



## Nölken Sustainability Report 2015/2016

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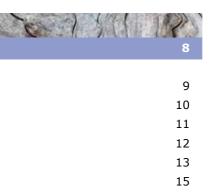
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# Imprint

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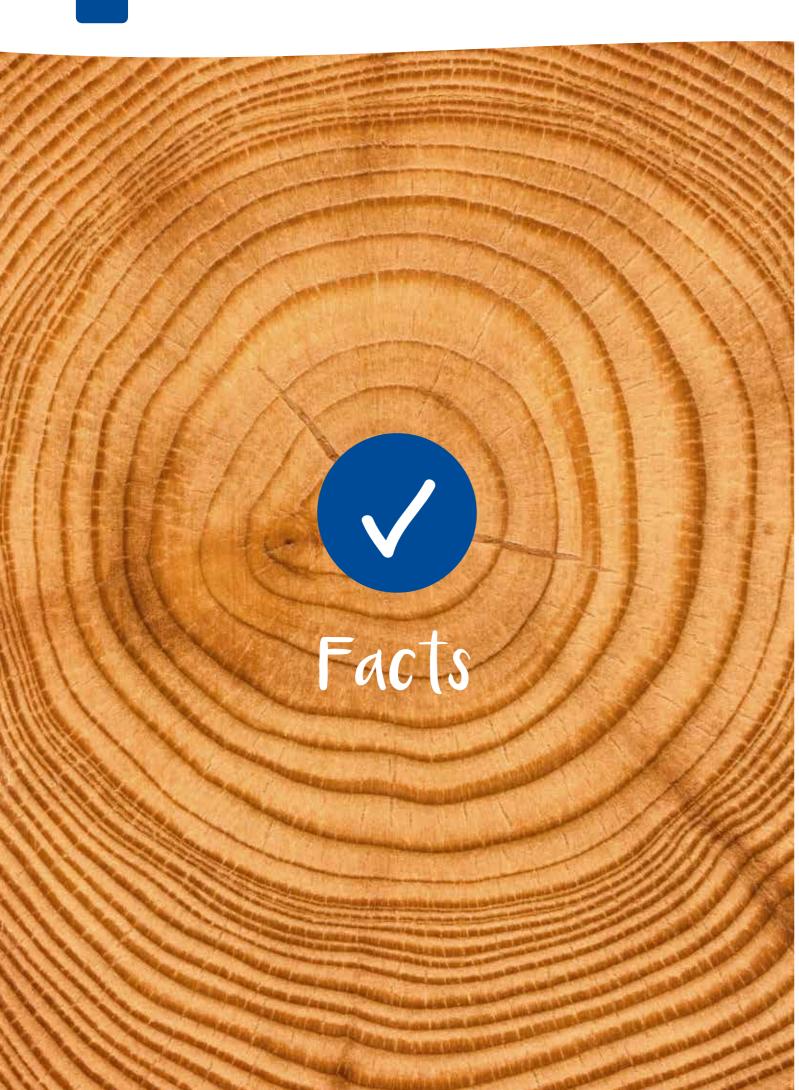
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Windhagen, 30 June 2016



## Our Vision

Our main focus is on discovering and fostering potential. To reach our goal of being the "best manufacturer in the private-label sector for wet wipes and cosmetic care products", we need the best employees, reliable suppliers and customers who are open to innovation.

People with vision who achieve perceptible results for the company and customers.

## Our mission

Setting oneself new challenges, seeking and finding new solutions and the will to succeed – we promote these qualities among our staff and our suppliers. To us, passion means enthusing our customers with our products and services. We thus ensure excellent results.

# Our guiding principles

We profile ourselves in the international markets, develop innovative products and at the same time we keep an eye on sustainability. Trust and partnership are among our values. We aim for an open communication culture that allows fast and effective implementation of objectives and transparent structures.



# Facts & figures

- Founded in 198
- 346 employees
- Exportation to more than 31 countries
- Locations: Windhagen, Germany and Nowogrodziec, Poland
- Approximately €60 million sales in 2015



## Foreword

Dear readers,

You are currently holding the fifth sustainability report in your hands, which covers the period between June 2015 and July 2016. This report follows the guidelines of the German sustainability codex and the ten principles of the United Nations Global Compacts. This report should illustrate how we create added value for our stakeholders, and integrate sustainability into our economic activity. We would like to show you, that we take our entrepreneurial responsibility seriously, and that this forms the basis for our business activity.

When creating this report, we realised once again, that the path to sustainable development is an ongoing process for our company, and that we must continually adjust our strategies and actions. Due to the changing framework conditions, we will never be finished with our sustainability commitment. So, you can rely on the fact that we will continue on the path to global sustainable development in future, and will consider sustainability factors in our company.

Generally, we can only achieve sustainable effects in the area of product design, if our customers and suppliers cooperate with us. Not least because of this, we build on transparent and long term relationships. We work on our business partners internalising the sustainability concept just as much as us. Together with them, we develop new ideas and implement projects along the whole added value chain.

As in the last sustainability report, we want to invite you to participate in the discussion this time too. If you have any questions, feel free to send them to us at nachhaltigkeit@noelken.de. We look forward to an active and constructive dialogue with you!

Yours

Managing Director

Managing Director Managing Director





# Company profile

Nölken Hygiene Products GmbH supplies multinational trading and industrial companies. Our wet wipes and liquid cosmetics for babies, children, adolescents, adults and the elderly as well as nursing pads are of the highest quality. A long-term economic perspective, sustainable products and long-term relationships with our customers secure jobs in the region and the financial success of our company in the future.

Nowogrodziec

Windhagen

#### **History**

Over the years Nölken Hygiene Products GmbH has grown into a successful family business, and is now run by the second generation. Its history begins in 1982, when Ernst Nölken founds the company as a trading company for moist toilet tissue. Six years later, the inhouse manufacture of the first moist toilet tissue begins. After that, the company grows steadily, and in 1993 the subsidiary in Nowogrodziec, Poland is founded. The manufacture of nursing pads starts there in 1997. The company is now based in Windhagen, and has bottled

liquid products since 2005. In 2008, we also began to manufacture and formulate our own liquid cosmetics and impregnating liquids for the wet wipes.

