We will review and update our materiality assessment to ensure it remains aligned with our business priorities and responsive to the sustainability issues most important to our stakeholders.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

We reference best practices in developing our sustainability strategy, including the United Nations Sustainable Development Goals (SDGs).

UN SDG	LOVEHONEY GROUP FOCUS
<p>3 GOOD HEALTH AND WELL-BEING</p> 	<p>Ensure healthy lives and promote wellbeing for all at all ages</p> <p>Target 3.7: Ensure universal access to sexual and reproductive health-care services, including for family planning, information and education</p> <p>Target 3.8: Achieve access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines for all</p> <p><i>See RESPECT by Lovehoney Group: People section for more information on our sexual wellness mission</i></p>
<p>8 DECENT WORK AND ECONOMIC GROWTH</p> 	<p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p> <p>Target 8.5: Achieve full and productive employment and decent work for all women and men and equal pay for work of equal value</p> <p>Target 8.7: Take measures to eradicate forced labor, end modern slavery and human trafficking and eliminate child labor</p> <p>Target 8.8: Protect labor rights and promote safe and secure working environments for all workers</p> <p><i>See RESPECT by Lovehoney Group: People section for more information on our approach to labor practices and human rights</i></p>

UN SDG LOVEHONEY GROUP FOCUS

13 CLIMATE ACTION



Take urgent action to combat climate change and its impacts

Target 13.1: Strengthen resilience to climate-related hazards and natural disasters

Target 13.2: Integrate climate change measures into national policies, strategies and planning

See RESPECT by Lovehoney Group: Planet section for more information on our environmental actions

14 LIFE BELOW WATER



Conserve and sustainably use the oceans, seas and marine resources for sustainable development

Target 14.1: Prevent and reduce marine pollution, in particular from land-based activities, including marine debris and nutrient pollution

See RESPECT by Lovehoney Group: Planet section for more information on our product and packaging initiatives

15 LIFE ON LAND



Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification and halt and reverse land degradation and halt biodiversity loss

Target 15.2: Promote the implementation of sustainable management of forests, halt deforestation, restore degraded forests and increase afforestation and reforestation

See RESPECT by Lovehoney Group: Planet section for more information on our packaging initiatives and compliance approach

UN SDG

LOVEHONEY GROUP FOCUS

16 PEACE, JUSTICE
AND STRONG
INSTITUTIONS



Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

Target 16.2: End abuse, exploitation, trafficking and violence against and torture of children

Target 16.5: Reduce corruption and bribery in all their forms

Target 16.6: Develop effective, accountable and transparent institutions at all levels

Target 16.7: Ensure responsive, inclusive, participatory and representative decision-making

See RESPECT by Lovehoney Group: Pleasure section for more information on our responsible business progress

SUSTAINABILITY GOVERNANCE

Sustainability progress is overseen at the highest level of the business. Lovehoney Group’s Sustainability Team reports directly to the C-Level Team, providing quarterly updates on progress and priorities. Regular communications and training ensure all team members are kept informed and engaged.

C-LEVEL TEAM



Accountable for, approves and monitors the **sustainability strategy** and performance

SUSTAINABILITY TEAM



Executes the **sustainability program**, tracks and reports progress

SUSTAINABILITY CHAMPIONS



Implement **sustainability initiatives** at local level across regions and teams, collecting data and rolling out initiatives

EVERY EMPLOYEE



Responsible for **personal actions** relevant to the sustainability program, such as sharing our commitments with team members, collaborating on projects, working towards KPIs, adhering to policies, completing training and compliance



RESPECT

by **LOVEHONEY GROUP**

PEOPLE

We make an impact in society

We are one team

We focus on health and safety

We care about human rights

We make an impact in society

From playing a role in our local communities to our commitment towards making sexual happiness accessible to everyone and supporting the charities close to our heart, Lovehoney Group strives to be a good corporate citizen.

GLOBAL RESEARCH

We work with research institutions, charities and industry partners to better understand the challenges people face in achieving sexual happiness, and to find solutions that make a real difference.

Through our **Pleasure Fund**, we have supported pioneering studies with leading academic institutions, exploring topics such as:

- Closing the orgasm gap, with **Berlin Institute for Innovation**
- Sexual wellness in breast cancer survivors, via an ongoing clinical study at **Berlin's Charité University of Medicine**
- The role of sexual wellbeing in managing menopause symptoms in conjunction with **The Kinsey Institute**



HIGH-IMPACT PARTNERSHIPS

In 2024, we collaborated with **Macmillan Cancer Support UK** on the 'We Need to Talk about Sex and Cancer' campaign. Conducted over six months, the campaign encouraged open dialogue on the impact of cancer on sexual wellness.

It achieved almost half a billion media impressions and received industry recognition, including awards for Most Impactful Campaign, Best Use of Social Media and ranking among the top ten most admired partnerships.

SUPPORTING GOOD CAUSES

We are proud of the giving spirit of our Lovehoney Group team members. Our people raise funds for charity by running, hiking, walking on hot coals, cycling, golf tournaments and much more. We've formed an employee network focused on supporting employees' philanthropic efforts, with **matched fundraising** helping to double the impact for the causes they champion.

Employees also participate in fundraisers, collections, quizzes and activity challenges for good causes, often those benefiting our local communities.

In 2024, our collaborative efforts supported a wide variety of global and local charities, spanning different missions and objectives, including: Stepping Stone House, British Heart Foundation, Berliner Stadtmission, Tierschutzverein Berlin, UNICEF, RSPCA, Global Blood Fund, Slum2School, Ambitious About Autism, Rückenwind, Dunkelsiffer, Julian House, Dingley's Promise, 1st Impressions, ShoeAid, Lifeline Queensland.

Through our partnership with Adyen Giving, we provide customers with the opportunity to support charitable causes by making a voluntary donation at the point of sale.

We appreciate our local communities and strive to be a good corporate citizen within them. In 2024, our Brisbane, Australia team participated in Clean Up Australia Day. Along with taking visible steps to improve our neighborhood, we opened the conversation on environmental protection and reflected on our individual habits and choices.



We are one team

Lovehoney Group is built on the strength of its people. Our diverse global workforce enables us to succeed across markets, supported by an inclusive culture, clear policies and strong governance.

PEOPLE TEAM

Human resource management is led by our People Team, a group of global HR professionals and local experts across our regions, responsible for key functions such as recruitment, training, compensation, diversity and inclusion and performance management. Our People Team reports directly to the CEO.

RECRUITMENT

Lovehoney Group is committed to conducting recruitment in a fair, transparent and consistent manner. Our job advertisements include explicit clauses that make this commitment clear to all candidates.



