



# **Sustainability Report 2013/2014**

Report Period July 2013 to June 2014

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## Highlights 2013/2014



**July 2013:** visit of Minister Eveline Lemke (p. 52)



**August 2013:** Nölken passes the FSC® and PEFC follow-up audit (p. 7)



**August 2013:** Nölken joins the edana industry initiative (p. 52)



**September 2013:** second Health Day takes place (p. 31)



**September 2013:** Noelken Sp. z o.o. becomes 20 years old (p. 34)



**September 2013:** participation in the "Market of Jobs" (p. 25)



**November 2013:** joining of the Forum for Sustainable Palm Oil (p. 41)



**December 2013:** certified to DIN EN ISO 14001:2009 (p. 7)



**April 2014:** participation in the occupation information event (p. 25)



**April 2014:** passed FSC and PEFC monitoring audit in Nowogrodziec (p. 7)



**May 2014:** joining of the Initiative pro Recyclingpapier (p. 53)

## Preface

Dear Readers,

Protection of resources, energy consumption, human rights – regrettably, these subjects regularly dominate media headlines. They are also relevant for even a medium-sized company such as Nölken.

To make a liveable future possible for coming generations, changes are urgently required now. Everybody bears their own personal responsibility for this. Those who are soon to become mothers and fathers, in particular, only want the best for their offspring, which is why they want to choose high-quality products for themselves and their child. The requirements for hygiene and cleaning products are becoming more stringent – from obtaining the raw materials to energy efficiency to respecting human rights in the value chain. For example, products should not only clean and nurture the skin sustainably, but also not be detrimental to society or the environment.

It is precisely in this regard that Nölken makes a substantial contribution: within our scope of action we try to act as sustainably as possible. Raw materials, energy usage, processes, health and industrial safety and innovation play a considerable role in this.

This is Nölken's third sustainability report. We have produced it for customers, employees, service providers and suppliers, neighbours, interested members of the public, representatives of associations and other interest groups (stakeholders) from the worlds of politics, media, society and science.



It looks at the essential activities of our company and presents, the sustainability management measures that have been implemented at our two sites in Germany and Poland by way of examples.

We regard this report as a progress report in the course of the annual reporting of the Global Compact Initiative of the United Nations (UNGC). As in previous years, we have adhered to the guidelines of the UNGC when producing this report. As a member of this important initiative, we continue to work actively for the assertion of its values as regards to labour standards, human rights, fighting corruption and environmental protection. Since 2014 we have been applying the Sustainability Code of the Council for Sustainable Development and give proof of this in a declaration of compliance.

For this sustainability report, we have chosen subjects that we regard as relevant for our stakeholders. Reflecting upon one's own achievements is particularly decisive in the transfer of knowledge, in order to activate further sustainability potentials. We would therefore like to invite you to tell us your ideas and suggestions. At [nachhaltigkeit@noelken.de](mailto:nachhaltigkeit@noelken.de) we will be happy to help you with any questions or to receive your feedback.

E. Markus Nölken  
Managing Director

U. Daniel Nölken  
Managing Director

Rudolf Marnet  
Managing Director



# In touch with tomorrow

As a private-label manufacturer, Nölken specialises in wet wipes, nursing pads and cosmetic care products. We produce wet wipes and liquid cosmetics for babies, children, young people, adults and seniors and research and develop new active ingredients and products. We turn our customers' ideas into market-ready products characterised by their very high quality. Daniel Nölken and Markus Nölken represent the second generation to run this family company.



The name Nölken has, since 1982, stood for the highest quality in hygiene products. Our many years of experience, innovative ideas and customers' requests complement each other very well. Our customer proximity is combined with the best service, innovative technology, flexible solutions and sustainability. These are the building blocks of our success.

## Corporate Structure

Our customers are multinational trading and industrial companies. Proximity to our customers is extremely important to us. We ensure this with sales offices in France (Reims), South Africa (Cape Town) and Poland (Toszek).



Nölken is based in Windhagen in Rhineland-Palatinate, Germany. The focus of our site in Windhagen is upon the manufacturing of wet wipes and cosmetics products, and upon research and the development of new products. We manufacture shampoos, creams, lotions and wet wipes lotion on site and put these in bottles, tubes and jars or incorporate them in our wet wipes. All support departments are also located in Windhagen.

Furthermore, we have a subsidiary company in Nowogrodziec, Poland, which has specialised in the manufacturing of wet wipes and nursing pads. The subsidiary company Noelken Sp. z o. o. is located close to the border to Germany in Lower Silesia.

Sustainable business is part of the company strategy at Nölken and is firmly institutionalised as an administrative department. The Sustainability Department is responsible for advising the management board and the implementation of the measures. The Sustainability Manager has joint responsibility for the development of the company-wide sustainability strategy, directs projects and measures and coordinates their implementation. This organisational incorporation of sustainability into the company is a substantial factor of success for us. With this organisational arrangement, sustainability measures are professionally planned and implemented at both sites.

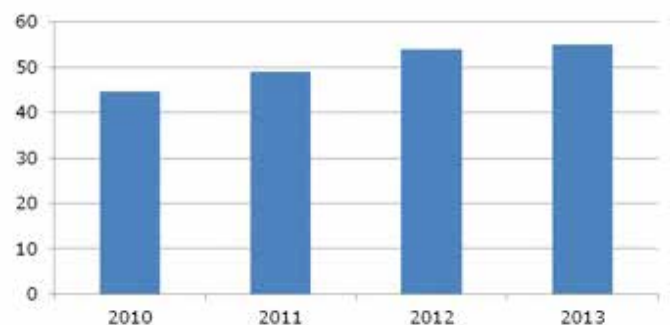
## Commercial Success

Commercial foresight, sustainable products and long-term relationships with our customers will secure jobs in the region and the commercial success of our company in the future. We have constantly increased our sales because of these and thanks to successful innovations and investments.

Other far-reaching changes and investments, particularly in the production of nursing pads and liquid manufacturing, are making our company future proof.

### Development of Sales

Sales in Mio. EUR



## Quality

We adapt to the demanding requirements of our customers. This involves working constantly on the quality of our products. Quality and hygiene are the preconditions for an optimal product. Careful checks provide us and our customers with the necessary safety. By selecting raw materials carefully and carrying out quality checks in all processes, we manufacture safe products in accordance with the customers' requirements. Environmental compatibility, the manufacturing process and the sources of raw materials are just as important to us in this as absolute tolerability and safety for the consumer.



Absolutely all procedures and processes at both sites are regulated by the quality management system in accordance with DIN EN ISO 9001:2008. In addition to this, all products are produced in accordance with the guideline on good manufacturing practice (Cosmetics GMP) in accordance with DIN EN ISO 22716:2007.

The Integrated Management System (IMS) of our company comprises the areas quality assurance, environmental protection and industrial safety. It fulfils the requirements of the existing norms for these sub-areas: DIN EN ISO 9001:2008, DIN EN ISO 14001:2009 and OHSAS 18001. It is thus ensured that all formulated requirements are reflected in our conduct and business results.

Both sites are certified in accordance with FSC (Forest Stewardship Council) and PEFC (Programme for the Endorsement of Forest Certification) to be permitted to process cellulose-based raw materials with the appropriate sustainability certificate at both production locations.

## Challenges and Opportunities

The global megatrends are more or less already influencing our business. The following trends need to be taken into account in our company strategy. The important question here is whether we are prepared for the challenges of the changing times and what measures still need to be introduced. We must also ask ourselves what global changes we can use as an opportunity for our company.

In a networked economy we draw on globally fragmented and spread-out supply chains. Due to rapidly developing mobility technology and networking technologies, markets without limits are opening up to globally distributed value chains.

In view of the demographic change, the German government's statistics forecast a decrease in the workforce. Due to the ageing population and the falling birth-rate, we will in future experience a serious shortage of skilled personnel. In addition there is the growth in the importance of the work-life balance and the increasing importance of women in paid working life.

Tighter legal regulation, security of supply and price formation in the face of the energy turnaround in Germany present enormous challenges for us. Energy efficiency and automation are just two of the key terms relating to this global task.

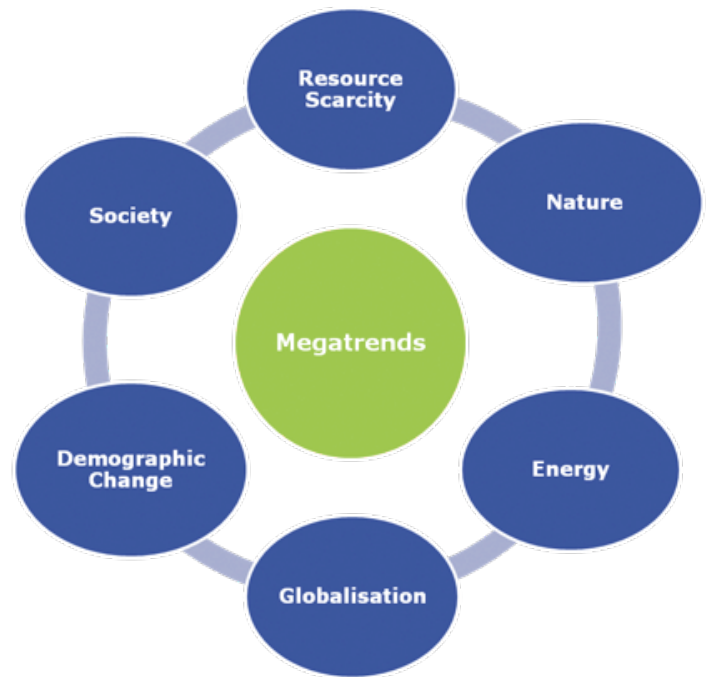
Climate change is one of the biggest challenges. The consequences of this, such as e.g. soil erosion, increasing natural disasters and the rising sea-level, may cause great global disruption and imbalances. Combined with these changed circumstances there are also the decline in biodiversity and the scarcity of natural resources.

At the same time, there is increased demand for natural ingredients in cosmetic products. In the worldwide shift in consumer preferences and consumer spending, in sustainable consumption in the west and in increased health-consciousness, we see an opportunity for our products. The challenges here will include maintaining transparency regarding the ingredients and observing the price sensitivity of the end-consumer.

## Vision of Sustainability

For us, added value means: creating values and guaranteeing these values.

We want to establish sustainability as an important factor of success in our company. We are striving for ongoing improvement by developing new and improved products, processes and services, using energy and resources efficiently and minimising environmental pollution. We would like to be a company that is known as a respected employer in the region and that is committed to social aspects of the region. Together with the customers, employees and suppliers we are striving for a sustainable value chain. We always have long-term, sustainable successes in mind in our short and medium-term planning.



## Interview with Markus Nölken

Among medium-sized companies it is certainly still untypical to have one's own sustainability department. What led to this?

*Markus Nölken: We have always acted sustainably in individual points.*

*I think that is a strength of family-owned medium-sized businesses. We wanted to bundle our activities, to be able to act in an even more focused way.*

What role does your company play, when it comes to spreading sustainability among medium-sized businesses?

*Markus Nölken: Due to our focus on sustainability, we are in a position to produce new approaches and to make these public. I would not, however, go so far as to say that we spread sustainability among all medium-sized companies. We make our point, also through our external communication.*

Sustainability is a long way: what stages have you reached so far?

*Markus Nölken: If we take a look at the last three years, thinking has changed in our company. Whether the comments be flippant, committed or serious, it is always sustainability that is taken into account in our actions.*



Markus Nölken,  
Managing Director



## Sustainability Strategy

Our sustainability strategy is based on the three pillars of sustainability: business, society and environment. We have defined five strategic fields of action, in which we believe we can make our greatest possible contribution. These comprise the ten principles of the United Nations Global Compact that we have defined as indicators for our sustainability management. These fields of action are held together by our management and the company strategy.

**Resources and Environmental Protection:** We want to save natural resources and reduce pollution. We implement this aim in the company processes as well as in product development. This includes the company's environmental management as well as our energy management.

**Employees:** We would like to make a contribution to the social environment in which we live and work. With lots of offers and benefits, we support our employees as regards to their health and safety, work-life balance, cooperation and further education.