In 2010, the company founder Ernst Nölken hands over the company, which has now become a stately medium sized enterprise, to his two sons E. Markus and U. Daniel. Since the start of 2015, nursing pads are produced in Windhagen.

#### Location

The community of Windhagen is in Northern Rhineland-Palatinate, in the district of Neuwied, directly on the border with North Rhine-Westphalia. The small town, with around 4,300 inhabitants is around 3km away from federal motorway 3. You can reach Windhagen by bus, from the nearest train station in Bad Honnef (13km). The good transport links make the location of Windhagen attractive for numerous companies.





We strive to be a reliable and competent partner for our customers. By carrying out our business activities in a conscientious and responsible way, and protecting the interests of our business partners, we gain trust and therefore the basis for our long term business success. Sustainability is a success factor for us. Only if we assume responsibility for people and nature can we be financially successful. However, only if we are financially successful can we create added value for society and the environment.

We identified the significant sustainability themes for our business activity, at the start of our involvement. Our future oriented business activity is supported by three pillars: the products, the environment and the people.

These three key topics determine our sustainable management. They are determined by the principles of the Global Compact of the United Nations (UNGC) and the targets for sustainable development (SDG).

- For us, employment and further development of people in our company is an important aspect of our sustainability management. Because it is the employees, who help to shape our success. Therefore, we are committed to promoting employment, and adherence to social standards.
- The conversion to renewable energy and the reduction of our energy consumption are adjusting screws, with which we have been able to achieve a greater effect for the environment.
- The acquisition of ingredients is a great challenge for us. Due to growing ecological challenges, many eco-system provisions upon which we are either directly or indirectly dependent are endangered, for example drinking water, cosmetic agents and raw materials and foodstuffs. We want to protect these natural sources through sustainable use.



 In future, sensitive customers will also evaluate care and cleansing products that come into direct contact with the skin, on their ecological and social effects. Ecologically sensible products and product innovations are therefore a requirement for our business success. Our most important objective is to manufacture need-orientated care products that fulfil our customers' requirements for a high-quality and sustainable product.

# Sustainability policy

We are aware of our responsibility to society, the natural environment and the economy. We make all decisions taking into consideration the triple bottom line.

We have a responsibility to our economic environment, and strive to minimise and/or avoid direct and indirect negative environmental effects.

As part of society, we are jointly responsible for social relevant aspects. Our employees are our greatest po-

tential. We commit to adhering to human rights and work standards, and supporting an ethical way of doing business

We intend to promote economic growth, through innovative product developments and effective processes.

The adherence to all relevant regulations and laws regarding environmental protection, and safety at work is a given for us. Furthermore, we want to continually improve our company, products and internal processes regarding environmental and social aspects.

It is our claim, to maintain an open company culture with our employees, customers, suppliers and society. We practice open communication and create sustainable business relationships in this way.

## Objectives

We are convinced, that responsible company management is crucial for the sustainable business success of the company.

We promote and pursue this engagement systematically by means of our sustainability management system, established in 2011. After five years, it has been shown that good progress has been made regarding most goals. This includes integrating sustainability topics into the processes, the measures implemented in the three areas of our sustainability strategy, and entering partnerships along the value added chain. In this way, we are trying to establish a sustainable value added chain. In spite of our success, further efforts are necessary.

#### **Products**

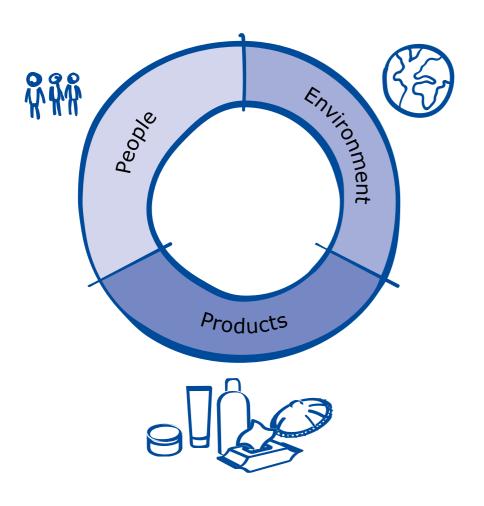
We want to develop and produce responsible products so that future generations can satisfy their needs as well. Safe and sustainable raw materials for society and the environment, as well as the extraction and manufacture thereof, are the basis of our product developments and our innovations. It is our aim to build up future oriented partnerships with new and old suppliers, to keep the value added chain transparent.

#### **Environment**

We strive to stop the waste of natural resources, protect the environment and reduce energy consumption. We pursue continuous improvement by developing new and improved processes and services, using energies and resources efficiently and minimising environmental pollution. We would like to continue to systematically record our harmful impact on the environment, and reduce it in a targeted manner, in order to conserve financial and natural resources.

#### People

We would like to be a reliable employer for the people in our company. We would like to create greater occupational health and safety and a good working climate for our staff. In addition, for current and future employees we want to be more than just a workplace. Work and private life are to remain compatible. We would like to be a reliable business partner, for the people who come into contact with us and our products. We want to be a trustworthy partner for the social environment in which we live and work.





# Anti-corruption

Integrity and responsibility are among our fundamental principles. Coalitions with customers, suppliers, staff, politicians, members of society and NGOs are a central part of our strategy.

We are an active member of the Global Compact of the United Nations, and commit to adhering to the ten principles of ethical conduct. For instance, the UNGC stipulates that companies should act against all types of corruption, including extortion and bribery.

Compliance with law and regulations as well as the company's values are a matter of course for the staff, the managers and the corporate management. At the beginning of the employment relationship, our staff

receive the company code, which presents our clear stance on ethics, fairness, teamwork, integrity and anti-corruption. Nölken Hygiene Products rejects all extortion and bribery and takes disciplinary action against such practices in the company. For example, gifts from external service providers and suppliers at a value of €10 or more are to be reported to the supervisor.

In addition, at the start of the business relationship all service providers and suppliers receive our Supplier Requirements, which describes our expectations with regard to quality, social compatibility and environmental protection and sets out integrity on the part of the business partners as a requirement.

Again in 2015, no cases of corruption were reported at Nölken Hygiene Products.