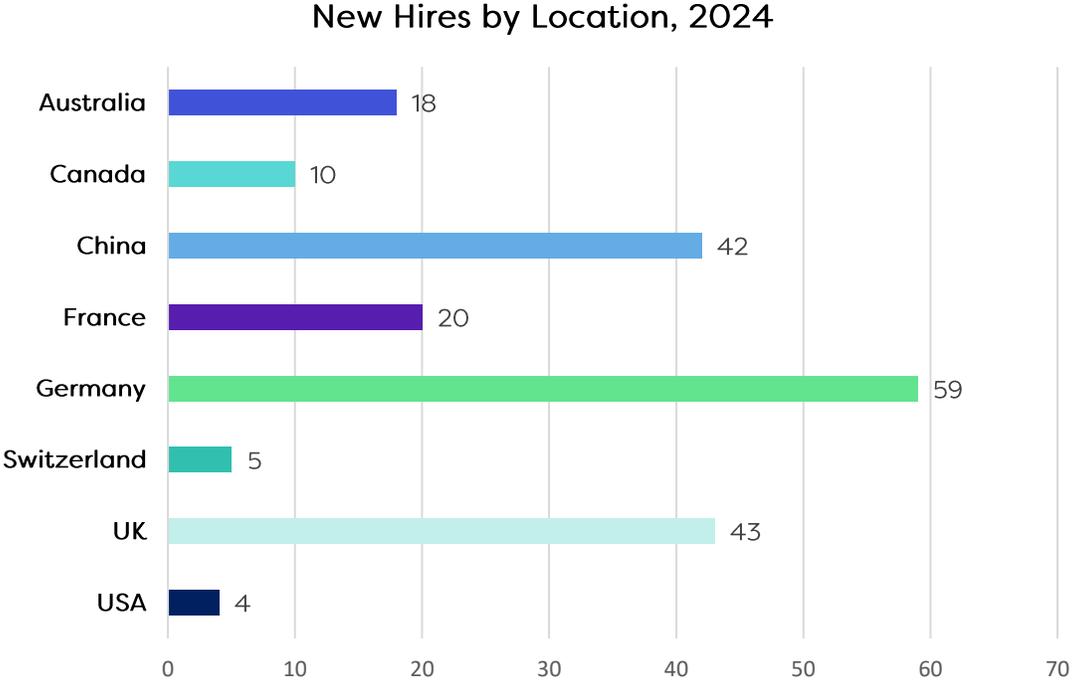
Our values guide how we recruit: respectfully, fairly and inclusively. We use structured recruitment processes that are publicly announced in job advertisements, ensuring candidates know the steps involved and that processes remain consistent across regions. Selection is based on skills, experience and role requirements.

To monitor fairness, all candidates who progress through the talent acquisition stage receive a feedback survey. Candidate feedback loops ensure we can monitor and continuously improve candidate experience.

While we do not formally align with international labor frameworks such as International Labour Organization (ILO) conventions, our approach is grounded in fairness and compliance with all local labor regulations.



KEY RECRUITMENT ACTIONS & INITIATIVES



Recruitment in 2024 significantly exceeded initial expectations, with over 180 hires globally, despite resourcing challenges and varying labor market conditions.

Our workforce is majority female, reflecting both the appeal of our industry and our inclusive hiring practices.

We also observed stability in workforce age distribution, with the largest cohort in the 25-44 age range, supporting both growth and continuity in our talent base.

2024 **turnover rate** was in line with sector dynamics and is an ongoing area of focus for future workforce planning.

Talent shortages in some regions, particularly for specialist roles, required us to adapt our processes and increase outreach.



At the same time, partnerships with public programs in the UK and university groups in Germany enabled us to attract candidates from underrepresented backgrounds and support inclusive employment.

- **University Partnerships** (Germany) – we maintain partnerships with the GGG universities group to support early-career pipelines.
- **Restart Scheme** (UK) – provided opportunities for individuals seeking to re-enter the workforce; four candidates hired, with two converted to permanent roles.
- **BANES Council We Work for Everyone Scheme** (UK) – employed two candidates through this disability and inclusivity-focused program.

WORKING CONDITIONS

Lovehoney Group is committed to fostering safe, fair and inclusive working conditions that respect the rights and wellbeing of all employees. We assess workplace health, safety and employee engagement. By prioritizing decent work, equal opportunities and professional development, we aim to create a resilient workforce and a positive, sustainable impact on society.

The majority of our workforce is employed under permanent full-time or part-time contracts. To support our warehouse operations during peak retail periods, we also employ casual workers. During our Christmas 2024 peak, more than 90% of employees held permanent contracts.

Our employees have access to a comprehensive range of benefits, including mental health assistance, legal and financial support services, gym subsidies, childcare assistance, retirement contributions and medical care.

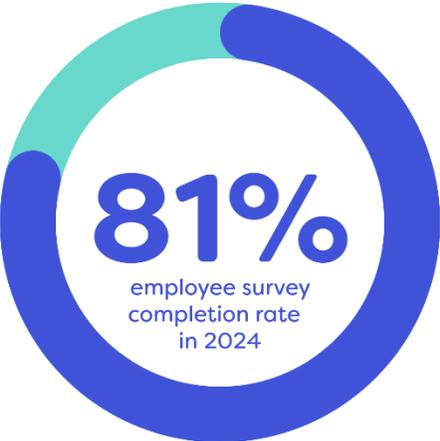
We promote a healthy work–life balance through policies that provide parental leave, paid time off, sick leave and family and caregiving leave, compliant with local legal requirements and commonly benefits that go beyond legal expectations. In addition, our hybrid working policy provides flexibility in where and how work is performed, helping employees balance professional responsibilities with personal wellbeing.

EMPLOYEE VOICE

We fully respect and support our employees’ right to freedom of association and collective bargaining, in line with international standards; however, as unionization is not common in our industry, currently 7% of our workforce is covered by collective bargaining agreements. For the remaining workforce, we maintain open channels of engagement through employee forums, surveys and regular dialogue to ensure their voices are heard and working conditions continue to improve.



We provide employees with access to a confidential online reporting tool that enables them to raise grievances or concerns safely and transparently, ensuring timely review and appropriate follow-up. In 2024, there were no reports of misconduct through our reporting tool.



We conduct an annual employee survey to better understand the needs, experiences and engagement levels of our workforce, with the aim of fostering continuous improvement in our working environment and strengthening employee wellbeing.

In 2024, the survey achieved an 81% completion rate, with results showing that 74% of respondents positively rated their team leads, reflecting the positive impact of leadership on the employee experience.

EMPLOYEE WELLBEING & DEVELOPMENT

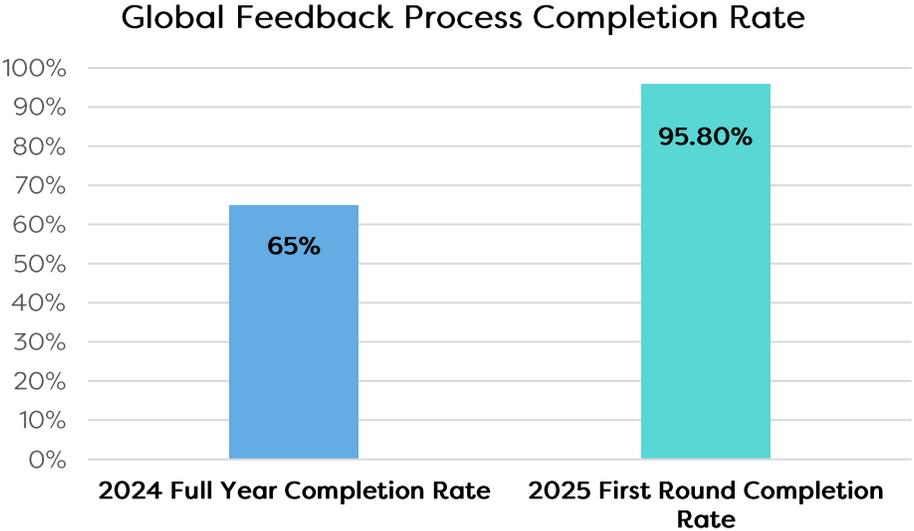
We maintain a zero-tolerance approach to harassment, bullying, sexual harassment and discrimination, creating safe and respectful workplaces for employees. Our policies clearly define unacceptable behaviors, outline procedures for reporting and investigation, and provide for complaints to be handled confidentially whenever possible, and without retaliation.