**Innovation and Product Responsibility:** So that generations to come can also satisfy their needs, Nölken develops and produces responsible products for adults and children. Safe and sustainable raw materials for society and environment and their obtaining and manufacture are the basis of our product development and the product innovations.

**Supply Chains:** In our supply chain management, transparency is the watchword of our actions. We undertake to observe human rights, work standards and anti-corruption guidelines, and also require these to be observed by our suppliers.

**Social Commitment:** We would like to give something back to our social environment and are strongly committed to social and ecological tasks in our region.





## Ten principles of the United Nations Global Compact

### Human Rights

#### Principle 1:

Businesses should support and respect the protection of internationally proclaimed human rights within their scope of influence and

#### Principle 2:

make sure that they are not complicit in human rights abuses.

### Labour

#### Principle 3:

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining and

#### Principle 4:

the elimination of all forms of forced and compulsory labour,

#### Principle 5:

the abolition of child labour and

#### Principle 6:

the elimination of discrimination in respect of employment and occupation.

### Environment

#### Principle 7:

Businesses should support a precautionary approach to environmental challenges,

#### Principle 8:

undertake initiatives to promote greater environmental responsibility, and

#### Principle 9:

encourage the development and diffusion of environmentally friendly technologies.

### Anti-Corruption

#### Principle 10:

Businesses should work against corruption in all its forms, including extortion and bribery.

## Targets and Measures

Nölken, as a manufacturer of body care and hygiene products, would like to play a pioneering role in the field of sustainability. Our overriding aim is to manufacture body care products in line with demand. We offer our customers the best service, innovative technology, flexible solutions and sustainability. With this we would like to achieve the best results for business, environment and society.

The following plan of targets and measures states the scope of the response to the respective UNGC principles and provides information on how far implementation has progressed. We check the degree of achievement

on the basis of the listed key statistics. They show an unfalsified picture of the extent to which the sustainability targets have already been achieved.



Johanna Jung,  
Sustainability Manager

## Interview with Johanna Jung

**You have been at Nölken for three years. What experiences have you had?**

*Johanna Jung: Medium-sized companies have limited resources: finances, personnel and information. At Nölken it was a matter of creating the conditions for reliable data on social and environmental performance in order to then make rational decisions and activate further potentials.*

*Another insight was that sustainability cannot come free. Everyone needs to be aware that sustainable raw materials and products that protect society and environment on site are more expensive than conventional ones.*

**With you, sustainability as an administrative department is given high priority, obviously a matter for the boss. Is that essential for the success of Corporate Social Responsibility or CSR in the company?**

*Johanna Jung: Up to now it has still been an exception for medium-sized companies to create their own department for sustainability subjects. This structure has proven its worth for us, however, because in this way we can react directly to acute themes and implement measures more quickly.*

**Why has Nölken chosen the Global Compact of the United Nations as its sustainability guidelines?**

*Johanna Jung: When we agreed upon the sustainability strategy in 2011, the UNGC seemed to us to be the most effective guideline. It represents an excellent starting aid for companies that are only just beginning to take a close look at sustainability, ethics and compliance. The ten principles provide clear guidance for the essential areas. With increasing commitment, however, we are now recognising the natural limits of the UNGC and are thus also orienting ourselves more towards other guidelines and standards, e.g. the German Sustainability Code. We are thus focussing upon more subjects and reporting in more detail upon important themes.*

**Management and strategy**

Status: ● = achieved    ◐ = partially achieved    ○ = not achieved

Target	Measures 2013/2014	Status	UNGC
Increased commitment to sustainability in politics, industry associations and regional initiatives	<ul style="list-style-type: none"> <li>Active and continual commitment in different national and international industry associations and initiatives (e.g. edana, FONAP, ISR)</li> <li>Entrepreneurs' gatherings and gatherings of regional politicians at Nölken</li> </ul>	●	8, 9
Intensification of the internal and external communication on sustainability	<ul style="list-style-type: none"> <li>Reporting successfully completed</li> <li>All stakeholders identified and sustainability report distributed</li> <li>All employees informed in an annual letter about targets and measures</li> </ul>	●	8

**Resources and environmental protection**

Target	Measures 2013/2014	Status	UNGC
Reducing negative environmental effects of our production	<ul style="list-style-type: none"> <li>Environmental management system (UMS) introduced in accordance with ISO 14001 and externally certified</li> <li>Implementation of an UMS in accordance with ISO 14001 at the Nowogrodziec site scheduled</li> </ul>	◐	7
Transparency of the most important environmental key data (waste, water, energy)	<ul style="list-style-type: none"> <li>Introduction of a ratio system</li> <li>Acquisition of all environmentally relevant data started</li> </ul>	◐	7, 8, 9
Reduce paper consumption per employee annually by 10% in comparison with the previous year	<ul style="list-style-type: none"> <li>Digital archiving system introduced and employees trained</li> <li>Central printers installed</li> <li>Paper consumption reduced in total by 48% per employee against the previous year</li> </ul>	●	8
Reducing waste rate per number of pieces by at least 10% annually	<ul style="list-style-type: none"> <li>UMS implemented</li> <li>Waste team set up and measures for waste reduction implemented</li> </ul>	◐	7, 8, 9
Reducing the freshwater consumption and generation of waste water	<ul style="list-style-type: none"> <li>Introduction of an UMS</li> <li>Consumption integrated into the sustainability ratio system</li> </ul>	◐	7
Reduction of energy consumption and switching to renewable energy sources	<ul style="list-style-type: none"> <li>Introduction of an energy management system (EMS) and successful handling of the test phase</li> <li>Survey of the annual energy consumption</li> <li>Commissioning of the BTTP</li> </ul>	◐	7
Reduction of the CO <sub>2</sub> emissions of the whole company	<ul style="list-style-type: none"> <li>Survey of the CO<sub>2</sub> emission of all business trips and of the company vehicles started</li> <li>Sensitising of all employees regarding own CO<sub>2</sub> emission</li> <li>Greater use of rail for business trips</li> </ul>	●	7, 8



## Resources and environmental protection (continuation)

Target	Measures 2013/2014	Status	UNGC
Increasing of the proportion of environmentally harmless and fairly traded products among the consumables	<ul style="list-style-type: none"> <li>For office items, environmentally-friendly alternatives are preferred</li> </ul>	►	7

## Employees

Target	Measures 2013/2014	Status	UNGC
Intensification of further training offers and promotion of participation by at least 5% annually	<ul style="list-style-type: none"> <li>Digitalising of academy procedure</li> <li>Regular exchange of the academy team</li> <li>Range of seminars and further training possibilities has remained the same</li> </ul>	►	-
Adhere to labour standards and human rights in own operations	<ul style="list-style-type: none"> <li>Employee code of conduct introduced and adherence to it checked</li> <li>Sensitising of employees regarding labour standards and discrimination promoted by communication and events</li> </ul>	●	1, 3, 4, 5, 6
Promotion of safety at the workplace and reduction of accidents	<ul style="list-style-type: none"> <li>Industrial safety management system (ASM) introduced in accordance with OHSAS 18001</li> <li>Training courses carried out</li> </ul>	●	-
Reducing sickness rate and promoting health of the employees	<ul style="list-style-type: none"> <li>Company health management system (BGM) established</li> <li>Continuation and expansion of the range of health services</li> </ul>	●	-
Sensitising and training of employees regarding sustainability	<ul style="list-style-type: none"> <li>Internal introductory training courses held</li> <li>Trainees receive introduction to sustainability management</li> </ul>	●	-

## Innovation and product responsibility

Target	Measures 2013/2014	Status	UNGC
Substituting critical natural raw materials with non-critical ones	<ul style="list-style-type: none"> <li>Carrying out of the SME sustainability check with the Global Nature Fund and screening of some critical natural raw materials</li> <li>All natural raw materials used identified</li> </ul>	►	8
Increasing of the proportion of palm (kernel) oil derivatives from sustainable cultivation	<ul style="list-style-type: none"> <li>Affected suppliers contacted</li> <li>Proportion of palm (kernel) oil derivatives identified</li> <li>100% of the palm (kernel) oil derivatives in the manufactured products is covered by sustainability certificates</li> <li>Active and continual commitment in the FONAP-Working group "derivatives"</li> </ul>	●	7, 8, 9

## Innovation and product responsibility (continuation)

Target	Measures 2013/2014	Status	UNGC
Reveal potential for the reduction of material consumption in products and the use of recycling raw materials	<ul style="list-style-type: none"> <li>Reduction in packaging in places</li> <li>Product-specific use of recycling raw materials in the packaging</li> </ul>	►	9
Promote sustainable innovation by at least 5% annually	<ul style="list-style-type: none"> <li>Ideas management system established in Windhagen and 67% increase in ideas submitted against the previous year</li> <li>Ideas management system introduced in Nowogrodziec</li> </ul>	●	9
Expansion of the range of sustainable products	<ul style="list-style-type: none"> <li>Training of sales employees regarding the eco label</li> <li>Certification of both sites in accordance with FSC and PEFC</li> <li>9% increase in sales with eco label products against previous year</li> <li>Trainee project completed</li> </ul>	►	9

## Supply chain

Target	Measures 2013/2014	Status	UNGC
Promotion of knowledge and awareness of the suppliers regarding sustainability	<ul style="list-style-type: none"> <li>Communication of the requirements in the relevant divisions</li> <li>Workshops</li> <li>Integration into the sustainability communication</li> </ul>	●	1, 2, 4, 5, 6, 7, 8,
Creating transparency in the supply chain at least until the final production step	<ul style="list-style-type: none"> <li>Introducing supplier management system</li> <li>Disclosure extended to environmental protection, society and animal protection</li> <li>Ensuring that all suppliers adhere to requirements</li> </ul>	►	1, 2, 4, 5, 6, 7, 8, 9
Fighting corruption, bribery and extortion within our sphere of influence	<ul style="list-style-type: none"> <li>Purchasing guidelines for employees introduced</li> <li>Supplier requirements produced for quality and social and environmental aspects</li> </ul>	►	10

## Social commitment

Target	Measures 2013/2014	Status	UNGC
Creating awareness of sustainability in the region	<ul style="list-style-type: none"> <li>Public relations in the region</li> <li>Talks held about the company and our commitment</li> </ul>	●	-
Promoting of social projects and of social commitment of our employees	<ul style="list-style-type: none"> <li>Making of donations and implementation of donations and sponsoring projects</li> <li>Leave of absence for employees for social commitment</li> </ul>	●	-

# Resources and Environmental Protection

In addition to the pollution of water, soil and air, the ecological challenges of our age also include the consequences of climate change, the increasing scarcity of resources and the continuing loss of biological diversity. Many ecosystem services upon which Nölken is directly or indirectly reliant, e.g. drinking water, cosmetic active agents and raw materials, and foodstuffs, are endangered by this. Because of rising material and pollution costs, environmental aspects increasingly represent a cost factor for us.





Nölken is responsible for environmental protection at both of its production sites. In 2013 we therefore introduced the environmental management system at our site in Windhagen and had it certified. Ecological objectives are part of company policy and integrated into the management system as a task of management. On top of this, Nölken works for protection of the environment and realises measures for the conservation of natural resources and biological diversity. It is our aim to achieve the same high standard for the resources-relevant and environmentally processes and procedures in the production in Nowogrodziec.

and pulp, the cultivation or manufacturing of which can entail substantial effects for the environment and society. The continued existence of biodiversity can be ensured by certified sustained cultivation.

## Biodiversity

Companies correlate closely with the functioning of an intact nature. We use ecosystem services and natural resources in the manufacturing of our products, which is to say the core of our company. But nature also makes valuable resources available for our society – above all clean drinking water and intact forests. Nature is often not sufficiently taken into account in decision-making processes and the consequences of this include the extinction of species and the decline in biological and genetic diversity as well as pollution of the environment.