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## Quality promise

We don't want to find bacteria, germs, viruses and other bad micro-organisms in the products. Our products are safe and free of hazardous substances; assuming responsibility for future generations is the core of our actions. Quality and hygiene are the foundations for this. Therefore, quality work begins at the origin for us: even with our suppliers, we get a precise picture of the quality of the raw materials. Then, regular

checks and certifications confirm the necessary safety of the raw materials, manufacture and the products. Our Integrated Management System (IMS) covers the areas of quality assurance, environmental protection and occupational health and safety. The IMS is fed by specific area and topic certifications, which are audited annually.



#### IFS HPC

The certification according to the International Featured Standards Household and Personal Care certifies the high level of processes in terms of safety and quality. For the area of "Development and manufacture of cosmetic wet wipes and liquid cosmetic products", DQS Holding GmbH has certified the fulfilment of the requirements of IFS HPC at the higher level.



#### **DIN EN ISO 14001:2009**

The international environmental management standard sets requirements of an environmental management system. The standard focuses on continual improvement in relation to the environmental services of an organisation. We are committed, to continually improving the environmental effects of manufacturing, and the products, and have therefore made ecological targets part of our company policy.



#### **DIN EN ISO 22716:2007**

The standard on cosmetics GMP (good manufacturing practice) is a guideline for the manufacture of cosmetic products. It illustrates the requirements for production, regarding quality and hygiene. Due to careful raw material selection, and in-depth quality checks in all processes, we can create a harmless product, according to the wishes of our customers.



#### **DIN EN ISO 9001:2008**

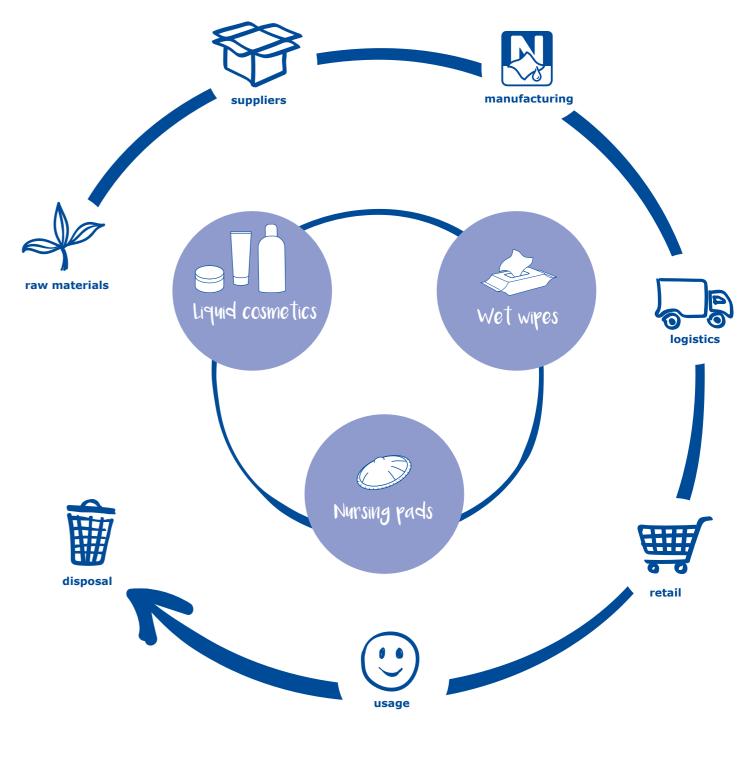
This standard sets requirements of a quality management system and quality assurance, to fulfil the customer requirements. A quality management identifies all organisational measures which improve the processes and performance of an organisation. In addition, the quality management system must be subject to a continual improvement process.



# Range of products

Nölken Hygiene Products GmbH develops and produces wet wipes and cosmetic care products for German and international customers from trade and industry. We provide all services in one place - from competent advice on the development of recipes, to packaging, production and logistics. This means that we guarantee our customers security and full transparency.

Sustainability is an important trend in cosmetic care and cleansers, and more and more customers are interested in care products that combine the economic, ecological and social aspects. Therefore, we offer a wide range of appropriate products, and so give customers access to new market opportunities that are opening up.







From the recipe to bottling: Nölken produces creams, lotions, shower gels and shampoos under strict hygiene conditions. We manufacture cosmetic care products using modern mixing systems and we fill them into bottles, tubes and jars.

We develop and produce wet wipes at the very highest level. We offer the customers both tried-and-tested and highly innovative products for a wide variety of applications – for mild baby care, gentle cleaning of the face, the body and the genital area, effective cleaning in the household and disinfection.

Nölken Hygiene Products GmbH produces nursing pads with a variety of product features - both consumer packs for retail and large packs for clinics and hospitals. A year ago, we extended this production line by buying two new machines, and now also manufacture nursing pads at our headquarters in Windhagen.

#### **Own brands**



babyline: As baby's skin is five times thinner and therefore significantly more sensitive than an adult's, they need very

gentle cleansing and care. All babyline care products are manufactured in Germany under strict quality controls, and dermatologically tested on very sensitive skin. The use of mild ingredients with low allergy potential is therefore the top priority.



babyline-Green: An apprenticeship project became a marketable, sustainable baby wet wipe. It is made of 100% natural, regional and sustainable raw materials.

The product protects the environment through the use of regenerative raw materials from controlled organic cultivation, the reduced use of packaging materials as well as the use of recycled film. Through the integrated communication strategy, the product helps to raise the consumer's awareness of the topic of sustainability. The



sustainable wet wipe Babyline-Green has been in the range of the supermarket chain Globus since the end of 2015.

Pikobelo: Pikobelo makes bath pikobelo time fun! We have developed all the products especially for children. Natural ingredients get sensitive children's skin clean easily. In various aromas. Also suitable for parents of course!



Petline: The care of loved pets is increasingly coming to the

fore. Pet owners place a great deal of importance on a groomed and clean animal. Uncomplicated handling and optimum care effect make our wipes the ideal companion for at home and on the move.



feucht & frisch: Our moist toilet tissues are the pleasant fresh

addition to everyday hygiene. Comfortable and soft tissues ensure cleanliness that makes you feel good, at home and on the move. Whether premium, sensitive or chamomile: we have the right tissue for everyone.