We recognize that our diverse workforce includes employees with caregiving responsibilities, and we provide policies that help them balance their personal and professional lives - whether they are taking time away to care for loved ones, on maternity, paternity, or adoption leave, or transitioning back into the workplace.

In 2024, 39 employees took parental leave and of those, four left the company in the year after returning to work.

DEVELOPMENT & TRAINING

We want employees to receive regular and actionable feedback to support their professional and personal development at Lovehoney Group through our global feedback process. This global process, owned and managed by our People Team, was launched in 2024 to replace local feedback mechanisms across Lovehoney Group. Its aim is to ensure that employees, regardless of location, have the opportunity to identify personal strengths and areas for improvement, as well as set objectives for the year ahead in a consistent and traceable way. Through the process, employees receive both a 360° and 180° feedback every year. The 2024 launch of this global feedback process called for the upskilling of managers and employees to learn and apply the new process.



Whilst the global feedback process provides an opportunity for employees and managers to identify individual development requirements, such as training, events attendance and upskilling, employees are also able to learn more about the company, the industry and our products through education sessions led by internal experts or external providers, usually offered online, recorded and shared in a suite of helpful tools on the company intranet. The company also provides training on technical and digital skills.

Our online training platform supports employee development through both mandatory and optional modules, helping colleagues deepen their understanding of key policies and strengthen responsible business practices.

We run a leadership development program, designed to help individuals unlock their full leadership potential and excel in their careers.

We recognize the value of cultivating strong leaders who can drive change, inspire teams and steer our organization towards success. We aim to provide employees with the necessary tools and knowledge to make a significant impact as leaders, during their time at Lovehoney Group and when they continue on their professional journeys.



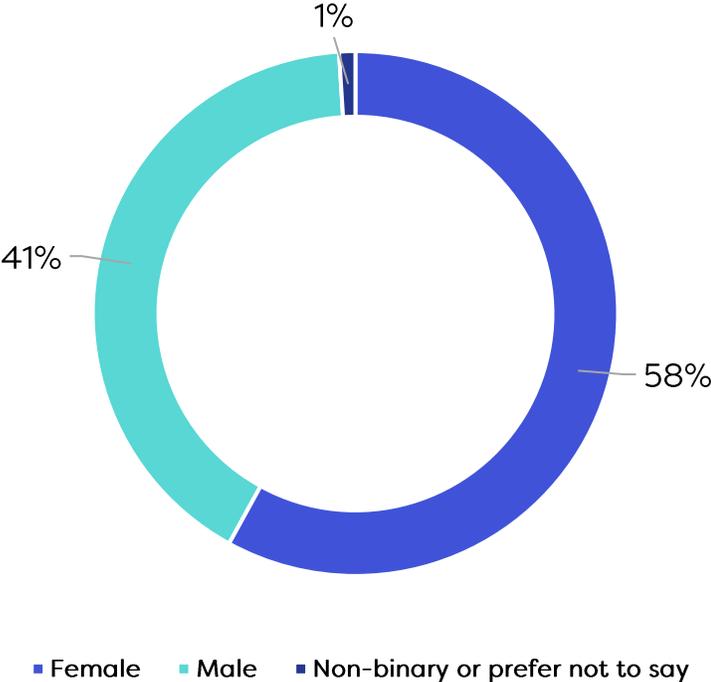
DIVERSITY & INCLUSION

Diversity and inclusion in our general employee population is managed by our People Team, supported by statistics provided by our People Systems and Data Team.

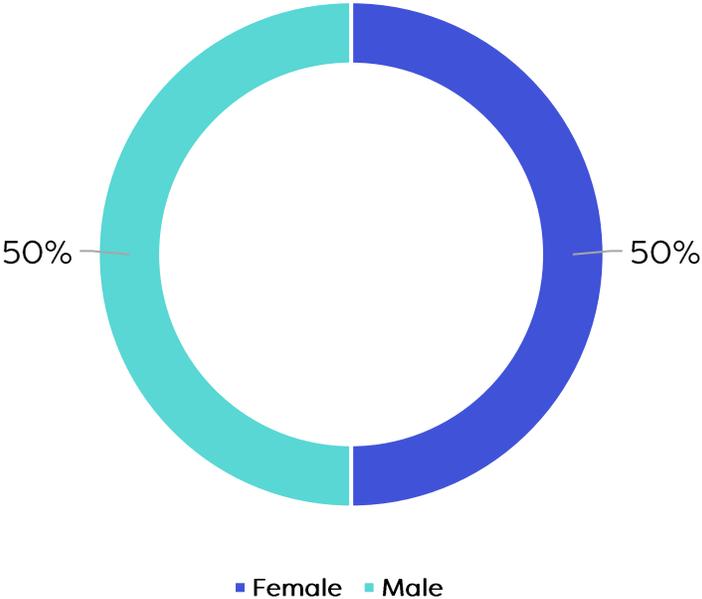
In 2024, we began an annual diversity, equity, inclusion and belonging survey to capture a baseline of our workforce composition.

From 2024, we are going beyond UK legal requirements by extending gender pay gap reporting to a Group-wide level, providing a more comprehensive view of our performance. This is one of several measures demonstrating our commitment to managing diversity effectively.

Gender Distribution - All Lovehoney Group, 2024



Gender Distribution - Leadership*, 2024



*Leadership – team members with the title ‘lead’, ‘manager’, ‘head’, ‘director’, ‘VP’ and C-Level

Gender Pay Gap - April 2024 Snapshot	Gender	Count	Median Gap
Managing Function	Female	87	8.44%
	Male	73	
Individual Contributors	Female	318	-1.79%
	Male	219	

In the managing function, women’s median pay is 8.44% lower than men’s. For individual contributors, women’s median pay is 1.79% higher than men’s.

EMPLOYEE NETWORKS

Our employee networks are led by employees, for employees. They take shape from the desire of our people to create spaces that represent the broad spectrum of characteristics within our workforce. These networks offer friendly support, information and guidance.

Through our networks we’re involved in a range of inclusion events, such as Pride activities and inviting guests to train managers and raise awareness of the topics of importance to our workforce. Our networks have recently organised sessions with Menopause at Work, Apiary Neurodiversity Coaching, Pleasure Practices and ADHD UK.

Our employee networks include:

- Charitable Network
- LGBTQ+ Network
- Menopause Network
- Neurodiversity Network
- Social Network



We focus on health and safety

Health and safety is fundamental to the way we work at Lovehoney Group. Guided by policy and supported by a dedicated governance framework, we apply consistent standards across all global sites to protect our employees and ensure safe operations.

HEALTH & SAFETY GOVERNANCE

With more than 850 employees worldwide, and multiple global locations, having a consistent approach to health and safety is of utmost importance. Our corporate health and safety management function reports directly to C-Level and is overseen by a Health and Safety Committee, comprised of representatives from key stakeholder groups, which meets every four months.