We are aware that our success depends on the environment in which we act. Nölken has recognised that we must actively look after biodiversity and the efficient use of raw materials along the value chain. We have initiated appropriate measures for this and in 2013 carried out the SME sustainability check with the Global Nature Fund. The analysis focused upon the key themes of biodiversity and resource-efficiency. We have thereby had our already existing value management externally confirmed and received improvement suggestions for the protection of biodiversity. A further measure is active commitment in the Forum for Sustainable Palm Oil (more on page 39).

Natural raw materials which, in their manufacturing or cultivation, have negative effects upon the environment or society, are to be removed from our portfolio in the long term. The first measure for this is the identification of biodiversity-relevant risks of the raw material portfolio and the traceability of natural raw materials to their geographical origin. This analysis already focuses upon cellulose-based materials such as viscose fibres





## Procurement

When procuring office material, attention is paid to recyclable materials with appropriate certificates such as the "Blue Angel", FSC or PEFC. At our site in Windhagen we are already using exclusively copy paper from recycling fibres. At our site in Nowogrodziec, the changeover is currently taking place and should be completed by the end of 2014.



issued a digital archiving programme and trained all employees appropriately. The subject of paper reduction receives attention at our sites regularly due to ideas competitions, training courses and information. Our intranet plays an important role in the implementation of this aim, because internal processes are mostly handled via the intranet. This sustainability report is also only available in digital form. Company and product brochures are also only available digitally. Furthermore, in 2013 we centralised and reduced printers in our administration.

In the framework of this noticeable commitment in the reduction and avoidance of paper, we have joined the initiative CEOs for Recycling Paper.

In order to further increase our resource efficiency, we have set ourselves the aim of reducing paper consumption annually. For this, we have comm-

Paper consumption	2012	2013
<b>Windhagen</b>	450,000 sheets copy paper 85,000 sheets letter paper <b>3,128 sheets/employee</b>	200,000 sheets copy paper 30,000 sheets letter paper <b>1,250 sheets/employee</b>
<b>Nowogrodziec</b>	130,000 sheets copy paper 0 sheets letter paper <b>1,477 sheets/employee</b>	125,000 sheets copy paper 0 sheets letter paper <b>1,506 sheets/employee</b>

## Waste

Resource efficiency is not only reflected in the environmental balance, but also has an economic effect. In order to reduce the generation of waste we have set up a work group which deals exclusively with the reduction of production materials used. It develops measures to reduce the use of valuable raw materials. With the introduction of the environmental management system in Windhagen we have started to survey wastes even more accurately and to reduce them in a targeted way. As in Windhagen, wastes are also being systematically surveyed in Nowogrodziec and programmes exist that are aimed at continually reducing the quantity.

The triad of "reduce, reuse, recycle" determines our waste strategy. At our production sites we have a recycling system that makes it easier for us to separate wastes into pure types and to then bring them back into the materials cycle. Recyclables such as transparent film, cardboard packaging and nonwovens residues are processed and reused. Wastes such as e.g. dehydrated nonwovens or composite films are used for energy production.

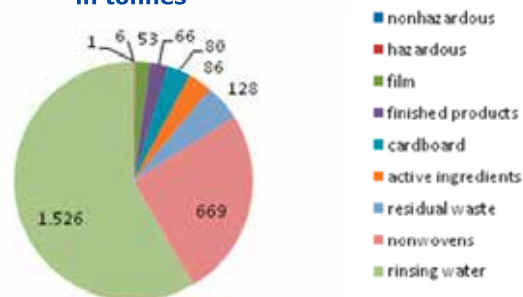
In 2013 the total quantity of waste produced in Windhagen was reduced by 8% to 2,396 t. This is to be attributed to the dehydrating of the nonwovens.

The majority of the total quantity of waste is accounted for by the rinsing water that is used for the cleaning process of the mixing plants, and the dehydrating substances of the nonwovens (59%). The nonwovens (28%) represent the second-largest quantity of waste. Due to improvements in the internal process operations, we have been able to reduce the nonwovens waste this year.

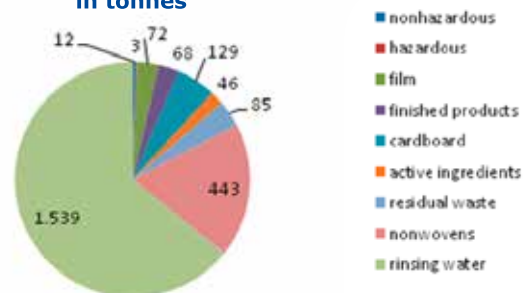
So far there is no certified environmental management system in Nowogrodziec. Here, the total quantity of waste rose by 27% against the previous year to 727 t. This is to be attributed to the commissioning of a new production line and the adjustments made to its machinery. This has caused an increase in the production volume and waste volume.

## Waste quantity Windhagen

**Waste generated 2012**  
in tonnes

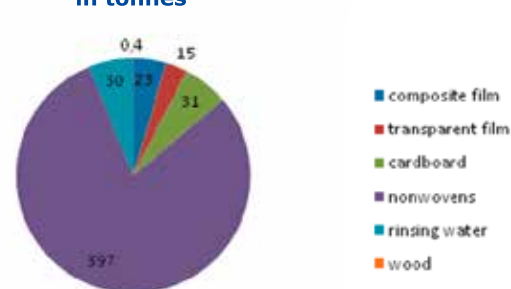


**Waste generated 2013**  
in tonnes

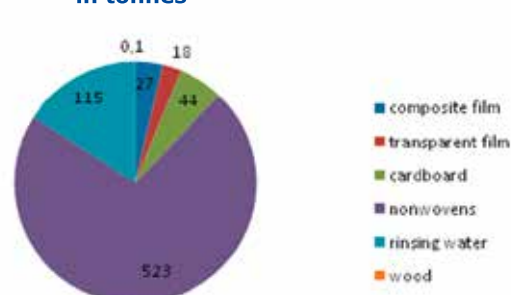


## Waste quantity Nowogrodziec

**Waste generated 2012**  
in tonnes



**Waste generated 2013**  
in tonnes





## Energy

The use of energy depends largely upon the production output. The energy management system started this year makes it possible for us to digitally record all the relevant data about the exact production output and the energy consumption at the individual production lines. The transparency of the physical dimension of our production is a first step towards reducing our energy consumption.

We are already achieving energy savings with effective measures such as e.g. in lighting. LEDs in the production sites, the store area and outside reduce electricity consumption thanks to their modern technology.

Energy consumption		2012	2013
<b>Windhagen</b>	Electricity	2,399,116 kWh	2,100,976 kWh
	Natural Gas	1,535,413 kWh	1,882,429 kWh
<b>Nowogrodziec</b>	Electricity	1,300,000 kWh	1,640,000 kWh
	Natural Gas	309 kWh	353 kWh

Less heavily frequented areas such as e. g. warehouses and corridors have been equipped with presence and motion detectors.

To lower energy consumption we installed a block-type thermal power station (BTTP) in the wet wipes manufacturing in Windhagen in 2012 and can make optimal use of heat and electricity due to their cogeneration. The aim is to install another BTTP in 2014.



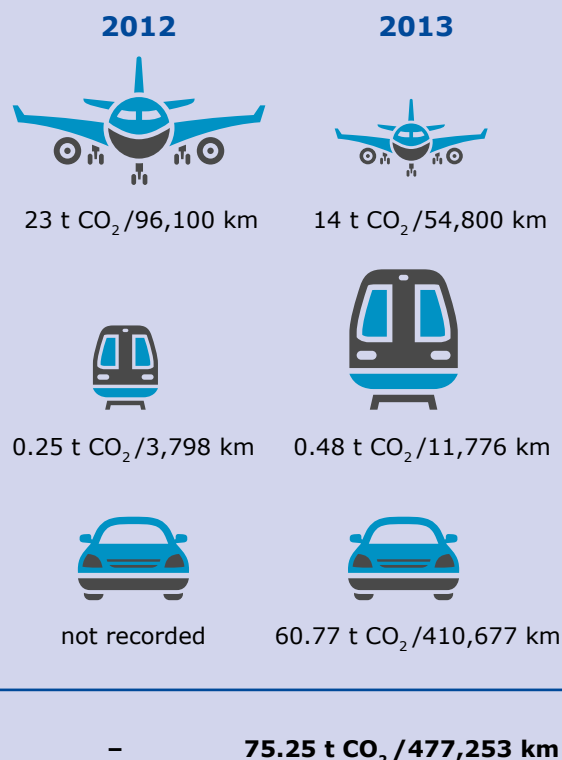
## Emissions

In the first step, we have analysed our CO<sub>2</sub> balance for business trips. Here it stands out that the air miles travelled have been reduced and that rail was used more often for business trips. Training courses and information about CO<sub>2</sub> emissions help to sensitise employees to this topic.

Nölken still wants to reduce the CO<sub>2</sub> emission of its business trips and where financially reasonable to replace flights by rail trips. In future, we would like to compile a CO<sub>2</sub> balance of our business activity in order to reduce CO<sub>2</sub> emissions in other areas in a targeted way.

In Nowogrodziec no business trips were made by aeroplane or rail. Only in 2014 did we start to record the consumption and kilometres driven of the company vehicles there. There is therefore not yet any reliable data available.

### Indirect Emissions from Business Trips



## Water and Waste Water

The implemented environmental management system makes possible transparent and reliable recording of water consumption. Water consumption and waste water statistics are recorded at both sites and measures are being initiated for continual improvement.

For the manufacturing of high-quality wet wipes, the Windhagen site draws outstanding water from the public drinking water network of the Asbach district association. Part of the water is prepared for the manufacturing of the cosmetic liquids by means of reverse osmosis and UV plant. The majority of the fresh water used is incorporated in our products in processed quality. In manufacturing, the water used for cleaning purposes is disposed of separately as waste water.

### Freshwater

	2012	2013
<b>Windhagen</b>	21,334 m <sup>3</sup>	25,474 m <sup>3</sup>
<b>Nowogrodziec</b>	4,008 m <sup>3</sup>	4,152 m <sup>3</sup>

### Waste Water

	2012	2013
<b>Windhagen</b>	10,168 m <sup>3</sup>	12,944 m <sup>3</sup>
<b>Nowogrodziec</b>	596 m <sup>3</sup>	581 m <sup>3</sup>



# Employees

Nölken, as a family-owned medium-sized company in its second generation, has always had a culture that deals with the individuals in the company in an open and appreciative way, because it is the people who make and shape our company. Only with motivated and satisfied employees can we continue to be successful.



As a company acting in a socially responsible way, Nölken works for the protection of human rights and adherence to the labour standards. We undertake to respect the legal standards and the principles of the UN Global Compact, and have anchored this firmly in our business processes.

## Our Employees

In 2013, Nölken employed a total of 267 full and part-time employees and trainees at both sites.

In Windhagen, it was a total of 184 full and part-time employees, 50 of which worked in administration and 126 in production, and eight of which were trainees. Due to specific orders that require a lot of handwork, and because of sick days and holidays, we have employed a total of 551 temporary workers intermittently in various departments in Windhagen in the past year. This has decreased by more than 60% against the previous year.

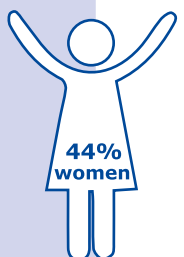
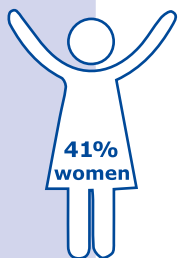
In Nowogrodziec, it was a total of 83 full and part-time employees, ten of which were employed in administration and 73 in production. During the whole year, 170 temporary workers were employed at the Nowogrodziec site. In 2012, the number of temporary workers employed was still 216.