Barbara N: Our Barbara N wipes are per-Barbara fect for quick and thorough cleaning. Soft wipes and beneficial ingredients ensure

fresh and clean skin. You will find the right product for every skin type amongst the different variants. Ideal for daily use, practical for travelling.



Putzfee: Our Putzfee wipes are optimally suited for quick and hygienic cleaning in the house-

hold. The wet wipes clean powerfully, and are practical due to their resealable packaging.

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# Seal of quality

Sustainable consumption is possible. Product labels promise the consumer a special experience, or confirm special product qualities. Labels are everywhere and influence the buying behaviour. We manufacture products with labels:



#### **Nordic Ecolabel**

vironmental label of the Nordic countries. It follows and health features of a product, and compares its environmental compatibility with competitor products. The following criteria are relevant: energy consumption, climate aspects, water consumption,



#### **Vegan Flower**

The vegan flower\* certifies that selected products flower logo of the vegan society indicates that our or secondary products, e.g. honey or bees wax. In



#### **BDIH-Standard**

confirms that the raw materials used are plant-based and mainly from controlled organic cultivation. No synthetic dye, fragrance or preservatives are used.



#### **DAAB-Label**

The DAAB-Label\* distinguishes products that are suitable for children and adults with allergies and/or neurodermatitis. Certified products are free of perfumes, preservatives and colourants. The Deutsche Allergie- und Asthmabund e. V. [German allergy and of new products, and tries to make society aware of



Das Zeichen für

#### **FSC-Label**

fication, we signal responsible handling of the raw organisation, the FSC is committed to sustainable certified wood - from forest to the finished product.



#### PEFC-Label

forests. With this certificate, every processing step operation to manufacture of the end product. As an

Key economic figures				
2013		2014	2015	
(F).	55,087,735	57,270,435	60,237,388	

Products with eco labels (Nordic Ecolabel, BDIH, Vegan Flower, FSC, PEFC)			
吳	2013	2013 2014	
(€)	5,780,900	8,237,700	11,056,650
% of yearly turnover	11	14	17

### Awards

We follow a quality and innovation driven growth strategy, therefore, our recognition as a sustainable manufacturer is increasingly important. Last year, we received two important awards.



#### ÖKO-TEST

In the third issue of 2016, the magazine ÖKO-TEST published the test results for baby wet wipes. Nölken Hygiene Products GmbH once again received the best marks with its own brand babyline. The "Babyline-sensitive wet wipes" were awarded the overall mark "very good", the perfumed "Babyline caring wet wipes" were rated as "good".

Overall, 43 products were tested, whereby, more than a third of all baby wet wipes were rated as not recommended. The main criticism of ÖKO-TEST was, that the ingredient Polyaminopropyl Biguanide (PHMB) is still contained in some products, although it was rated as a hazardous substance (CMR2) in 2013 and has been banned in cosmetics since January 2015.

All baby wet wipes that we produce, received the grade "very good" or "good". We know that we have a high level of responsibility when it comes to baby products. The result shows that our customers and the consumers have a reliable partner in us, and that they can buy the products with a clear conscience.



(f. l. t. r.) Sebastian Mahrle (Junior Key Account Manager at Nölken), Thomas Ottersbach (Apprentice at Nölken), Dr. Christine von Landenberg (VCI RLP), Dr. Harald Schaub (Chairman of the Chemical Association Rhineland-Palatinate)



25 Jahre Responsible Care in Deutschland

#### **Responsible Care**

Nölken Hygiene Products GmbH won the Responsible Care competition in the category of product responsibility. The project "sustainable wet wipe for the baby sector" impressed the jury in many regards.

The process started in 2012 and was meant to introduce the apprentices to the topic of sustainability. The aim was to develop a sustainable baby wet wipe for the European market.

The concept particularly made an impact, due to the fact that the apprentices were introduced to the idea of sustainability, and in doing so, an interesting, sensible product emerged. The product protects and cares for sensitive baby skin with ecological and natural raw materials. Regenerating raw materials from controlled organic growing, less packaging and recycled foil protect the environment. Through the integrated communication strategy, the product helps to raise the consumer's awareness of the topic of sustainability. Babyline-Green was manufactured from an ecological perspective, and focuses on regionality, naturalness and sustainability when selecting raw materials.

## Lifecycle

Raw material growing, working conditions, delivery paths - we strive to consider all points of the product life cycle. To do this, we take on both the complete development of formulations and products, and the modification of existing formulations and products. In accordance with the customer's wishes, we develop specialised products from high-quality raw materials.

The first phase is to deal consciously with raw materials. Their availability and quality are the basis for high-quality products. However, environmental compatibility and the manufacturing process are also very important for compatible and safe products.

#### Value creation

With the particular responsibility for society and the environment, that we bear as the leading manufacturer of baby care products, we follow the model of creating shared value. Long term success is only possible, if the activities of the company create added value for society.

This begins with the upstream added value chains and raw material procurement, and ends with the disposal of products. As a link between global trading companies and international raw material suppliers, we also bear responsibility for environmentally conscious and socially responsible actions in the value chain.

Here, absolute transparency regarding the raw materials and a trusting relationship with our business partners are of central importance to us.

We pay attention to the environmental and social compatibility of the raw materials, their extraction in the country of origin, the further processing in the production stages at suppliers and at our own company, the packaging of the products and the transportation to our customers.

We select our suppliers and service providers carefully and we assess the companies with respect to product quality and responsibility towards society and the environment. This assessment takes adherence to the prescribed laws as well as the ILO (International Labour Organisation) conventions and the principles of the UNGC into account. Furthermore, we do not obtain any raw materials from suppliers from the countries defined

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by the Business Social Compliance Initiative (BSCI) as risk countries. A self-assessment and an internal evaluation result in the grading of suppliers. How the supplier deals with its own staff and measures towards environmental protection impact on the grading, as does the quality of the raw materials.

The results of self-disclosure, the quality of raw materials and delivery reliability, are regularly discussed with the suppliers, in order to obtain further progress. We see this collaboration as a continual improvement process. With this approach, we hope to encourage our suppliers to act responsibly and to make the value chain of our products more transparent.