The Health and Safety Policy, based on ISO45001 occupational health and safety management system, guides our approach and is applicable to everyone at Lovehoney Group, no matter their location or job role.

Visitors to our sites must be informed of our health and safety procedures and adhere to them.

At operational sites, local health and safety representatives ensure that relevant legislation is complied with, and that the principles of the corporate Health and Safety Policy and ISO45001-aligned management system are applied.



Health and safety documents, such as the policy and key processes are accessible to employees through the company intranet, in a section dedicated to H&S. For those without direct intranet access, such as some employees in our operational facilities, physical copies of key documents are posted on notice boards.

In 2024, as part of a rolling program, we conducted health and safety internal audits at four of our sites to check the consistency of health and safety management and identify opportunities for improvement.

Job-specific health and safety training is provided at operational sites, such as fork-lift operation, manual handling, correct use of personal protective equipment, evacuation procedures, fire marshal, first aid and mental health training. General health and safety awareness training is also run. We maintain training records to ensure that relevant certifications are up to date.

HEALTH AND SAFETY FEEDBACK

Employees may use our reporting tool, **Whistlelink**, to report in good faith any health and safety behaviors or situations with the potential to put at risk individuals, colleagues or visitors. Reports are managed sensitively, confidentially wherever possible and without fear of reprisal to the reporter. There were no H&S misconduct reports during 2024.



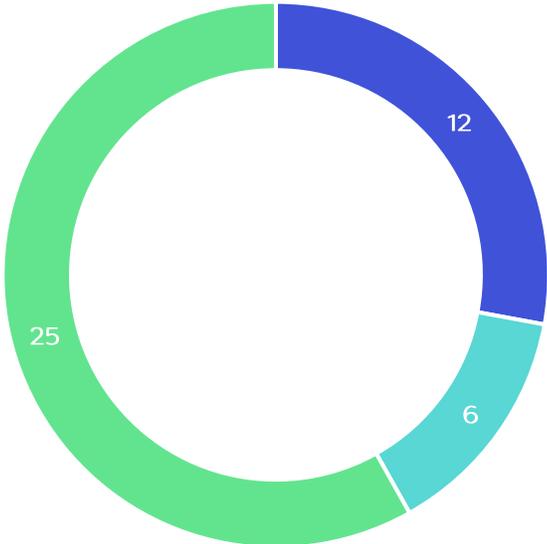
INCIDENT REPORTING

Our company-wide health and safety tool, **Vatix**, enables us to monitor and remediate any incidents, accidents, near misses and hazards. The tool also allows us to monitor the effectiveness of our health and safety policy and management system, through tracking data trends, such as the accident frequency rate (AFR) and lost time injury frequency rate (LTIFR). By the beginning of 2026, Vatix will be available to Lovehoney Group employees and visitors in English, German, French and Chinese.

- **INCIDENTS:** We encourage the reporting of any unplanned event or situation that has either resulted in harm, or has the potential to cause harm or damage to the business or the environment. Incidents include accidents, injuries, near misses, chemical spills, fire, theft, etc.
- **ACCIDENTS:** We encourage the reporting of all accidents, even very minor ones such as a small cut on the hand/finger.
- **NEAR MISSES:** Near misses, or close calls, are events that have happened that didn't harm anyone, but could have. We encourage the reporting of near misses in order to learn from them and avoid accidents.

- **HAZARDS:** We encourage the reporting of hazards that could lead to a health and safety incident, for example, temporary trip hazards, evacuation route blocks, faulty light bulbs, etc.

Health & Safety Incident Reports by Type, 2024



■ Accident ■ Near Miss ■ Hazard

All twelve of the recorded accidents for Lovehoney Group in 2024 were minor, and there were no major accidents recorded to local authorities, or via the UK’s Reporting of Injuries Diseases and Dangerous Occurrences Regulations of 2013 (RIDDOR). The above incident data does not include injuries incurred by employees on the way to/from their place of work, nor does it include contractor data, although this data is monitored and shared internally.

We have benchmarked the lost time injury frequency rates (LTIFRs) of businesses with similar operations to Lovehoney Group’s. Due to our operational facilities (warehouses and factories), we fall into the category of ‘moderate risk’ in which the average LTIFR is between 1.0 and 3.0. Our LTIFR of 2.76 in 2024 is within this range.



We care about human rights

At Lovehoney Group, we take our responsibility to protect human rights seriously. Guided by international principles and our own Code of Conduct, we work to ensure that our operations and supply chain remain free from human rights abuses, while supporting ethical and responsible business practices worldwide.

HUMAN RIGHTS & MODERN SLAVERY

We support and respect the protection of internationally proclaimed human rights and seek to ensure that through our own operations, our products and our supply chain we avoid complicity in human right abuses.

We have zero tolerance for slavery and human trafficking in our supply chain. The CEO and C-Level Team are accountable for ensuring that the company meets its human rights responsibilities. Everyone at Lovehoney Group has a responsibility to support the business in respecting human rights.



Our annual Modern Slavery Statement lays out the key areas we are focusing on to avoid risk.

RESPONSIBLE BUSINESS PARTNERS

From consideration of new suppliers and throughout their relationship with us, we engage with suppliers on our expectations for responsible business practices in our partners. We have included human rights terms in our supplier agreements, Supplier Manual and Supplier Code of Conduct.

Our supplier audit program enables us to conduct in-person checks into the working conditions and employment practices of new and existing suppliers. We also work with suppliers on a range of human rights topics, such as those required by law around the origin of materials in our products and those we deem to be good business practice, such as the avoidance of minerals from conflict zones.



RESPECT
by **LOVEHONEY GROUP**

PLEASURE

We create products with love

We choose our partners carefully

We value ethical conduct

We create products with love

We are committed to designing and producing products that are safe, innovative and reliable. Every stage of our process, from concept to customer, is guided by rigorous standards and a focus on delivering the highest levels of quality and safety.

PRODUCT GOVERNANCE

We maintain a structured Product Governance Policy with clearly defined roles and responsibilities across product design, compliance, quality assurance and senior management. This governance framework ensures comprehensive product oversight throughout the entire lifecycle, from concept and design to market launch and post-market surveillance, ensuring that all products meet applicable safety, environmental and sustainability standards.

Our governance model comprises the following key elements:

- **Risk Assessment Processes:** Structured pre-launch risk assessments covering user safety, ergonomic design and regulatory compliance across intended and foreseeable misuse scenarios, as well as monitoring of post-launch user feedback.
- **Supplier Contracts:** Establish contractual agreements with suppliers to ensure a resilient and compliant supply chain.
- **Regulation Monitoring:** Continuous tracking and assessment of international regulatory requirements.
- **Labelling and Marking:** Systematic checks to ensure product labelling and markings are fully compliant with applicable directives and regulations.
- **Testing:** Products undergo both internal laboratory evaluations and independent third-party testing. No shipment is authorized until compliance is confirmed.
- **Auditing:** Periodic internal audits are conducted beginning from the mass production stage to ensure ongoing conformity and risk mitigation.
- **Vigilance System:** A post-market surveillance system is in place, including monitoring tools such as the EU Safety Gate, to address product safety issues proactively.