### Employee Development



### Employee structure

		2012	2013
<b>Windhagen</b>	Management Board/Management	2 women 8 men	3 women 8 men
	Employees	63 women 94 men	70 women 95 men
	Trainees	2 women 4 men	2 women 6 men
<b>Nowogrodziec</b>	Management Board/Management	3 women 2 men	3 women 2 men
	Employees	37 women 46 men	37 women 41 men
	Trainees	0 women 0 men	0 women 0 men



## Demographic Development

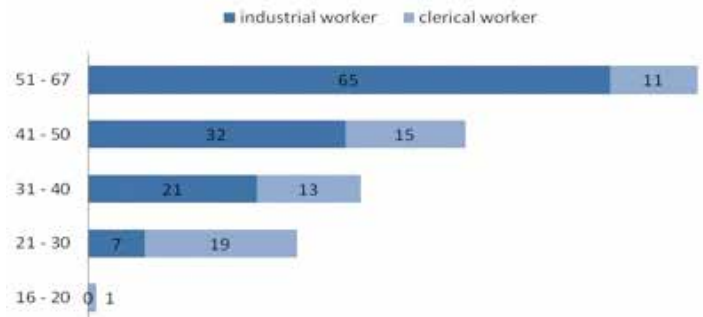
The structure of the population is changing very much in Germany. The birth-rate is sinking and the age structure is changing, causing there to be fewer young, well-trained skilled employees available on the labour market. At our site in Windhagen we recognise precisely this development in the population. Our workforce is becoming older and young, suitable skilled employees are hard to find.

We can look back with satisfaction upon a workforce that has already been working for our company for many years and has grown with Nölken. This also entails an increase in the age of our workforce, however. In 2012, 38% of the employees were already more than 51 years of age. In 2013 this is already 41%, with the majority of those over 51 (85%) being employed in production. For Nölken this means that 25% of the employees will be retiring within the next ten years. We have to counteract this development with special measures.

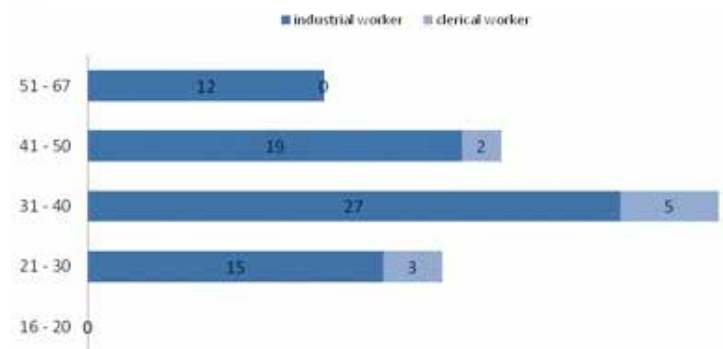
We have recognised that Nölken must create options for its production employees, who have to perform physical work in three-shift models, in order to maintain their performance up to pension age. This includes hazard assessments of each workplace and an analysis of accidents at work as well as a health programme adapted to these. In this way, the requirements for an age-appropriate workplace can be recognised early on and an appropriate reaction can be implemented. In addition, we offer part-time models in many areas and select employees according to their qualification. We assemble our teams according to the individual abilities of the employees.

In Nowogrodziec, the age structure is relatively balanced which is because the branch is located in a structurally weak region. Despite this, one can see the results of demographic changes in this region as well. Many young people are moving to bigger cities. Nevertheless, we would like to be known as an attractive and diverse employer in Nowogrodziec as well, and will therefore continue to introduce measures that have also proven their worth in Windhagen.

### Age Distribution Windhagen 2013



### Age Distribution Nowogrodziec 2013



## Culture of Diversity

We live in a time of demographic change, German society is ageing and the birth-rate is sinking. At the same time, our society is becoming more diverse and we are part of a globally networked economy. It is clear that a variety of potentials is advantageous for our success. This circumstance requires a strategy of intercultural action. We offer the basis for this with a multifaceted workforce.

Nölken makes possible a company structure that recognises and appreciates diversification. We also promote this culture and this behaviour among our employees. We focus our attention on discovering and promoting talents – regardless of gender, nationality, ethnic background, religion or world-view, disability, age, sexual orientation or identity.

Our employees come from different nations –largely from Germany, France, Poland, Romania, Russia, Portugal, Turkey, Morocco, Cameroon, the Philippines, Macedonia and Moldavia.

Mutual respect, equality and appreciation of all colleagues are firmly anchored in our organisational culture. In a code of conduct that applies for each employee, we have formulated fundamental values for the cooperation of our employees. The code of conduct expresses our attitude towards discrimination, harassment, violence or mobbing. Such behaviour is not tolerated in recruitment or work. Furthermore, we guarantee all employees the freedom of association and the effective recognition of the right to collective bargaining negotiations. In addition, the employees' interests are represented by the employee representative.

We also offer our employees free participation in a private German course. This took place at the beginning of 2014 for the first time and lasted three months. In addition to the Christian holidays, last year we used the "Id al-Fitr", or feast of breaking the fast, to get to know the Muslim culture somewhat better.



Anni Thellmann,  
Shift Supervisor and  
Employees' Representative

## Interview with Anni Thellmann

**Why did you decide to get personally involved as Employees' Representative at Nölken?**

*Anni Thellmann: Because I like working together with different people, and like listening and supporting the interests of others.*

**What character traits do you need for this?**

*Anni Thellmann: You should be neutral and objective in each case. It is also helpful if you have a strong moral character and do not immediately lose your composure over awkward subjects. In the end, however, it is a matter of being able to listen, seeing to the needs of the workforce honestly and being understanding.*

**What goal have you set yourself in your additional task?**

*Anni Thellmann: My aim is for all employees to confide in me and for them to accept me as a representative. For me, success is when the employees accept my help and I can continue to support their interests. It is a good feeling when my suggestions meet with a positive response from the management board.*



## Work-Life Balance

The compatibility of work and private life goes without saying for us as a family-owned company. Nölken offers its employees a wide range of options. Flexible working time models allow our employees to also be gainfully employed if they need more time for their family or private life, or need time-consuming further education. Wherever possible, we accommodate the personal wishes of our employees with shift and flexible working hours. In addition to these, there are also part-time and home-office jobs.

At no time do the contractually agreed working hours of our employees exceed 40 hours a week; this allows the employees to have a better work-life balance.

In 2013, three employees at the Nowogrodziec site took the legally regulated parental leave and one employee has returned from this. In Windhagen, two employees took parental leave. In 2013, two mothers and one father returned from this.

coordinate the resources necessary for them on their own responsibility and shape and organise the creative presentation of the company.

Training thus has high priority at Nölken. The majority of our trainees are taken on by us at the end of the traineeship. 2 out of 3 apprentices were taken on in 2013.



Nölken presents itself at the occupation information event

## Apprenticeship

Nölken has been an IHK-audited training company since 1985. In the past, we have trained predominantly industrial management assistants. In the past few years, however, we have recognised that Nölken must also shoulder the consequences of the demographic change and that a shortfall of skilled personnel is emerging in our industrial departments. Since 2012 we have also been training a chemical technician and from this year we will also be offering apprenticeships in the fields of machine and plant operation, chemistry and warehouse logistics.

A scarcity of new labour is not just on everyone's lips, it is also taking place on-site at Nölken. That is why Nölken needs to fight for the skilled employees of tomorrow in the industrial field as well. In order to find applicants, Nölken has in the past few years started to be present at regional training fairs and at occupational information events in schools, and to report about the company to interested people at info events. With these appearances, we cannot only acquire trainees but also offer lots of young people an internship position. Our apprentices play a major role in these events because they

In the first few weeks the new apprentices can expect an exciting journey through production and administration. They thus have the opportunity to get to know the employees and gain an initial insight into the company, before the actual training plan begins.

As well as technical knowledge, all apprentices in the company also get to know the principles of sustainable and ethical business. Part of each apprenticeship at our company is a learning phase in the Sustainability Department. Because we think that ethical and sustainable action should be part of the training in a responsible company.

Entrepreneurial thinking and acting plays a central role in the job training. Based on a fictitious customer project, all apprentices learn to think in a process-oriented way, and to act independently and responsibly. The team of trainees re-enacts the entire business process of a product: from the development and raw materials procurement to production to customer presentation. The project objective is the presentation and placing on the market of a sustainable cosmetic product (more on p. 44).

## Interview with Katharina Leven and Mario Diede

Through visits to partner companies, the trainees at Nölken receive many insights into the industry. Why do you find the extracurricular learning of the trainees to be such an important matter?

*Katharina Leven: We like to offer trainees the opportunity to receive small insights into other areas of the industry, which are not really provided in the job training itself.*

*Mario Diede: For small and medium-sized companies the question often arises as to whether they can meet the conditions required by the traineeship ordinances, because often they cannot convey all the content or the financial cost is too high. We also had to ask ourselves this question in the training of the chemical technicians at our company. For small and medium-sized companies in particular, a training partnership is a good idea because the respective training costs are spread out and yet new employees can be trained. With the companies Zschimmer & Schwarz, Solvay and Lohmann & Rauscher we have found partners who support us ably in this undertaking.*

What successes are you hoping for with this?

*Katharina Leven: I am hoping that the apprentices can use their newly acquired knowledge for their work at Nölken. It would be great if the time that we are investing here were to have a positive effect on the performance of the apprentices.*

*Mario Diede: I can see advantages or successes of a trainee partnership in the reduction of costs and work, simplified entry into the training, broader qualification and cross-company experience for the trainees. I am sure that we are taking the right step for the future with this cooperation.*



Katharina Leven,  
Training Manager for Industrial Management Assistants



Mario Diede,  
Training Manager for Chemical Technicians

## Our apprenticeship occupations at a glance

### Industrial Management Assistants

Industrial management assistants at Nölken deal with commercial/business areas of responsibility such as purchasing, logistics, sales and marketing, human resources and accountancy.

### Machine/Plant Operator

Machine and plant operators in our production operation set up production machines and plant, and commission and operate them. They also change the tooling on the machines and keep them in working order.

### Chemical Technician

Chemical technicians guide and monitor machines and plant for the manufacturing, filling and packaging of chemical products such as e.g. our shampoos, creams and lotions and impregnating liquids.

### Specialists for Warehouse Logistics

Specialists for warehouse logistics accept a wide variety of goods, check them and store them appropriately. They put together deliveries and itinerary plans, and load and dispatch goods. They also participate in the optimisation of logistical processes.

## Promoting Knowledge

The continuous further training of the employees is a central area of our personnel management for countering the challenges of the demographic change. Every new employee receives an individual familiarisation phase for orienting themselves within the company. During this phase, the values of the company are also conveyed and the fundamentals of sustainable acting are communicated.

sions are offered in technical and commercial subjects. Nölken finances further training either completely or partially and/or grants leave of absence. The Know-how of the employees is an enormous treasure, so regular training courses are held which in turn are part of our values management.

The complete range of training is published in the intranet. Employees can register for the training offers on their own initiative. The whole process has been handled digitally since 2012: applications for training, approvals and training assessments. Due to the internal changeover to a digital documentation of the further training measures, a comparison to the previous year will only take place from 2014.



### Academy

The company-wide academy forms a focus of our personnel management. With the Nölken Academy, we have created a modern platform for training employees and involving them in finding themes for the training. Partnerships with service providing companies make it possible for our employees to always keep up to date with information. In addition to this, regular training ses-

At our site in Nowogrodziec we have so far not yet implemented the intranet-based academy tool. In addition to other factors, this is also a reason why fewer employees here have registered for further training to date. We hope to achieve an increase in participation by means of further information and announcements of the range.

**Hours of further training**

	<b>2012</b>	<b>2013</b>
<b>Windhagen</b>	1,222 hrs.	1,049 hrs.
<b>Nowogrodziec</b>	40 hrs.	48 hrs.

**Number of employees who received further training**

	<b>2012</b>	<b>2013</b>
<b>Windhagen</b>	171	184
<b>Nowogrodziec</b>	8	19

**Part-Time Study Accompanying Work**

We offer part-time study accompanying work to employees and trainees who have proven themselves in their training and work. At the Windhagen site, four young employees are currently acquiring further technical knowledge. Nölken is supporting the employees in such part-time study financially and structurally.

From 2015, we will be employing our first student who has now chosen to take dual training at Nölken after successfully completing his internship.