## **Supplier Ethical Data Exchange (SEDEX)**

In order to be able to provide information about the whole supply chain at any time, we are a member of SEDEX,

which is the largest community association in trade and industry, with over 23,000 members. Here, we actively discuss working conditions, health and safety, environment and business practices, in interest groups.

Via the platform of SEDEX, we can share non-financial information and services in our added value chain. The transparency allows us to assess the risks in our supply chain better.



## Raw materials

We want to use raw materials in an ecologically sensible manner and shape material cycles intelligently.

We inform our customers about responsible procurement, and show the potential effects of raw materials on the environment and society. We provide the customers with comprehensive information and advice from the start. In this way, we actively involve our customers in the development process and develop the best possible products.

#### Fleece and cellulose

Fleece materials for the wet wipes are manufactured from fibre mixtures. These need-orientated fleece materials, which are developed specifically for customers, are produced a stage before our processing. They are delivered in large parent rolls and at Nölken Hygiene Products they are then processed into wet wipes. Mainly synthetic or nature-based fibres are suitable for manufacturing the fleece materials.

Cellulose is a natural product and a principal component of plants. It is inserted into the nursing pads as an absorbent core for outflowing milk.

With nature-based fibres, we offer our customers certified raw materials. Regular audits by independent certifiers enable traceability of the processed celluloses, as the certification makes each processing step of the raw material visible.

The FSC and PEFC label signal responsible handling of the raw material wood to the consumer. The labels confirm, that the cellulose does not come from overexploitation of nature.

The certifications of the value added chain should guarantee comprehensive protection of the forests. Furthermore, the labels guarantee verification management of certified wood - from forest to the finished product. In this way, the raw material can be traced back to its

In order to minimise negative impacts on the environment and society, to counteract global deforestation and to reduce transportation distances, we always offer our customers non-woven materials and cellulose from sustainable, regional cultivation.



#### **Both labels ensure that**

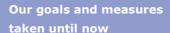
- no wood was illegally
- no traditional rights or
- no forests worthy of
- no significant conversion from forests to plantations took place,
- no genetically modified organisms were
- the ILO core labour standards

### **Derivates from palm oil and palm kernel oil**

Palm oil is one of the most important plant oils world-wide, and included in numerous consumer goods. When extracting palm oil from the fruit of the oil palm (Elaeis guineensis) palm kernel oil also occurs. This oil from the palm kernels is an important raw material for the manufacture of washing and cleaning active substances, e.g. for cosmetics and washing agents.

For a large number of care and cosmetics products that we manufacture, components such as tensides or emulsifiers are used on the basis of regenerative raw materials, whose starting material can be palm kernel oil. These raw materials are called palm kernel oil derivatives. Due to their yield, palm kernel oil derivatives are best suited for manufacturing cosmetic products.

Our own-brand products and the private-label products manufactured by us contained approximately 200 t palm kernel oil in the last year.



One of our goals is to convert to sustainable palm (kernel) oil derivates by 2020.

To achieve this goal, we are a member of the trading platform GreenPalm. By acquiring Green-Palm certificates via the book & claim system for the entire share of palm (kernel) oil used, we support the sustainable cultivation of oil palm trees in Southeast Asia.

Furthermore, we are trying to convert to sustainable and certified palm (kernel) oil by 2020, and purchase our complete requirement in mass-balance-quality by then.

In addition, we would like to anchor the understanding of palm (kernel) oil in the value added chain, and sensitise suppliers, customers and employees to sustainable procurement. With respect to the use of palm (kernel) oil, we are transparent and participate in pioneering decisions. In addition, we have joined the forum for sustainable palm oil (FONAP), to commit to sustainable palm oil, together with other agents in the value added chain.

With our suppliers, we develop concrete goals and measures. Through close cooperation and documented dialogue with them, we do all we can to ensure that extraction of palm kernel oil is carried out in a sustainable fashion.



# Trading forms for sustainable and certified palm oil

Identity Preserved (IP): Strict separation of palm oil from sustainable and non-sustainable cultivation along the entire supply chain. Sustainable palm oil is never mixed up with non-sustainable palm oil, instead the product is 100% traceable. IP allows credible cultivation and trade of sustainable palm oil. However, the disadvantage is that IP is very complex and cost-intensive, since an additional infrastructure must be built up. It is thus also possible that smaller producers will be disadvantaged.

**Segregation (S):** Similar to Identity Preserved, sustainable goods are strictly separated from non-sustainable goods. However, goods from several sustainably certified mills may be mixed with each other.

Mass Balance (MB): Sustainable and conventional goods are not physically separated, bur are mixed; certificates are issued only for the actual share of sustainable palm oil. The option enables the issue of sustainable goods at all stages of the goods chain, but without an additional infrastructure having to be developed for a parallel supply chain.

**Book & Claim (B & C):** The sustainable palm oil, i.e. physical good, and the sustainability certificates are traded separately. Similar to eco-power, a tradeable certificate is issued for producers that are certified and the certificate is then sold.



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#### FONAP

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The aims of FONAP are

- In 2016, to purchase at least 25% palm (kernel) oil in mass balance
- In 2017, to purchase at least 50% palm (kernel) oil in mass balance
- In 2020, to purchase 100% palm (kernel) oil in mass balance

For the remaining quantities, GreenPalm certificates continue to be used according to the book & claim system.

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

- Development of proposals for the further development and improvement of the existing certification systems and communication to these
   this refers in particular to the following points:
- 1. Discontinuation of cultivation on peaty soils
- 2. Discontinuation of the use of highly dangerous pesticides (Rotterdam and Stockholm conventions, WHO 1 a and 1 b) as well as paraguat
- 3. Implementation of strict greenhouse-gas reduction targets
- io ensure that certified paim oil mills obtain non-certified raw goods (fresh fruit bunches) only from legal cultivation

- Development of viable 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 non-governmental organisations in Europe in order to deal jointly with matters related to more sustainable palm oil cultivation
- To create transparency about which certified products, derivatives and fractions in segregated quality are already available on German, Austrian and Swiss markets
- Preparation and communication of technical and content-related information on topics related to 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 guides to procuring certified palm oil and information on preparing for certification
- To inform the public on the topic of certified palm (kernel) oil





#### **Animal testing and animal products**

We do not carry out animal testing. We also do not assign third parties with these tasks. We only use ingredients that are already permitted in the EU.