- **Management Oversight:** Regular compliance reporting is submitted to C-Level, complemented by continuous improvement processes that support product integrity and regulatory alignment.
- **Preventative Measures and Training Programs:** Preventative controls include multi-stage inspections and durability testing. These are reinforced through staff and supplier training on safety standards, product testing protocols and evolving regulatory requirements.

PRODUCT COMPLIANCE

Maintaining robust product governance is a top priority and extends to safety and compliance, managed by a team of quality and compliance experts with a direct reporting line to our C-Level.

Our continued investment in regulatory monitoring, testing infrastructure and design optimization ensures our products remain aligned with the latest safety, environmental and compliance standards across all markets.

In 2024, all Lovehoney Group products met the mandatory requirements under key product regulations, including but not limited to:

- The Electromagnetic Compatibility (EMC) Directive
- The Restriction of Hazardous Substances (RoHS) Directive
- The REACH Regulation
- The EU Battery Regulation

Wireless-enabled products were fully tested in accordance with the Radio Equipment Directive (RED) and all relevant safety standards. In addition to regulatory testing, a range of product evaluations were conducted during the year, including but not limited to:

- Ingress protection (IP) testing
- Material and chemical safety assessments
- Energy consumption submissions



RESPECT by Lovehoney Group: Pleasure

- Battery safety and transportation testing
- Battery registration and related documentation

We track product compliance targets, such as:

- 100% of products meet legal requirements before being released to the market
- 0 failed quality audits



We choose our partners carefully

At Lovehoney Group, we hold our suppliers to the same high standards we set for ourselves. Through clear codes of conduct, regular audits and ongoing dialogue, we work to ensure that every partner in our supply chain operates responsibly and in line with our values.

SUPPLIER ESG PERFORMANCE

Teams ranging from Buying, Supplier Management, Supplier Quality, Operations, Legal and ESG contribute to the supplier relationship on a broad variety of topics, so it's important that we have a consistent set of guidelines to follow in the form of the Lovehoney Group Supplier Code of Conduct, first published at the end of 2022 in English and Chinese.

A revised Supplier Manual was launched in 2024, outlining the main ways we interact with suppliers and what suppliers can expect during their relationship with Lovehoney Group. Suppliers are asked to read and agree to the Supplier Manual and the Supplier Code of Conduct.



Conduct within the supply chain has the potential for considerable risk, including environmental risks through pollution and increased carbon footprint, social risks such as unsafe working conditions and labor rights violations and corruption and bribery risks. However, carefully choosing suppliers provides opportunities for collaboration and innovation on sustainable products and materials and resilience through long-term supply chain stability.

We approach ethical audits of the factory base in China, working with a qualified auditor and where needed a third-party provider, QIMA. We've developed a bespoke auditing scheme, to take a high-level overview of social standards in our factories. The methodology includes Social Accountability parameters against the following Supplier Code of Conduct areas: Regular Employment, Child Labor and Young Workers, Forced Labor, Working Hours, Fair Remuneration, No Discrimination, Humane Treatment and Health and Safety. All new factories are required to undertake this audit before production can commence. Factory renewal audits are conducted annually.

We value ethical conduct

We believe that doing business the right way is fundamental to building trust. Guided by international standards and our own Code of Conduct, we ensure that ethical practices are embedded into our culture, policies and decision-making at every level.

ETHICAL BUSINESS

We uphold a strong commitment to ethical conduct, guided by international standards and regulatory requirements, ensuring that integrity, fairness and transparency are embedded in all aspects of our operations. Through clearly defined policies, governance structures and due diligence processes, we safeguard compliance, prevent misconduct and foster a culture of accountability and trust across our business and value chain.



The Lovehoney Group Code of Conduct guides us all in doing business the right way, in compliance with the law and with respect to the environment, society and to each other. Mandatory training on the company Code of Conduct is required of everyone at Lovehoney Group and we have a target for 100% of our leadership group to acknowledge the Code of Conduct and its behavioral expectations.

CORPORATE COMPLIANCE

From product compliance to data protection, health and safety, tax, import laws and more, numerous Lovehoney Group teams are focused on ensuring we operate in compliance with the law, at all our locations and in all our markets. Our corporate Legal Team, with a direct reporting line to C-Level, collaborates with local teams and, in some cases, with external experts to meet our legal obligations in a timely manner. Horizon scanning is managed through Legal and other key teams, supported by a register of key upcoming legislation to ensure preparedness through adequate resourcing.

DATA PRIVACY & SECURITY

We are committed to safeguarding personal data and information assets through a risk-based privacy and security program that complies with applicable laws (including GDPR) and follows recognized standards. Our policies cover areas such as data minimization, purpose limitation, retention and deletion, access control and encryption. Our Personal Data Breach Response Policy and accompanying process ensures we are equipped to manage emerging issues efficiently. We provide mandatory training for all employees. For both our WOW Tech and Lovehoney entities, we have instructed an external data protection officer. We monitor our data privacy and security performance through defined indicators.

To strengthen our organizational resilience, we conduct regular phishing campaign simulations that help colleagues recognize and respond to potential threats. We also provide centralized platforms where employees can review, acknowledge and stay current with cyber and data security policies. Our vulnerability posture is continually assessed through proactive monitoring, supported by ISPM/DSPM tooling to detect risks at scale.

We have established enhanced feedback mechanisms to ensure that colleagues can report suspicious or malicious activity quickly and effectively. To mitigate risks further, we make use of automated remediation platforms to safeguard account security events. In addition, we protect our digital presence with best-in-class website defense tooling and make use of strong data encryption standards.

ANTI-CORRUPTION & ANTI-COMPETITIVE BEHAVIOR

Managed by our Legal Team and overseen by the CEO and C-Level, we uphold a zero-tolerance approach to corruption and anti-competitive behavior. Concerns and issues raised through the appropriate channels are investigated and addressed. We work with suppliers to prevent misconduct through setting out our expectations in our Supplier Code of Conduct, and we work with them to ensure fair business practices.

We understand that there are significant risks associated with unethical practices, including legal fines, reputational damage and loss of contracts. Through a focus on responsible conduct, we see opportunities for competitive advantage, improved ESG ratings, as well as improved stakeholder and shareholder confidence.

Lovehoney Group has a procedure for reporting a non-compliance, using a reporting tool called Whistlelink. The procedure is accessible to employees and freelancers, as well as former employees, business partners and external stakeholders, via Lovehoney Group's website.

Current employees can also access the procedure through the company's internal communications, the Code of Conduct or view posters located at our sites.

In 2025, we will focus on strengthening employee awareness through targeted training programs for higher risk teams and we retain our target of 100% leadership acknowledgement of the company Code of Conduct.