Employees learn in the Academy



## Interview with Daniel Kessler and Alexander Rein

**Why have you chosen to study part-time while working?**

*Alexander Rein: Because it offers an optimal combination of a job and studies, so that I can pursue two objectives in a shorter period of time: gather occupational experience and complete a university course of studies.*

*Daniel Kessler: Among the large range of further training available in the field of Product Management, part-time study to become a Product Manager (University of Applied Sciences) was one of the most extensive and interesting options.*

**How does Nölken support your efforts?**

*Daniel Kessler: The leave of absence for the presence phases at the University of Applied Sciences is not something that goes without saying and it is a big help.*

**What objective are you pursuing with your course of studies?**

*Daniel Kessler: The aim of the course of study is to develop in the subject and personally and to apply my knowledge in my current position.*

*Alexander Rein: The course of study covers different fields of interest, e.g. Business Studies, Psychology and Biology, so that this course of studies offers different occupational training areas and thus a wide occupational field.*

*Daniel Kessler is a qualified Industrial Management Assistant and is studying Product Management at Schmalkalden University of Applied Sciences and is in the last semester.*



*Alexander Rein has been at Nölken since 2011 and is studying Business Studies and Business Psychology at the FOM Cologne.*



## Safety and Health Protection

A safe working environment and the promoting of health are the preconditions for satisfied employees and a successful company. Accepting responsibility for our employees is a firmly established part of our personnel management.

### Industrial Safety

An industrial safety management system has been introduced at all workplaces at Nölken during past years. We have introduced the industrial safety management system in accordance with OHSAS 18001, but have not had it externally certified.

At Nölken, an external specialist is responsible for industrial safety. This Industrial Safety Officer forms the Industrial Safety Committee together with the Works Doctor, the Employees' Representative, the Production Manager, the Quality Manager, the Sustainability Manager and the management board and gives advice on aims and measures for industrial safety at regular intervals.

All technical plant and workplaces are regularly checked in the context of work safety. Personal protective clothing is made available to the employees free of charge. All employees are also annually instructed in industrial and fire safety, beyond the legal requirements. For several years, we have offered all of our employees at both sites an extensive preventive check-up.

Due to the implementation of an industrial safety management system at both sites, work accidents at Windhagen have decreased by just under 24% and days lost by 38%. In Nowogrodziec, the increased number of accident days is to be attributed to the three work accidents.



Industrial safety training

Regular hazard assessments, training courses and sensitising events by the Industrial Safety Officer have proven effective in Windhagen. We have made it our aim to further reduce the number of accidents in Windhagen and to reduce the degree of injuries in Nowogrodziec, intending to achieve this primarily through training courses and technical measures. After long-term illnesses, employees are offered re-integration measures. Two integration conversations took place in Windhagen.

For all employees there is the opportunity to voluntarily have themselves trained in first aid or trained further to be first aiders. At Nölken, 33 employees have completed the training to be first aiders.

### Work accidents

	2012	2013
<b>Windhagen</b>	25 accidents 110 days lost	19 accidents 68 days lost
<b>Nowogrodziec</b>	1 accidents 26 days lost	3 accidents 351 days lost

## Interview with Angelika Andrae

Why do you make a personal commitment to be a first aider at Nölken?

*Angelika Andrae: Because I find it important to be able to help in an emergency.*

What experiences have you had with this?

*Angelika Andrae: How quickly you forget one or two things if they are not regularly applied, and how important it is to repeat first aid measures regularly.*

What can you learn from this task for your life outside work?

*Angelika Andrae: I am just safer with smaller "emergencies".*



Angelika Andrae,  
QA Employee and First Aider

### Health Management

To protect the health of our employees and further reduce sickness days, we have introduced a company health management system with a wide range of health-promoting measures.

One effect of the health services is the reduced sick rate at our central site in Windhagen. The sick rate here has fallen from 6.2% (2011) to 5.5% in 2013; for which we have taken the total of sick days in relation to the total of the working days minus the weekends and the holidays and public holidays.

Because of three work accidents at our site in Nowogrodziec, our sick rate at this production site is several times more than that of the previous year.

Sick rate	2012	2013
Windhagen	5.4%	5.5%
Nowogrodziec	3.6%	5.8%

For two years now, a company health day has been held. It is enlivened by organisations and companies from the region with interesting and practical items

and services. There is a high level of participation, reflecting the interest in health and the balance to everyday working life. Close cooperation with local service providers has arisen from this successful health day. There is promotion of sporting activities outside working hours: supporting of gym membership, running groups, mountain bike groups, back classes and hikes. Also, for years, flu vaccinations have been carried out in autumn on site by the Company Doctor.

A programme called "Nölken-Aktiv" has been created in which the participants can collect money for a social project or charity of their choice with different sporting activities. The total reached is then paid directly by Nölken to the charitable project or registered association at the end of the programme in the name of the employee. The programme runs from April to September 2014 and has so far met with a very good response from the employees.

This varied range creates a balance to the normal working day. In addition to physical well-being, an increase in motivation has been observed as a positive side-effect.

**Health measures**

	<b>2012</b>	<b>2013</b>
<b>Offers Windhagen</b>	3	6
<b>Offers Nowogrodziec</b>	Introduction planned for 2015	Introduction planned for 2015
<b>Participation Windhagen</b>	85	41
<b>Participation Nowogrodziec</b>	0	0



Lionel Hervet,  
Key-Account Manager and "Nölken-Aktiv" Participant



## Interview with Lionel Hervet

Why do you personally take part in the "Nölken-Aktiv" programme?

What is it that makes you enthusiastic about it?

*Lionel Hervet: Since my childhood, I have always done sport, as a schoolboy, student and then later in addition to work. Practicing a sporting activity with colleagues - usually running or mountain biking - simply complements the normal working day. You feel part of the team and get to know the colleagues in a different setting.*

What personal experiences have you gained from this?

*Lionel Hervet: Cooperating with colleagues is then simpler. Because you also get to know the team better privately, you are even readier to offer support.*

Why is voluntary commitment important to you?

*Lionel Hervet: Our society is tending more and more towards individualism, because at first glance this appears simpler in our world. Supporting a charitable association, however, whether it be financially or with personal commitment, is necessary so as not to leave anyone in the lurch.*



## Interview with Daniel Nölken

One might think that Nölken is already doing everything right. Why have you then created the initiative "Nölken-Aktiv"? And what do you want to achieve with it?

*Daniel Nölken: I do sport regularly myself and know how important it is to create a counterbalance to work. We would like to support our employees in this. In addition to this, "Nölken-Aktiv" provides motivation to support, at the same time, a social project that is personally important to the employee.*

What in your opinion are the big challenges for your company in connection with the social changes?

*Daniel Nölken: The big challenges lie in the demographic change. The so-called low-birth-rate age generations are coming. Here we have to find a balance between the generations and at the same time keep the economy in Germany "fit & active". As a company, we need to intensify the dialogue between new and experienced employees so that experience and commitment are also retained in our company in the future.*

What opportunities do you see for your company in connection with the implementation of the "Nölken-Aktiv" programme?

*Daniel Nölken: The opportunities are obvious. Active employees are indispensable for good results and the longer we can keep the knowledge of longstanding employees the better we will be able to supply our customers with high-quality products.*



Daniel Nölken,  
Managing Director



The Nölken-Team at the Windhagen Marathon



Employees at back classes



Employees train during the company health day

## Corruption

Adherence to laws and regulations and the values of the company go without saying for the employees, managers and business management. A greater sensitisation towards subjects such as the prevention of corruption is nevertheless important.

At the start of their employment, the employees receive the company code, which clearly states a position regarding ethics, fairness, teamwork and integrity. Furthermore, it contains guidelines for the prevention of corruption. Nölken rejects extortion or bribery of any kind and takes disciplinary steps against such practices in the company. For example, gifts and donations from external service providers and suppliers from a value of 10 euros are to be reported to the manager, who in turn enters into dialogue with the corresponding suppliers in order to once again make clear the guidelines and issue a reminder about adherence to them, but also if necessary to take stricter measures.

To date no cases of corruption have occurred at Nölken.

## Sustainable Action

With a very wide range of measures that take place in the company, we want to promote sustainable action among our employees. We would like to encourage our employees to weigh up the consequences of each decision as regards to society, economy and environment, and through this to sensitise them regarding their own sustainable decisions.

The concept of sustainability cannot just be part of the working day. So we try to establish sustainable action among employees in their private lives as well, by means of seminars and appropriate communication. An open swapping shelf offers our employees the opportunity to exchange all private objects that are no longer required for others.

## Promoting Togetherness

Many different factors contribute to the work satisfaction and motivation of the employees. At the Windhagen site in 2013/2014 there was a barbecue, Christmas celebration, ski trip and carnival. At the Nowogrodziec site we celebrated the company's 20th anniversary together with all employees.



Celebrating its 20th anniversary in Nowogrodziec



BBQ in Windhagen



Ski weekend in Austria

# Innovation and Product Responsibility

Our products are safe and free of harmful substances, because accepting responsibility for following generations is the substance of our company. Product responsibility is a daily subject at Nölken, to which all departments are committed. Sustainable care and cleaning products are socially useful and solve a genuine problem. The development of the market shows the acceptance and comfort that our products offer. Of course we already bear responsibility for continually improving the environmental effects of the manufacturing and products, and work towards this in a very wide variety of ways.



Nölken develops and produces wet wipes at the very highest level. For different areas of application, we offer the customer established and also highly-innovative products – for gentle baby care, soft cleaning of face, body and private parts, effective household cleaning and disinfection.



This year, Nölken is investing heavily in the expansion of nursing pads production. Since 1997, Nölken has been producing nursing pads with various product characteristics – consumer packs for retailers and large packs for clinics and hospitals.



From the formulation to the filling: under strict hygienic conditions, Nölken produces creams, lotions, shower gels and shampoos. We manufacture cosmetic products using modern mixing plants and fill them in bottles, tubes and jars.





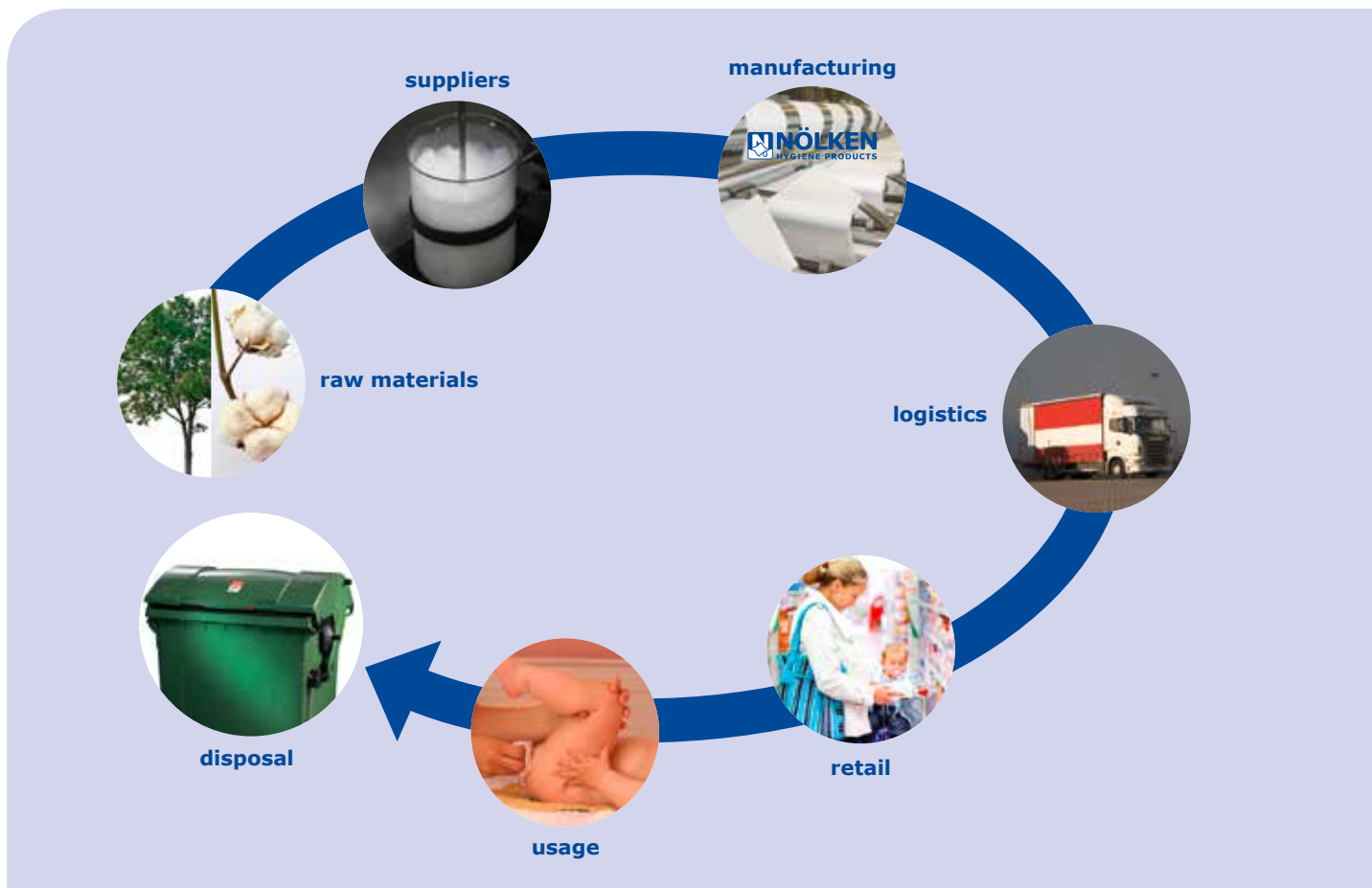
## Product Design

Sustainability starts in the product development. The whole value chain is examined by our development team in this connection and suitable raw materials are used.