All products that we bring to market, fulfil the legal requirements. This means, they undergo a long stability test at various temperatures, are microbiologically stressed, so that integrity can be guaranteed during the usage phase.

Skin friendliness is tested for every product. Each promise is confirmed by corresponding tests in external dermatological institutes, on people or on skin models, e.g.: provides moisture or strengthens the skin barriers.

All data and results are recorded in the PIF- Product information file. Only products that fulfil all criteria, find their way into trade.

Furthermore, the labels BDIH-Naturkosmetik, Veganblume and Nordic Ecolabel certify cosmetics not tested on animals and free from animal products. Animal-free products are products manufactured without any raw materials from animals. Raw materials created by animals – such as honey, wool fat or beeswax – are also ruled out.

Our products contain no animal products. These can also be recognised under the description "Vegan". Vegan products are not generally manufactured using controlled organic raw materials.





#### Micro plastic particles

Plastic is a synthetic organic polymer based on crude oil or natural gas, and is not biodegradable. According to a study published in 2016, by the Ellen MacArthur Foundation, around 8 million tonnes of plastic end up in our world oceans per year. Only around 14% of the worldwide plastic waste is effectively recycled.

54% is disposed of at landfill sites or waste incineration plants. The rest

(32%) ends up in the world oceans. It is not only deficient waste disposal that contributes to water pollution, but also the use of microplastic beads and fibres in numerous cosmetics and care products.

Microplastic is smaller than 5mm, and divided into two types: primary and secondary microplastic. Primary microplastics are particles, which are primarily used as abrasives in the cosmetic industry, but also as fibres in moist toilet tissue. On the other hand, large plastic parts are reduced down to secondary microplastic by wind, weather and tides.

Large quantities of microplastic are found in bodies of water. Due to its small size, microplastic from cosmetics passes mostly unimpeded through sewage treatment plants, and so ends up in rivers, lakes and seas. There, microplastic is often seen as food by animals, and so ends up in the food chain. Even today, microplastic particles that are harmful for the environment and for people, can be found in edible fish and herbivores.

bodycare range. For pleasant cleansing and the removal of dead skin cells, we use only exfoliation particles of natural origin: ground apricot kernels or bees wax.

Around 80% of the moist toilet tissues that we manufacture, consist completely of biodegradable cellulose. Many products are certified with FSC or PEFC for sustainable forestry management. We inform the consumers about the flushability of the products on the product packaging.

We have set ourselves the following goals for the protection of bodies of water:

- 1. Not to use exfoliants made of plastic in the liquid care products that we manufacture, even in future
- 2. To replace the remaining plastic fibres with cellulose, in the moist toilet tissues that we manufacture by the end of 2020.
- 3. Entrench understanding about microplastic in the value chain and raise awareness among participants.

#### **Natural raw materials and auxiliaries**

As a focus of our responsibility for sustainable development, we offer our customers care and cleansing products with natural and ecological contents. We want to raise our sales with sustainable products – awarded eco seals – each year.

In the last three years, the proportion of products with controlled organic contents and with eco seals has risen steadily. These natural products can be distinguished from conventional products by well-known eco labels or through targeted communication with the end consumer. We continue our attempts to inform our customers about the advantages of organically cultivated contents and thus to increase the proportion of sustainable products.

Preservatives in baby care products are already a sensitive topic with the consumers. However, the prevention of microbial deterioration is unavoidable, particularly with wet wipes. Preservatives keep care products hygienic, as they prevent the multiplication of germs after the product has been opened. In the last few years, the parabens used for preservation purposes have been the subject of heavier public debate, as they have structures similar to hormones and can trigger allergies. However, this effect has not yet been confirmed in scientific studies.

Nevertheless, we have taken the concerns of consumers very seriously and have removed all parabens from our products.

#### Packaging and print dyes

Packaging plays an important role in the presentation of the products at the point of sale and in ensuring product quality. It is not only our raw materials and products that are subject to strict regulations, we also have the highest standards for the packaging.

We see ourselves as having the responsibility to promote the development of environmentally friendly packaging and to use environmentally friendly packaging options. A special team in our Research and Development department deals exclusively with the topic of packaging materials.

Our wet wipes are sealed airtightly in composite foils, so that the products remain hygienic and no liquid can leak out. These composite foils frequently consist of a layer of polyethyeleneterephthalate, and a layer of polyethylene. In the recycling cycle, these foils can not be separated unmixed, and are therefore used as fuel for the most part. With some of our customers, we took the step of manufacturing the compound foil from the same plastic. In this way, the packaging can be added to the recycling cycle, and be recycled.

We also often use post-industrial recycling foil in the packaging of wet wipes. In liquid cosmetic packaging, too, environmentally friendly solutions from recycled plastic can already be offered. In addition, it is possible to return all packaging to the recycling cycle.

For outer packaging, the industry already uses environmental friendly cardboard packaging made of 100% recyclable material. We have implemented this standard as well and we will continue to do so in future. Folding boxes in the use of sachets are, when possible, manufactured using celluloses that come from responsible sources.

These innovative solutions mostly arise from intensive discussions with our suppliers, which are based on an intact supplier relationship.

Furthermore, in the foreseeable future, we want to reduce the size and weight of the packaging, and use sustainable components.



## **Environmental** aspects

We see environmental protection as a social obligation; it is viewed as a quality aspect. Environmental compatibility is a quality feature of processes and products. Ecological targets are part of our company policy, and integrated into the management system as a management task.

The organisation of the management system is determined according to our own experience, on the basis of DIN EN ISO 9001:2008, and integrates requirements of environmental protection management in accordance with DIN EN ISO 14001:2009, and European and German legislation, particularly regarding environmental protection, safety at work, equipment safety and product liability, with the goal of "integrated product responsibility".