RESPECT

by **LOVEHONEY GROUP**

PLANET

We monitor our footprint

We reflect on the materials we use

We consider our waste

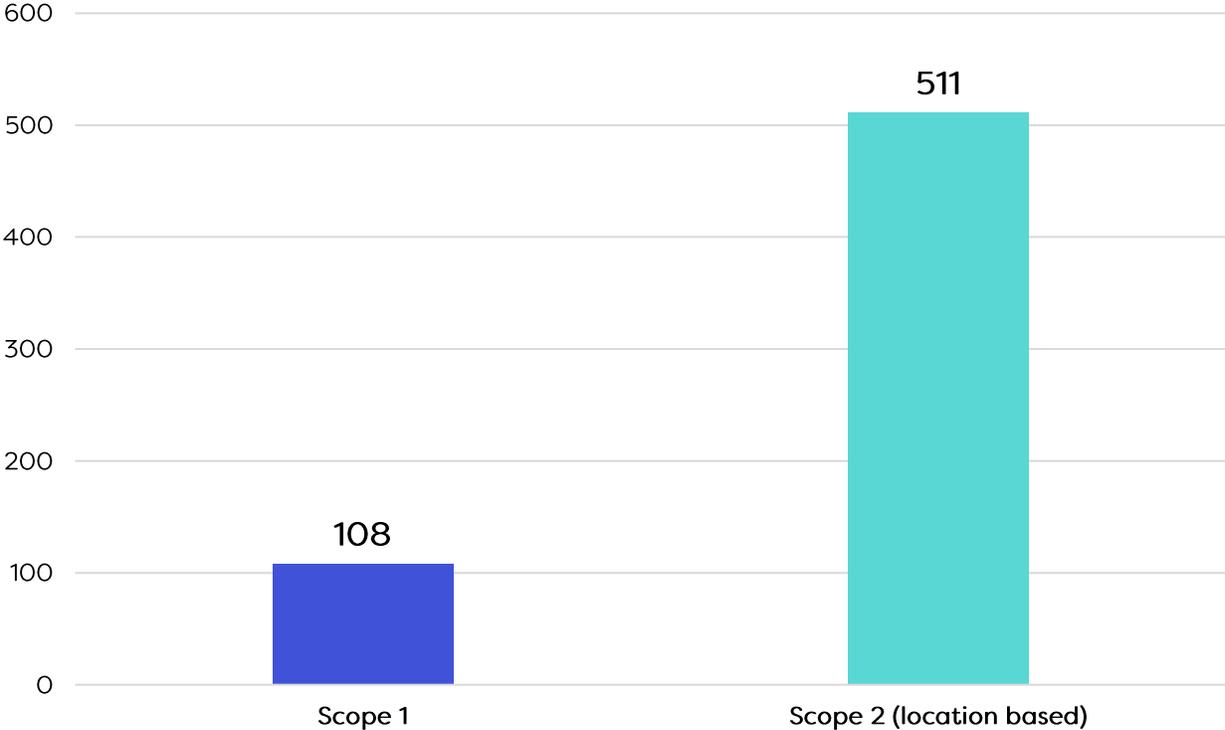
We monitor our footprint

We are committed to climate protection, aligning with international frameworks and regulatory requirements to reduce greenhouse gas emissions and strengthen resilience against climate-related risks.

CLIMATE PROTECTION (SCOPES 1 & 2)

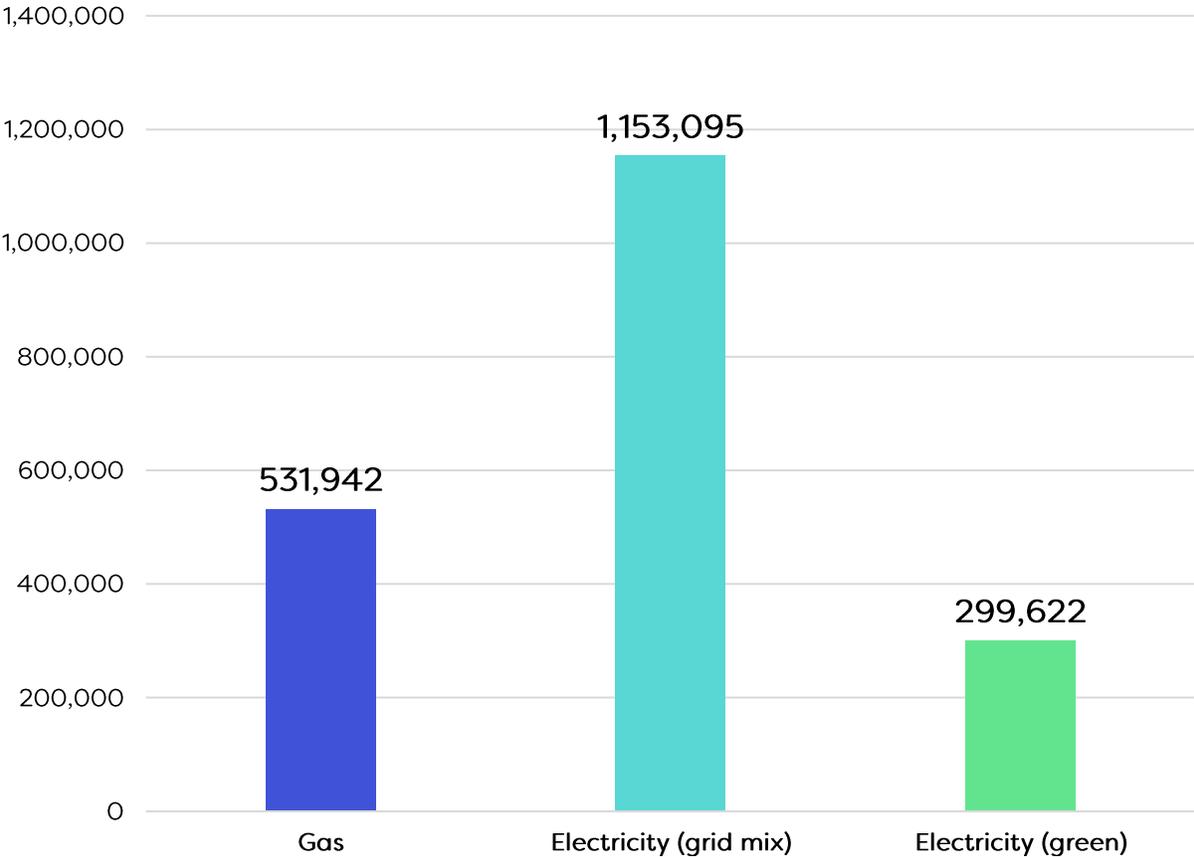
We monitor our Scope 1 and Scope 2 greenhouse gas emissions through standardized data collection systems that track fuel and energy consumption across all operations, applying internationally recognized methodologies such as the GHG Protocol. Consumption and emissions data are consolidated, reviewed for accuracy and reported to a variety of stakeholders.

Scope 1 and Scope 2 Emissions (in t CO2e), 2024

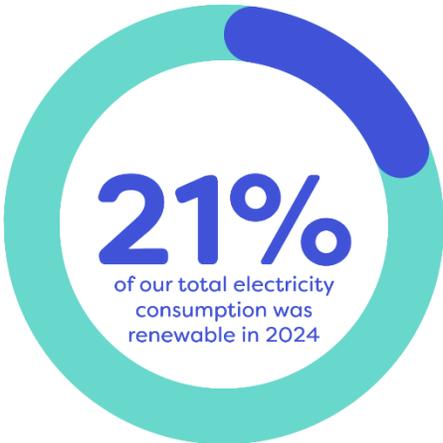


Our operations are powered by a combination of electricity and natural gas. While both energy sources play a role in supporting business activities, electricity constitutes the vast majority of our total energy consumption. Natural gas use is limited to specific operational processes, whereas electricity is the primary energy source across production, warehousing, stores and office facilities.