Nölken takes over the complete development or modification of already existing formulations and products. For this continual observation of the developments in raw materials is necessary. In the nonwovens industry in particular, new, more environmentally-friendly variants emerge on a regular basis. In accordance with customers' requirements, we develop specialised products from sustainable raw materials. In harmony with the trio of economy, environment and society, our in-house research and development department takes over the designing of the products, from the nonwovens to the packaging so that they meet the sustainability criteria of our customers.

Raw materials are becoming scarce. This is why we are already on the way to using raw materials in an environmentally rational way and to designing materials cycles intelligently. We inform our customers about potential effects of raw materials and products upon the environment and society and thus incorporate them actively in the development process. In this way, we always work out the best possible solution together with our customers.

We have started to identify critical raw materials in our products and to examine them up to the first production step for social and ecological risks. This process should be completed by the end of 2014. This should above all create transparency about manufacturing of raw materials and intermediate products.



## Nonwovens and Cellulose

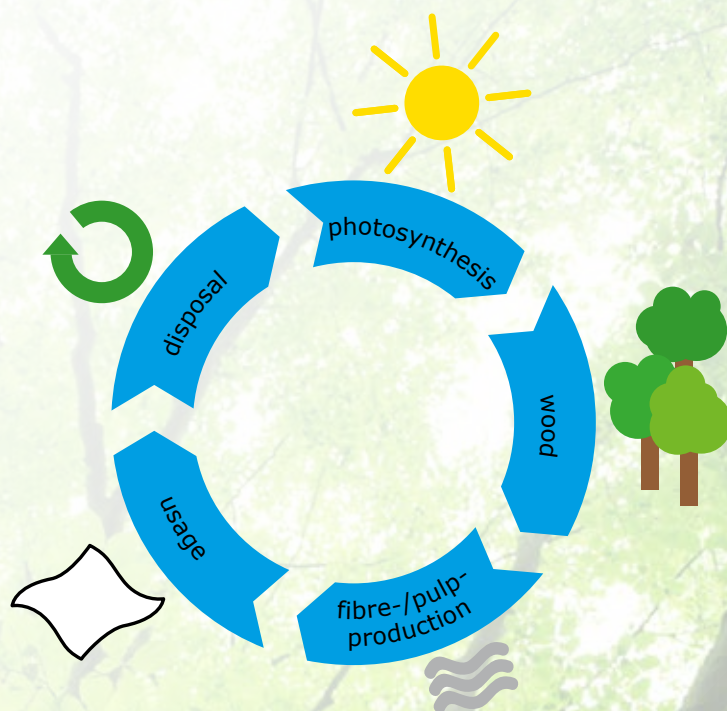
Nonwovens materials for the wet wipes are manufactured from fibre blends. These nonwovens, in line with demand and developed specifically for customers, are manufactured one step before we process them. The nonwovens are delivered in large rolls and then turned into wet wipes by Nölken. Primarily synthetic or nature-based raw materials are suitable for the manufacturing of nonwovens. Due to the different characteristics of the fibres, various fibre blends are usually used in the products. Based on the resulting properties, we develop an individual product in close cooperation with the customer.

Pulp is used in the nursing pads as an absorbent core for milk flowing out. Pulp is a natural product and the main constituent of plants. In order to also be able to guarantee that the pulp comes from sustainable sources, we use certified raw materials.

Regular audits by independent certifiers confirm and certify the traceability of the processed pulps, because every processing step is made transparent on the basis of the certification: from the forestry to the manufacturing of the end product. With each pulp and each viscose wipe with the PEFC or FSC certification we are ensuring uninterrupted traceability back to the forest.

In order to minimise negative influences upon the environment and society, to counteract global destruction of forests and to shorten transport routes, Nölken uses pulps from regional sources for nonwovens, where possible, since it is worthwhile to support regional forestry operations so that they are able to render their varied services over the long term. We are of the opinion that pulps from our region have a much less negative environmental effect than pulps that come from plantations in Asia or South America. With the use of local raw materials, no forests worth protecting are transformed into plantations, and neither is CO<sub>2</sub> released due to the deforestation of primal forests. The existing legal general conditions and special environmental protection in Europe are ideal preconditions for a sustainable product.

The two FSC and PEFC company certifications are proof of responsible forestry. They attest the keeping of proof that wood is certified along the "chain of custody" (abbrev. CoC).



### **Nölken assures that the company is not involved, either directly or indirectly, in the following activities:**

- Illegal logging or trading with illegal wood or forest products
- Violation of traditional rights or human rights in forest management
- Destruction of high protection values in forest management
- Significant transformation of forests into plantations or other types of usage
- Introduction of genetically modified organisms into forest management
- Violation of the most important ILO conventions according to definition in the ILO Declaration on Fundamental Principles and Rights at Work



## Liquids

Even today, industry draws upon the diversity of nature to manufacture cosmetic formulae with special characteristics. One section of our Research and Development Department deals exclusively with the development of formulae for the creams, lotions, shampoos and wet wipes lotion.

### Natural Ingredients

Hygiene and cleaning materials as well as cosmetic products that contain natural and controlled organically cultivated ingredients are no longer niche products. Consumers are attaching more and more importance to selecting precisely which products they use, especially in the case of products that come into direct contact with the skin.



Nölken manufactures, among other things, natural cosmetics and wet wipes with natural ingredients. These natural products can be distinguished from conventional products by means of well-known organic labels or targeted communication with the end consumer.

### Microplastic Particles

The use of microplastic particles (>50 µm or <5 mm) in cosmetics has increasingly become a subject for discussion, because it is assumed that microplastic contributes to pollution of the marine environment and inland waters. Nölken uses exclusively exfoliation particles of natural origin in its exfoliants, e.g. ground apricot kernels or beeswax, which are bio-degradable. We will in future also refrain entirely from exfoliation particles made of synthetic polymers.

### Derivatives from Palm Oil and Palm Kernel Oil

Palm oil is one of the world's most important vegetable oils and is contained in numerous consumer goods. In addition to this, palm kernel oil is also accumulated during the obtaining of palm oil from the fruit of oil palms. This oil from the palm kernels is an important basic material for the manufacturing of detergent and cleansing agents, e.g. for cosmetics and detergents. As well as this, palm oil is used in the foodstuff industry and as a fuel.

The cultivation of oil palms is often the subject of criticism, however. It is concentrated predominantly in Indonesia and Malaysia, both lands with a high density of species and tropical forests. These countries produce around 90% of the global supply of palm (kernel) oil. The production of palm (kernel) oil<sup>1</sup> is even now still accompanied by negative effects such as the clearing of rainforests, the destruction of biodiversity and cultivation on peat soil with the releasing of large quantities of CO<sub>2</sub>. In addition to this, indigenous population groups are often driven away and the work conditions on the plantations do not meet international standards.

For a large number of care and cosmetics products that we manufacture, raw materials such as e.g. tensides and emulsifiers based on renewable raw materials are used, the base material of which can also be palm oil or palm kernel oil among other things. These raw materials are called palm oil derivatives or palm kernel oil derivatives. Due to its own spectrum of fatty acids and good workability these derivatives are the most suitable for the production of cosmetics products. Palm (kernel) oil is also incomparably cheap.

### Substitution of Palm Oil and Palm Kernel Oil

The substitution of palm kernel oil by other oils is not a real solution, because oil palms are very productive. The cultivation of soya produces 0.35 t of oil per ha<sup>2</sup>, that of rapeseed around 1 t, with palm oil on the other hand the figure is 3.5 t per ha<sup>2</sup>. Switching over to e.g. soya oil, the second-most important vegetable oil in the world, will then cause problems in other countries. Also, many major non-governmental organisations are calling for companies not to stop using palm (kernel) oil, but instead to change over to sustainably cultivated palm (kernel) oil and, if necessary to tighten the existing criteria of such standards.

<sup>1,2</sup> Hütz-Adams, Friedel und Voge, Ann-Kathrin (2014): Nachhaltiges Palmöl – Anspruch oder Wirklichkeit? [http://www.suedwind-institut.de/fileadmin/fuerSuedwind/Publikationen/2014/2014-07\\_Nachhaltiges\\_Palmoel.pdf](http://www.suedwind-institut.de/fileadmin/fuerSuedwind/Publikationen/2014/2014-07_Nachhaltiges_Palmoel.pdf) (accessed on 29.07.2014)

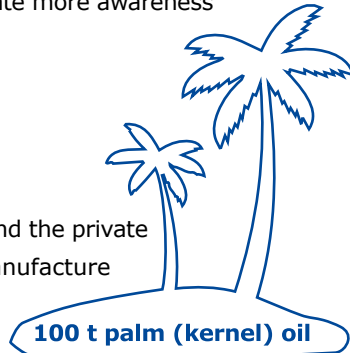
### Nölken Sets Itself Objectives

As a reaction to the ecological and social problems in palm oil manufacturing in South East Asia we have set ourselves the following ambitious objectives:

1. to identify the proportion of palm (kernel) oil used in our products by the end of 2013;
2. to cover this quantity with GreenPalm certificates by the beginning of 2014 (Book & Claim);
3. to purchase all palm (kernel) oil derivatives from sustainable and/or certified sources by the end of 2016, insofar as our suppliers can purchase and process this amount;
4. to anchor the knowledge of palm (kernel) oil in the value chain and to create more awareness among stakeholders.

### Realised Measures

Our own-brand products and the private label products that we manufacture contain around 100 t of palm (kernel) oil (date: December 2013), 95% of which comes from RSPO members according to manufacturers. The RSPO (Roundtable on Sustainable Palm Oil) is an initiative for the development of criteria for more sustainable palm oil management and specifies a standard for sustainably produced oil from oil palms.



In April 2013 Nölken became a member of the Green-Palm trading platform. With the acquisition of GreenPalm certificates for the whole amount of palm (kernel) oil we are supporting the sustainable cultivation of oil palms in South East Asia.

GreenPalm is a trading platform for palm oil certificates with the aim of minimising the negative environmental and socio-economic effects of palm oil manufacturing and promoting certified sustainable palm oil production.

[www.greenpalm.org](http://www.greenpalm.org)





We would like to prove transparency as regards the use of palm kernel oil. For this reason, Nölken has been a member in the Forum for Sustainable Palm Oil (FONAP) since November 2013. The forum is an alliance of companies, associations and NGOs for the joint working-out of feasible solutions for the improvement of practices in the palm oil sector. We support the environmental and socio-economic aims of the forum and make a committed contribution in the work groups.

By the end of 2014 we would like, by means of partnerships, to inform our direct suppliers about the problems of palm (kernel) oil and to call for concrete aims and measures. Through close cooperation with our suppliers we are doing everything possible to make the obtaining of palm (kernel) oil sustainable.