To this end, it was necessary, amongst other things, to develop systematic methods for environmentally friendly construction, environmental compatibility tests, disposal, recycling and procurement guidelines for purchasing. Through preventative measures, strains on the environment and biodiversity should be avoided, or reduced as much as possible:

- In the product planning (design, packaging, transport, use and disposal / recycling), environmentally relevant factors are included
- In the development of new products, methods for environmentally friendly design will be integrated, recycling planning and avoidance of environmental hazards through the product are components of the requirements specification
- In the manufacturing and process planning, cycle planning is aspired to, as is the avoidance of environmental hazards through processes. Environmentally relevant process parameters will be observed and improved, cycles will be monitored.
- Avoidance, recycling, reuse and separation of waste, assigning qualified companies with transport and disposal of waste
- Prevention of environmentally harmful accidents through preventative occupational environmental protection

- Evaluation, control and reduction of noise pollution inside and outside the location
- The task of the sales department is the promotionally effective use of positive environmental characteristics, and external details and advice on the products regarding ecological issues
- Procurement guidelines and selection of suppliers according to the aspects of technical environmental protection

Furthermore, we would like to implement innovative concepts for sustainable, safety and environmentally oriented development. For this, we also call upon employees, customers and the public, to communicate their opinions and wishes.

## Paper

Recycled paper is environmentally friendly, uses less resources and is cheaper than normal paper.

At both locations we consume around 600,000 sheets of paper per year. Though for two years, we have used copy paper made of recycled fibres, with the Blaue Engel label, and letter paper from responsible forestry. Recycled paper with the environmental label not only protects the forests, but its manufacture is water and energy saving, and no toxic chemicals are used. In addition the Blaue Engel is the oldest and best known environmental label in Germany.

To protect natural resources further, we want to reduce paper consumption annually. A digital archiving programme, staff training as well as information in the staff newsletter and on the intranet are just a few measures aimed at reaching this objective. In this way we reduce negative environmental influences.

As part of this clear commitment to the reduction and avoidance of paper, we have joined the initiative "CEOs Pro Recycling Paper". The campaign "CEOs Pro Recycling Paper" is aimed specifically at company managers who personally assume responsibility for resource-efficient actions and who develop important resource-protection potential with concrete objectives for the use of recycled paper. The campaign is being conducted by the "Initia-

tive Pro Recyclingpapier" (IPR) in cooperation with the Federal Ministry for the Environment, the Nature and Biodiversity Conservation Union Germany (NABU) and the Club of Rome.



Paper consumption Windhagen				
2013	2014	2015		
200.000 Sheets copy paper	600.000 Sheets copy paper	400.000 Sheets copy paper		
30.000 Sheets letter paper	60.000 Sheets letter paper	100.000 Sheets letter paper		
1.250 Sheets/employee 3.606 Sheets/employee		1.945 Sheets/employee		
Paper consumption Nowogrodziec				
2013	2014	2015		
125.000 Sheets copy paper	150.000 Sheets copy paper	152.500 Sheets copy paper		
0 Sheets letter paper	0 Sheets letter paper	0 Sheets letter paper		
1.506 Sheets/employee	1.500 Sheets/employee	1.713 Sheets/employee		



"Nölken Hygiene Products GmbH continually works on solutions, which relieve the environment and conserve resources. Energy efficiency is a top priority for us."

Rudolf Großgarten is the Technical Manager and is also responsible for the environmental compatibility and energy consumption of the machines, in his area.



## **Energy consumption Windhagen**

2013	2014	2015
2.100.976 kWh	2.128.920 kWh	2.660.355 kWh
Electricity	Electricity	Electricity
1.882.429 kWh	1.494.906 kWh	203.598kWh
Natural Gas	Natural Gas	Natural Gas

#### **Energy consumption Nowogrodziec**

2013	2014	2015
1.640.000 kWh	1.687.000 kWh	1.775.808 kWh
Electricity	Electricity	Electricity
353 kWh	413 kWh	88.845 kWh
Natural Gas	Natural Gas	Natural Gas
40.207 kWh	52.690 kWh	5.214 kWh
Oil	Oil	Oil

## Energy and emissions

Energy use depends significantly on the quantity of products produced. Our energy management system makes it possible to record digitally all relevant data about the exact quantity produced and the energy consumption at the individual production lines. The transparency of the physical dimension of our production is a first step to reducing our energy consumption.

We save energy today already through effective lighting systems. Additionally, we also operate two block heating power stations in our production halls in Windhagen. Through the combination of power and heat, we can use heat and electricity in optimal fashion.

Saving on direct CO<sub>2</sub>-emissions is part of our commitment with respect to the reduction of our impact on the environment. Therefore, our fleet also includes an electric car for business trips. Thus we not only save natural resources but also reduce our direct CO<sub>2</sub>-emissions.



2013	2014	2015
25.474 m³	21.190 m³	35.993 m³
Fresh water	Fresh water	Fresh water
12.944 m³	11.781 m³	20.992 m³
Waste water	Waste water	Waste water

#### **Water consumption Nowogrodziec**

2013	2014	2015
4.152 m³	4.264 m³	5.367 m <sup>3</sup>
Fresh water	Fresh water	Fresh water
581 m³	580 m³	580 m³
Waste water	Waste water	Waste water

## Fresh water and waste water



35

The implemented environmental management system enables transparent and secure ascertainment of our water consumption. Water consumption and waste water figures are collected at both locations and measures for continuous improvement are introduced.

In order to manufacture high-quality wet wipes, the Windhagen site obtains outstanding water from the public drinking water network of the Asbach District Association. Part of the water is prepared for the manufacture of cosmetic liquids by means of reverse osmosis and the UV system. The major part of the fresh water used is used in treated quality to produce our products. In manufacturing, the water used for cleaning purposes is disposed of separately as waste water.

In 2015, the total quantity of waste water produced rose by 75%. The total quantity of fresh water consumption rose by 62%. The main reason for the increase is primarily the increase in production, due to the economic situation.



## Waste

With the aim of keeping our waste quantities as low as possible, we try to reuse materials or return them to the raw material cycle, wherever technically possible and economically sensible. This not only benefits the environment, but also cost efficiency.

Efficiency of resources is not just reflected in the environmental balance, but also has a financial impact. Our waste management officer works on ensuring that all waste produced is collected and that it is disposed of correctly sorted and according to the regulations. All of

our employees have committed to this goal, and work on keeping material consumption low on a day to day basis.

It is a further goal of the waste management system, to push forward the reduction of the production materials used at both locations, and to develop measures for this.

In 2015, the total quantity of waste produced rose by 23%. The main reason for the increase is primarily the increase in production, due to the economic situation.