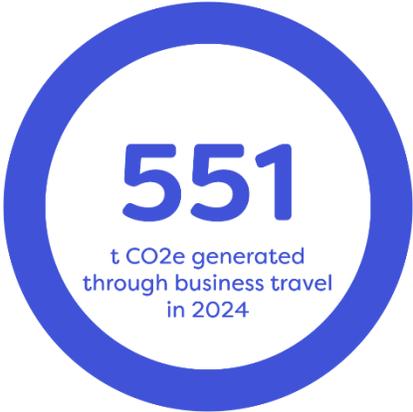
Total Energy Consumption (in kwh), 2024



The predominance of electricity in our energy mix means that our environmental footprint is more closely aligned with the emissions profile of the electricity grid in the countries where we operate, rather than with direct combustion of fossil fuels on site. This balance emphasizes the importance of our focus on procuring low-carbon and renewable electricity as a key lever in reducing our overall greenhouse gas emissions.



OTHER GREENHOUSE GAS EMISSIONS

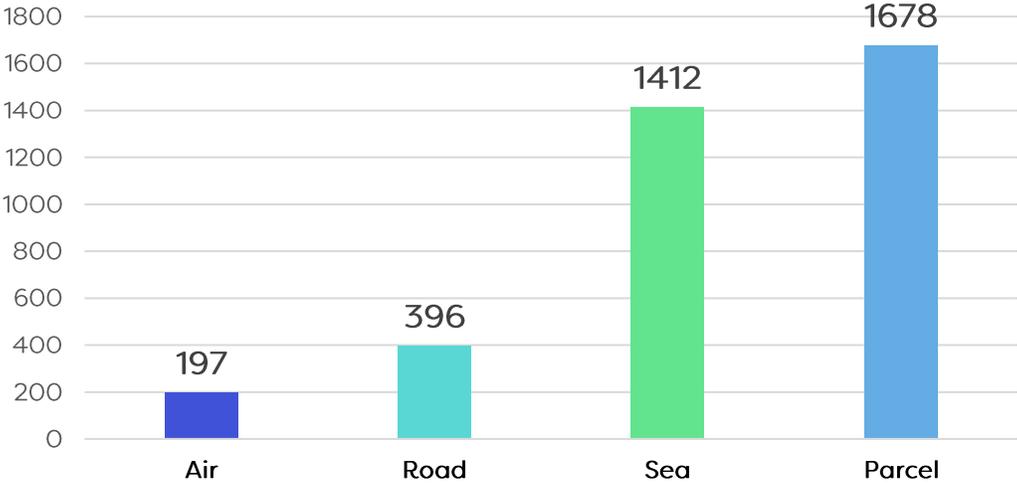


In 2024, we launched an employee commuting survey, calculating a contribution of 349 t CO₂e through the ways we travel to and from our places of work. In some of our locations, we have introduced cycle to work schemes and at other sites our employees take advantage of excellent public transport systems.

As part of our business activities, we travel to attend customer and supplier meetings, conferences and exhibitions, and to collaborate face-to-face. We monitor and report the environmental impact of this business travel. These emissions are accounted for within our Scope 3 inventory and we are evaluating opportunities to reduce them through low-carbon travel options and virtual collaboration where appropriate. 90% of our business travel footprint is comprised of air travel, with long haul trips the biggest driver of business travel footprint.

We monitor the environmental footprint of our global transportation and logistics activities by tracking fuel consumption, shipment volumes and related greenhouse gas emissions across various modes of transport. This data is consolidated within our Scope 3 reporting, enabling us to identify high-impact areas. We will consider appropriate efficiency measures and reduction targets in 2025.

Scope 3 Emissions - Transportation and Distribution (in t CO₂e), 2024

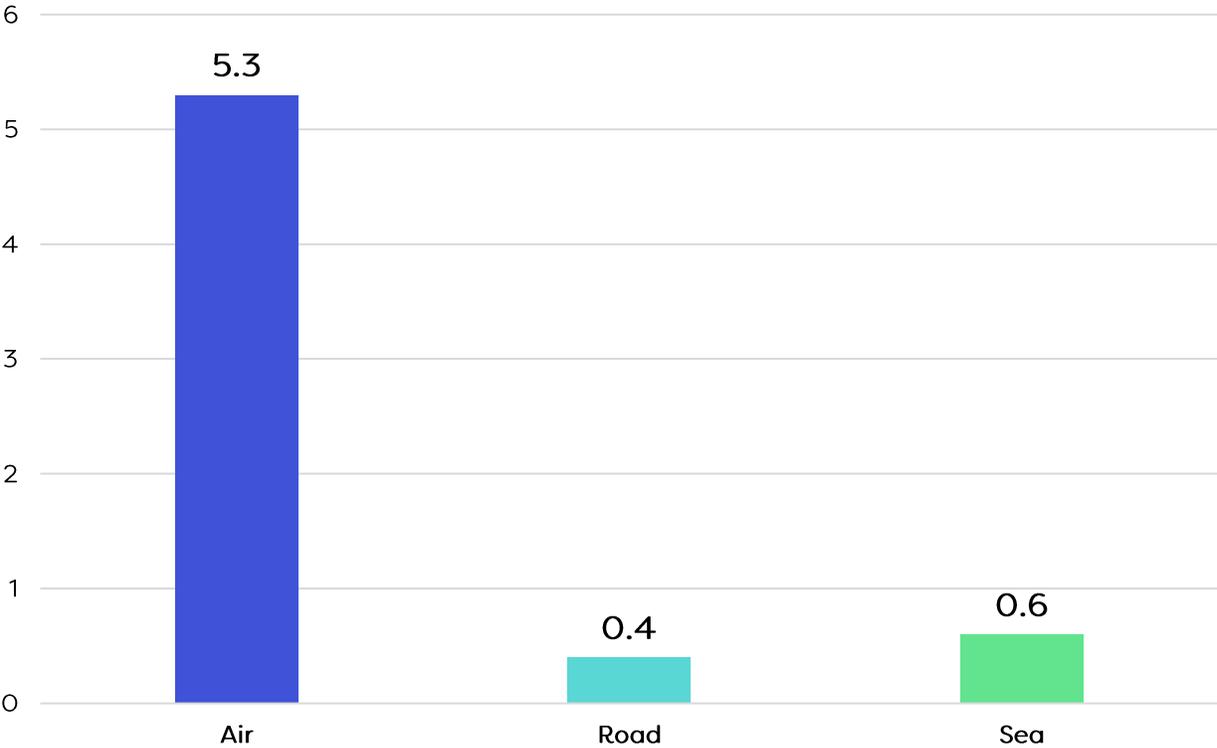


The majority of our transportation and distribution activities are carried out via sea freight and road transport. These modes of transport are chosen as standard practice because they allow for the efficient movement of goods while limiting environmental impact compared with air transport.

We are also tracking and reporting the carbon emissions generated through the delivery of our products to customers, and gathering data on the average CO2 per parcel.



t CO2e per tonne transported, 2024



Our data confirms that air freight is significantly more carbon-intensive than sea and road alternatives. For this reason, we aim to minimize the use of air transport and only rely on it when no viable alternative exists, such as in cases of urgent delivery requirements or supply chain disruptions.

By prioritizing sea and road transport and treating air freight as a last resort, we seek to reduce the environmental footprint of our logistics network and align our distribution practices with our broader decarbonization efforts.