**In order to reach the target of 100% certified palm oil in Germany, Austria and Switzerland, the FONAP carries out the following activities:**

Working out suggestions for further development and improvement of the existing certification systems and communication regarding these, this relates in particular to the following points:

1. Stopping of cultivation on peat soil and other surfaces with high carbon content
2. Stopping of the use of highly dangerous pesticides (conventions of Rotterdam and Stockholm, WHO 1 a and 1 b and paraquat)
3. Application of strict reduction targets for greenhouse gases
4. In the case of the purchasing of non-certified raw goods (fresh fruit branches), ensuring that certified palm oil mills procure these exclusively from legal cultivation

- Working-out feasible solutions for the provision and use of 100% segregated certified palm (kernel) oil in Germany, Austria and Switzerland
- Networking with other European initiatives, interested companies and NGOs in Europe, in order to jointly investigate issues relating to more sustainable palm oil cultivation
- Creating transparency about which certified products, derivatives and fractions are already available in segregated quality on German, Austrian and Swiss markets
- Preparation and communication of technical and other relevant information on themes of more sustainable palm oil production. This includes information on the cultivation conditions in the production countries and on current developments in the sector, but also aids to orientation on the procurement of certified palm oil and information on preparation for a certification
- Informing of the public on the subject of certified palm (kernel) oil



**FORUM**  
Nachhaltiges Palmöl

[www.forumpalmoel.org](http://www.forumpalmoel.org)

## Packaging

Packaging should primarily protect products against environmental influences, contamination and damage and act as an advertisement at the point of sale. We want to continue to push forward the development of environmentally friendly packaging. We are therefore deepening our relationships with suppliers in order to find innovative packaging solutions together. A special team in our Research and Development Department deals exclusively with the subject of packaging materials and solutions.

Nölken continues to have the aim of reducing the size and weight of the packaging and using sustainable components.

### Films

Our wet wipes are usually packed in a composite film to prevent the leakage of liquid. For several products that we produce for our customers, we are already using post-industrial recycling film.

Due to continual monitoring of the manufacturing regulations and of production, optimisations can be quickly implemented to save film.

### Bottles, Tubes, Jars

With our suppliers for bottles, tubes and jars we maintain a closely-knit exchange of information and ideas in order to bring forth innovations. Bottles and jars made of recycled PET (polyethylene terephthalate) can now already be used in the packaging of cosmetics.

All of our packaging can be fed back into the recycling cycle.

### Cardboard Boxes and Folding Cardboard Boxes

The industry is already switching over to environmentally friendly cardboard boxes made of 100% recycling material for outer packaging. We have also implemented this standard at Nölken and we will also carry on with this in future.

Cardboard boxes used for sachets are, where possible, made from pulps from responsible sources.

## Printing Inks

Printing inks are subject to high quality requirements because they must not get into the product and must not fade from exposure to sunlight. In order to meet these requirements, reliable ink manufacturers are necessary. We therefore not only cultivate relationships with film manufacturers, but also with manufacturers of printing ink, in order to be able to exchange information about innovations. Our current printing ink manufacturer uses 90% renewable raw materials and processes its raw materials under strictly environmentally-friendly conditions.

## Product Labels

Product checks by independent third parties are elementary parts of our high-quality standards. Truthful product commendations are also confirmed by independent product checks. In this way, we ensure that only what is actually in the product is actually being commended.

Due to changes in the characteristics of the market, we are increasingly manufacturing products with eco labels. Sales of eco-label products rose by more than four times last year. The cause of this is the sensitivity of the European market towards sustainable raw materials.

### Products with eco labels

(FSC, PEFC, BDIH, Vegan flower, Swan label)

**2012      2013**

#### Turnover with eco-

	2012	2013
<b>label products (€)</b>	1,272,600	5,780,900
<b>% of annual turnover</b>	2	11

Regrettably, however, we are also seeing increasing consumer dislike of eco labels in Germany, which is being triggered by the large number of product labels existing on the market. Labels are not noticed, or are noticed only slightly, because the variety of labels is confusing for the consumers. Further information about the criteria of eco labels is necessary here.



The Nordic eco-label (swan label)\* is the official environmental label of the Nordic countries. It pursues a life-cycle approach and presents the environmental and health characteristics of the product.



The Vegan label\* certifies that selected products are free from animal contents and animal testing-free.



The BDIH standard\* distinguishes controlled natural cosmetics free from animal testing. It confirms that vegetable raw materials are from predominantly controlled organic cultivation. Only raw materials of natural origin are permitted.



The daab label\* identifies products that are available for people suffering from allergies. Certified products are free from perfumes, preservatives and colourings.

\*Only for certain products. The symbols are only to be used in connection with the certified products.



The consumer magazine Öko-Test has products examined by independent laboratories for fulfilment of environmental criteria. Many products that we manufacture are included in the strict examinations of Öko-Test at irregular intervals. Many receive the distinction "very good" or "good" due to their unique formulation.

## Ideas Management

Companies must be innovative and need to produce more innovations in future in order to assert themselves on the market. In addition to the product developments that come from our research and development department, many innovations are created by suggestions from our employees. The ideas are far-reaching and include innovations in a variety of areas: economics, environment, technology, organisation and social.

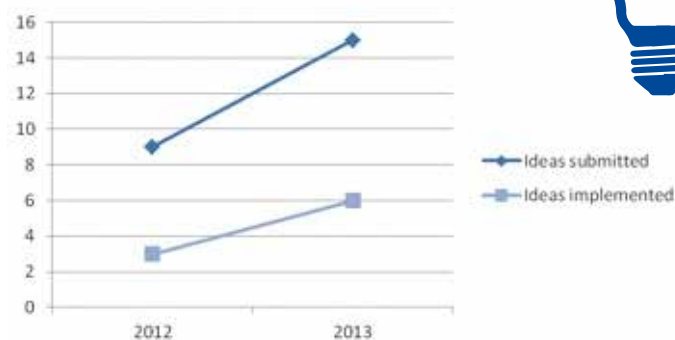


Nölken introduced a digital ideas management system in 2012. All minor or major suggestions for the optimising of the company or products can be submitted via the internal ideas management system – which is of course performed digitally via our intranet. This structured process is also accessible to employees without PC workplaces, via the PC terminals in all departments. All ideas are scrutinised by a committee according to environmental, economic and social criteria. A third of the submitted ideas were implemented in 2013. The objective for the next few years is to further expand the implementation of the submitted ideas and to also give the employees advice on how ideas can be even more realisable. Employees whose ideas are implemented receive a bonus as recognition.

Although the ideas management system has already been introduced at our site in Nowogrodziec in 2013, it has not yet been accepted by the employees. We

have made it our objective to make the internal suggestion system and its advantages better known to the employees there through stronger communication and advertising.

### Ideas Management Windhagen



67%  
more  
ideas

## Apprenticeship Project

Innovation and sustainability are also closely related to the training at our company. The apprenticeship project founded in 2012 is rated as particularly valuable and instructive by the apprentices.



The objective was the development of sustainable and natural baby wet wipes. It protects and cares for the baby's sensitive skin with environmentally-friendly and natural raw materials. Furthermore, the product protects the environment by the use of renewable raw materials from controlled organic cultivation, reduced use of packaging materials and the use of recycling film. With the integrated communication strategy, the product promotes the consumer's awareness of sustainability. Babyline GREEN has been manufactured taking environmental aspects into account and focuses upon regionality, naturalness and sustainability in the selection of raw materials.



## Interview with Marcel Muß, Regina Steiger, Cassandra Wichelhoven and Sascha Mahrle

What are the criteria for sustainable wet wipes and which of these criteria were the greatest challenge for you?

*Cassandra Wichelhoven: The criterion for sustainable wet wipes was taking into account the three pillars of sustainability – which is to say protection of the environment, taking into account social concerns and commercial profitability. That was the greatest challenge!*

*Sascha Mahrle: Most of the raw materials had to be from organic cultivation. The distinctions were also more difficult to find out about than was initially thought. Because there are no precise guidelines as to which advertising statements can be made.*

*Marcel Muß: Also, as few ingredients as possible had to be used. In the end, however, we managed to create a very good product.*

The product has many environmental advantages. How sure are you that the product will still be on the market in the future?

*Regina Steiger: Very sure. Nowadays, a lot of importance is attached to the environment, so the demand for environmentally-friendly products is growing.*

*Sascha Mahrle: Our Sales Department has already been able to make a customer enthusiastic about the product and so the product is perfectly placed on the market.*

*Marcel Muß: I see a secure future for our product on the markets, because we are communicating the advantages of the product very transparently.*

*Cassandra Wichelhoven: Our product is visibly distinct from other products on the market, and not only in its appearance. It contains only a minimal number of ingredients, is appealing because it is something new and arouses curiosity.*



Marcel Muß, Regina Steiger,  
Cassandra Wichelhoven and Sascha Mahrle,  
Apprentices

What experience have you gained during the project?

*Sascha Mahrle: Such an elaborate project cannot function without teamwork.*

*Regina Steiger: But a good plan and reliable, supportive colleagues are necessary for success. Moreover, the project made it clear that work must be tidy and precise in the details in order to achieve the objectives.*

*Marcel Muß: My experience was that it is incredibly difficult to cater to all the wishes of the "customer". Communication can mean the success or failure of a project like this.*

*Cassandra Wichelhoven: We have gathered experience on the entire handling of a project in the company and experience on time management and teamwork.*

How might this experience be helpful to you in future?

*Sascha Mahrle: Due to this project we have learnt how organisational processes take place, which tasks are allocated to individuals and which are better handled by the team.*

*Regina Steiger: The experience that I have gathered during this project can make future work steps easier, and I will also be better able to understand the work of my colleagues.*

*Marcel Muß: Personally, I have learnt how to deal with awkward situations better. Because we gave lots of presentations in front of the customer, I have the feeling that these were becoming more and more professional and better as time passed.*

*Cassandra Wichelhoven: Because we go through all departments in our training, it is easier to understand and recognise the connections between different departments. In addition to the theory at the school, it was a great experience to see the whole process in practice.*



# Supply Chains



Global supply chains have to be transparent. They require a great deal of attention and responsibility. As a connecting element between globally active trading companies and international raw material suppliers we also bear responsibility for environmental and social conditions in the supply chain. With our actions we can make a contribution to supply chains becoming more transparent. In this way we can direct our attention towards making the manufacturing of our products and thus also their additives and ingredients compatible for society and environment.

## Supplier Management

Nölken operates a supply chain management system that also incorporates the raw materials, their extraction, manufacturing and transportation. A sophisticated supplier management system rates all suppliers regarding quality, social compatibility and environmental protection.



All suppliers must fulfil the supplier standards defined by Nölken. There are clear guidelines for our suppliers regarding quality, social compatibility and environmental protection. These refer to the stipulated laws and the ILO conventions (International Labour Organisation) and the principles of the UNGC on corruption. We purchase no raw materials from suppliers from the risk countries defined by the BSCI (Business Social Compliance Initiative). In regular dialogue with its suppliers, Nölken makes it clear that no forced labour or child labour will be tolerated anywhere in the whole value chain.

Voluntary disclosure and an internal assessment produce the supplier rating. The handling of one's own employees and environmental protection measures affect the supplier rating just as much as the quality of the raw materials.

Results are regularly discussed with the suppliers in order to achieve further improvements. With this approach we hope to increase the suppliers' awareness of the need for responsible action and to make the supply chain more transparent.

## Dialogue

To be able to give information about the whole supply chain at any point in time, we go a step further: we not only use the active exchange with our suppliers to strengthen relationships but also to promote developments and innovations in raw materials. We try to do pioneering work in our industry, with collaborations and joint projects. New and more sustainable materials are jointly developed and tested.

We also desire a permanent dialogue for making all of those involved in the value chain enthusiastic about collective cooperation. We want to raise awareness of the need for an ethically responsible supply chain and to cause responsible action to be spread further along the supply chain. We hope to set off a domino effect in this respect. Because sustainable development cannot be achieved by an individual but is instead the task of a whole unit.

## SEDEX

Companies are called upon to look at their value chains holistically and to cooperate actively with suppliers and customers in order to be able to offer sustainable products.

Nölken is a member of the largest collaborative association with more than 23,000 members and communicates actively with customers about the four core themes. As a web-based communication platform,

Sedex offers its member companies the opportunity to communicate with customers and suppliers about labour conditions, health and safety, environment and business practices. The core of the organisation is the improvement of global supply chains regarding social and ethical standards.





# Social Engagement

The background of the page features a large, stylized illustration of a diverse group of human figures in various shades of blue and grey. They are all holding hands, forming a large, interconnected circle that fills most of the frame. The figures are simplified, without facial features, emphasizing the concept of unity and community. A thin, dark blue curved line arches over the top of the figures, separating the header area from the main content.

As a medium-sized company in a rural region, we focus upon our immediate neighbourhood, because there are also numerous non-profit projects and initiatives in our region that have the purpose of reducing wrongs or promoting culture. This can be helped with voluntary help or donations. In addition to regional work we also support numerous trans-regional organisations and associations.

## Donating and Sponsoring

### Die Tafel e. V.

The workers' welfare association in Bad Honnef works voluntarily for a socially just society. It offers social services and works for social interests and people in need. These services also include the Tafel. Nölken supports this service with donations of body-care and hygiene products.

### SV Eintracht Windhagen 1921 e. V. and VfB 1920 Linz e. V.

Nölken can look back on a long history of being a sponsor of the SV Eintracht Windhagen. The family-run company already supported the sports club in 2009 with a donation. In 2013 Nölken equipped the footballers of the whole third senior team. Nölken also equipped the F2 youth team of VfB 1920 Linz with new jerseys.

### Wenter Klaafbröder e. V.

Every year, in order to preserve culture and tradition in our region and to celebrate the foolish fifth season, we support the carnival association based in Windhagen. The Windhagener Karnevalsverein KG Wenter Klaavbröder e. V. has existed since 1953 and is very important for Windhagen and the surrounding area. We support the Wenter Klaavbröder every year at the start of the carnival season and were rewarded with a visit by the royal couple this year.

### Kinder in Not e. V.

Our employees are now supporting the initiative "Children in Need" actively for the third year and are running for the charity marathon in Windhagen. The ten participants of the "Nölken Runners" ran a total of 55 km through the Westerwald and the Siebengebirge. In the framework of corporate commitment we regularly sponsor our employees in the regional city runs. The association assists children in need in the Third World and was founded by the entrepreneur Gisela Wirtgen.

### sAPG Tigers First Lego League

We are the official sponsor of the young researchers of the grammar school Auguste-Pattberg Gymnasium in Mosbach-Neckarelz, enabling them to join the First® Lego® League. The league is a support programme that introduces children and young people to science and technology in a sporty atmosphere

and conveys the idea of team spirit to the participants.



### Albert Schweitzer School Asbach

The Albert Schweitzer School in Asbach also receives support. Thanks to financial funding from several regional sponsors, including Nölken, the special-needs school has received a useful car trailer.

### Living Lakes – Projects of the Global Nature Fund

This environmental initiative promotes the minimisation of poor drinking water globally and protects existing drinking water reserves. We have supported this project strongly in the context of our commitment to environmental protection.

## Voluntary Work

Nölken not only supports social facilities and initiatives, its employees are also active privately in a wide variety of ways and are given leave of absence for voluntary work where possible. Voluntary social commitment of our employees includes e.g.: voluntary employee in the German Lifeguard Association, football trainer of the F2 youth team of VfB 1920 Linz, voluntary worker for Lebenshilfe (association for people with mental disabilities) and voluntary employee with the voluntary fire service.



# Transparency and Communication

Only transparent and open communication can contribute to gaining the agreement of the individual stakeholders for entrepreneurial action. We therefore cultivate constructive dialogue with numerous stakeholders in Germany and abroad. Mutual communication is the basis for recognising trends, opportunities and challenges early on in order to be able to react to them quickly. The objective of our stakeholder management system is to involve all interest groups that are directly or indirectly affected by our entrepreneurial activities.



## Stakeholder-Management



Through target-oriented mutual communication with customers, employees, suppliers and neighbours, we would like to promote understanding for each other and for sustainable development. We use public relations work to find allies by reporting on our efforts and our sustainable actions

Within our company, the business management and the members of the company leadership are responsible for the strategic planning of the social work. Active participation in industry-wide or subject-specific organisations and initiatives makes it possible for us to contribute to the standards and guidelines of our industry and to make the general public more aware of the need for sustainable action.

### Customers

Regular workshops, daily contact and discussions on specific themes with our customers enable us to generate a clear impression of the increasing requirements. Regular fair appearances also make us more aware of changes in customer requirements and trends in society. Our customers' expertise in direct communication with the end consumers also allows us to find out what requirements the end-consumers have for the products.

We are listening directly to the market via our direct dialogue with the trading companies.

### Employees

In our company it is common to be in daily contact with colleagues. An open communication culture and swift decision-making channels create the precondition for employee-based stakeholder management, which allows us to deal directly with the mood in the company and individual requests.

At the end of 2013 all employees got the opportunity of finding out about sustainability at Nölken in a workshop. This year, in the framework of our sustainability communication, all employees will receive a brochure about the objectives, measures and their own possibilities for having an influence.

## Society

The **Initiative zur Stärkung der Region e. V.** (ISR) is an association for the economic development of the region around Windhagen. As a company that is firmly rooted in the Windhagen site, we bear responsibility for establishing ourselves as a strong employer in the region. In addition to economic aspects this network also has the objective of reacting to social issues. For example, the ISR works in a wide variety of ways for the retention of skilled labour and young people in the region. The work-life balance and the public infrastructure are also often-discussed themes. Part of the cooperation with the ISR are entrepreneurs' gatherings at which the regional entrepreneurs can exchange information.

Lectures by our Sustainability Manager at the regional **Lions Club Rhein-Wied** and the **Rotaract Club Bonn** about our social commitment and sustainably produced products gave detailed insights into our production company.

The visit by the Minister for the Economy, Climate Protection, Energy and Land Use Planning in Rhineland-Palatinate, **Eveline Lemke**, and by Mayor **Erwin Rüdgel** to our site in Windhagen addressed themes such as the retention of skilled labour in the region and the training possibilities at Nölken.

## Academia

Guest lectures from our Sustainability Manager at the **Fresenius University of Applied Sciences** in Cologne in the past year opened up the door to universities and sciences for us. Firstly, there was a discussion on the implementation of the established sustainability management system with the students of the BA course of studies "Business Psychology, Health Economics and Business Administration" and secondly the subject of "Sustainability Communication in the Value Chain" was on the agenda with the students of the MA course of study "Sustainable Marketing and Leadership". The critical discussion of the themes through a dialogue with science is an asset for us and makes further adjustments possible.

## Organisations, Associations and Politics

As a participant in the **Bertelsmann Expert Group for CSR in Medium-Sized Companies** we exchange knowledge of trends and core issues in CSR practice with other medium-sized companies in an atmosphere

of trust. In this group we express our perspective and present the measures that we have implemented in specific subject fields.

The support of the working group on the **Sustainability Code** (DNK) represents another milestone in our participation in the business and political discourse about sustainability. The guideline initiated by the Council for Sustainable Development is an important standard in Germany for reporting upon sustainability. In this working group we have worked together on a feasible guideline for small and medium-sized companies that are looking into the subject of sustainability for the first time.

As a curator of **sneep – student network for ethics in economics and practice e. V.** Johanna Jung provides advice on the implementation and orientation of the association in her function as Sustainability Manager. sneep offers students, young scientists and young professionals a platform for communication with each other and the development of new ideas for business practice and teaching. Important objectives for sneep are implementation of ethics in business sciences university courses and the development of awareness for responsibility and sustainability in everyday life and work.

**edana** is an international association of the manufacturers of nonwovens and related products. The aim of the association is the active conveying of information and open dialogue with the member companies. Nölken participates in the working-out of industry standards, especially in the working groups for wet wipes, communication and sustainability. Themes such as the implementation of environment-related distinctions or the flushability of wet wipes are dealt with.

The objective of the **Forum for Sustainable Palm Oil** (FONAP) is to significantly raise the proportion of certified segregated palm oil and palm kernel oil and corresponding derivatives on the German, Austrian and Swiss market and to make 100% segregated certified palm oil and palm kernel oil available for these markets as quickly as possible. With representatives from industry and commerce, politics and NGOs, FONAP works on a solution for sustainable palm (kernel) oil. In the Derivatives Working Group Nölken cooperates to work out a problem solution with other stakeholders.

The campaign **CEOs pro Recyclingpapier** is specifically aimed at CEOs who take on personal responsibility for resource-efficient action and tap important potentials for the use of recycling paper for the saving of resources with concrete objectives. The campaign is carried out by the initiative pro Recyclingpapier in cooperation with the Ministry of the Environment, the Nature and Biodiversity Conservation Union and the Club of Rome and supports the German federal government's resource-efficiency programme. Nölken has committed itself to resource-efficient action and makes its commitment clear with this campaign.

The **Verband der Chemischen Industrie e. V. (VCI)** represents the interests of the chemical industry in politics, business, science and the media. The joint sustainability initiative Chemie3 of the VCI, the trade union Industriegewerkschaft Bergbau, Chemie, Energie (IG BCE) for workers in the mining, chemical and energy industries and of the chemistry industry employer's association (BAVC) regards itself as a driving force for sustainable development in the chemical industry.

As a manufacturer of care and cleaning products, Nölken belongs to the **Industrieverband Körperpflege- und Waschmittel e. V. (IKW)**, the industrial association for body care and cleaning products. The IKW supports its members with advice and assistance in entrepreneurial activities and thus supports the economic development of its members. We use this platform as an information pool for developments in liquids.

As a non-profit organisation, the **Bundesverband der Industrie- und Handelsunternehmen (BDIH)**, the federation of industrial and trading companies represents the interests of different manufacturers and distributors, including the manufacturers of cosmetics. Among other things, Nölken also produces natural cosmetics and is following the guidelines worked out by the Natural Cosmetics Working Group for controlled natural cosmetics with great interest.

**SEPAWA**, one of Europe's largest trade associations for the washing agent industry and the cosmetics and perfume industry, is a communication platform for specialists from industry, universities and authorities.



## Glossary

### Industrial Safety Management System (AMS)

The industrial safety management system regulates industrial safety and the protection of the employees' health.

### Company Health Management System (BGM)

The BGM has the objective of sustainably promoting the health and motivation of employees through good working conditions and quality of life at the workplace.

### Corporate Social Responsibility (CSR)

CSR is the corporate responsibility for society and environment.

### DIN EN ISO 14001:2009

This international environmental management standard defines requirements for an environmental management system.

### DIN EN ISO 22716:2007

The ISO 22716 standard for cosmetics GMP (Good Manufacturing Practice) is a guideline for the manufacturing of cosmetics.

### DIN EN ISO 9001:2008

This standard defines requirements for a quality management system.

### European Disposables and Nonwovens Association (edana)

edana is the umbrella organisation of the nonwoven materials industry and the related branches of industry.

### Energy Management System (EMS)

The energy management system regulates the consumption of energy in the company.

### Forum for Sustainable Palm Oil (FONAP)

The FONAP is a coalition of companies, associations and non-governmental organisations that wants to work out viable solutions for the improvement of practices in the palm oil sector.

### OHSAS 18001

The Occupational Health and Safety Assessment Series is often used as the certification basis of the AMS.

### Environmental Management System (UMS)

The environmental management system regulates the environmental aspects of a company.

### Supplier Ethical Data Exchange (SEDEX)

SEDEX is a non-profit membership organisation that works for ethical and responsible business methods in global supply chains and makes commitment to sustainability transparent using a platform.

### United Nations Global Compact (UNGC)

The UNGC was founded in 1999 by the United Nations. The members of the UNGC ensure adherence to the ten principles in the areas of human rights, labour standards, environment and the avoidance of corruption.



**Help us to become better – write to us!**

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