We reflect on the materials we use

The materials we use play a critical role in our sustainability journey. We actively assess and manage the environmental footprint of our products and packaging, ensuring that responsible material choices and increased use of recycled content guide our approach.

ENVIRONMENTALLY RESPONSIBLE MATERIALS

We are investigating ways to engage in circular economy principles, including the potential to reduce reliance on virgin, non-renewable materials and increasing the use of recycled inputs. Oversight of our product strategy, including material use, rests with a dedicated Product Vertical, reporting directly to the CEO.

Key industry risks include exposure to volatile pricing and availability of critical raw materials such as some minerals and polymers. Alongside this, increasing legislative advancements focusing on reducing society’s reliance on non-renewable materials and moving towards circularity principles require a change mindset. Opportunities lie in areas such as extending our range of recyclable packaging, investigating bioplastics and the feasibility of take-back programs, all of which enhance both sustainability and brand reputation.

We’ve performed an assessment to determine the environmental footprint of the materials in our products and packaging. We discovered that our product footprint accounts for around 63% of our total company emissions calculations.

Examples of recent sustainable packaging innovations



Arcwave Ion 2
98% plastic-free packaging
-65% volume*
-52% weight*
**compared to predecessor Ion*



Liberty 2
98% plastic-free packaging
-20% volume*
-21% weight*
**compared to predecessor Liberty*

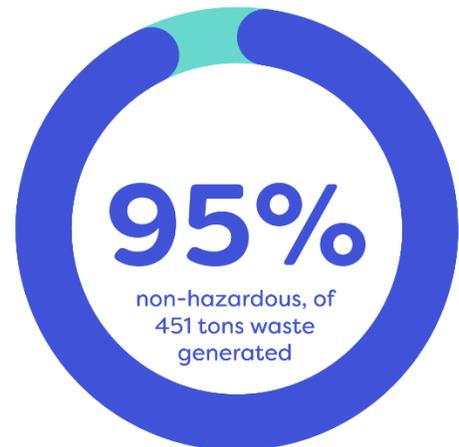
We consider our waste

Waste management is an important part of our sustainability approach. We are committed to reducing waste, improving recycling systems and adopting more sustainable packaging solutions, while ensuring that our operations comply with local and international standards.

WASTE MANAGEMENT

Waste is generated at our sites, in particular our more heavily operational facilities (factory and warehouses). Waste management is the responsibility of our warehouse management teams. The Sustainability Team works with sites to track and improve recycling streams.

Plastic pollution is a major global issue to which companies play a contributing role. Non-compliance with regulatory requirements brings a risk of financial penalties, along with the potential for reputational damage and brand erosion for companies perceived to be a source of pollution. There are opportunities to reduce reliance on polluting materials by switching to alternatives such as those with a higher recycled content, or removing unnecessary materials altogether.



Lovehoney Group has specialist engineers working on redesigning packaging to use less materials and replace plastics and foams with more sustainable alternatives.

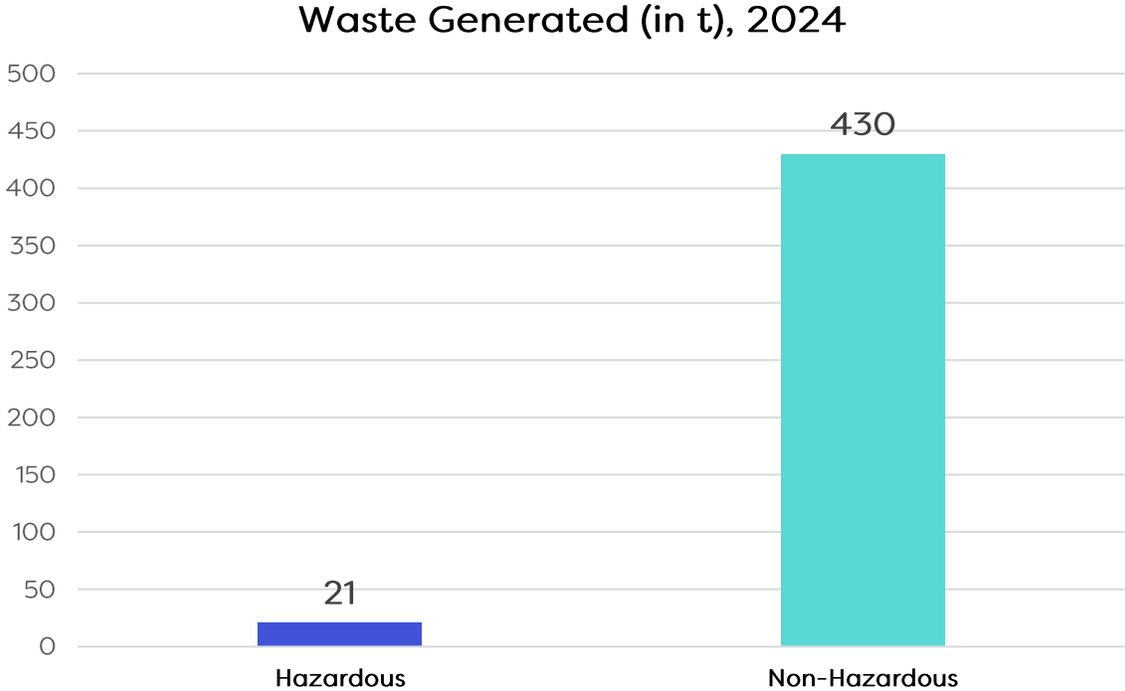
Recycling solutions, such as installing a cardboard bailer at our warehouse in

Brisbane, Australia, are also helping to improve our waste stream efficiency.



* Diverted is where waste has been recycled, recovered, reused or composted.

We monitor the volumes of waste our operations generate, along with the destinations of waste.



In 2024, we generated 451 tons of waste, 95% of which was non-hazardous, with cardboard being the biggest contributor in that category. The hazardous waste we generate comprises mainly of electronic items and fabric waste.



Diverted: recycling, recovery, reuse, composting
Disposed: landfill, incineration without energy recovery

68% of our non-hazardous waste was diverted, the majority through established recycling schemes with providers close to our facilities. Conversely, we were only able to divert 33% of our hazardous waste from disposal.

While we still have work to do to improve our non-hazardous waste efficiency, clearly, our focus is to investigate suitable diversion routes for hazardous disposed waste at sites where we have yet to find solutions.

Appendix 1 – Emissions Overview (2024)

Emissions Category	In t CO2e
Scope 1	108
Scope 2	511
3.1 Employee Commuting	349
3.2 Business Travel	551
3.3 Transportation and Distribution	3,683
3.4 Product and Packaging	9,024
3.5 Waste	195
TOTAL	14,421

Appendix 2 – Workforce Diversity (2024)

Diversity Category	Workforce Composition
Gender in Workforce	
Women	58%
Men	41%
Transgender, non-binary, queer, prefer not to say	1%
Gender in Leadership	
Women	50%
Men	50%
Transgender, non-binary, queer, prefer not to say	0%
Ethnicity	
White backgrounds	77%
Minority ethnic backgrounds	23%
Age	
Below 30	29%
30-50	64%
Above 50	7%

The Lovehoney Group Sustainability Report 2024 has been prepared with guidance from the Global Reporting Initiative (GRI) Standards, the world's most used standards for sustainability reporting.

This report covers the period January–December 2024 and was published in November 2025.