# Windhagen 🗑

## 2013

Active ingredients	45.50	t		
Finished products	68.12	68.12 t		
Residual waste	85.11	. t		
Cardboard	129.24 t			
Wood	0.00 t			
Rinsing water				1,539.00 t
Film	72.13	t		
Nonwovens		442.56 t		
Hazardous*	3.27 t			
Non-hazardous**	11.62 t	t	•	•

#### Total 2,396.55 t

### 2014

Active ingredients	0.00	) t	
Finished products	60	.90 t	
Residual waste	80	.60 t	
Cardboard		191.60 t	
Wood	0.00	) t	
Rinsing water			1,793.00 t
Film	67	.20 t	
Nonwovens		349.40 t	
Hazardous*	2.60	) t	
Non-hazardous**	3.20	) t	

#### Total 2,548.50 t

## 2015

Active ingredients	0.0	00 t		
Finished products	23	3.77 t	t	
Residual waste		157.	38 t	
Cardboard		26	5.39 t	
Wood	0.0	00 t		
Rinsing water				2.479,00 t
Film	Ğ	98.82	t t	
Nonwovens			415.69 t	
Hazardous*	0.4	42 t		

#### Total 3,448.07 t

# Nowogrodziec 🗑

## 2013

Active ingredients	0.00 t		
Finished products	undocumented		
Residual waste	13.20 t		
Cardboard	43.99 t		
Wood	0.12 t		
Rinsing water	115.00 t		
Film	44.54 t		
Nonwovens		523.09 t	
Hazardous*	undocumented		
Non-hazardous**	undocumented		

#### Total 739.94 t

## 2014

Active ingredients	0.00	) t			
Finished products	und	ocum	nented		
Residual waste	28	.71 t	:		
Cardboard	41	L.12	t		
Wood	0.00	) t			
Rinsing water			172.00 t		
Film	5	4.68	t		
Nonwovens				499.92 t	
Hazardous*	2.58	3 t			
Non-hazardous**	undo	ocum	nented	•	

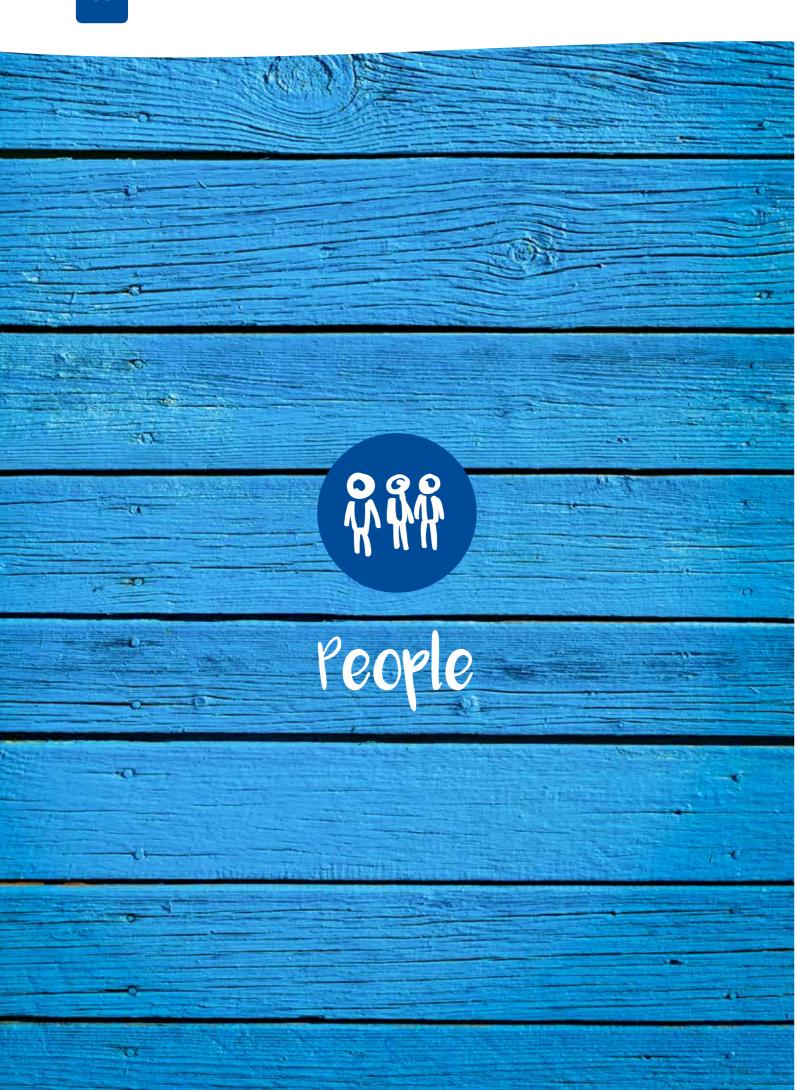
#### Total 799.01 t

### 2015

Active ingredients	0.00	t		
Finished products	undo	cumented		
Residual waste	3	5.34 t		
Cardboard		62.47 t		
Wood	0.00	t		
Rinsing water			165.00 t	
Film		68.72 t		
Nonwovens				339.94 t
Hazardous*	0.008	t		
Non-hazardous**	undo	cumented		

#### Total 671.48 t

\* electronic srap, fluorescent lights, aerosols, oil-stained resources \*\* glass waste, mixed scrap



## Stakeholders

Long term business success is only possible for us, if we can maintain the trust of our stakeholders. We lay the foundations for this with transparent communication and regular dialogue. Only an open exchange of opinions can lead to gaining the agreement of stakeholders for business sustainability.

Our stakeholders include customers, staff, business partners, universities, politicians, members of society as well as authorities, unions, associations and non-governmental organisations (NGOs). We maintain diverse relationships with them.

We have resolved to motivated everyone involved in the added value chain, to use another, more sustainable way of working, and promote harmonious coexistence.

#### **Customers**

We place a great deal of importance on dialogue with our customers. We are only in a position to offer you the right products, if we know your precise needs. Regular workshops, daily contact as well as meetings on specific topics with our customers allow us to generate a clear idea of the growing demands. In workshops, we look at the individual components of a product, together with our

customers, and discuss ideas for optimisation. We thus get to know the needs of the customers and the consumers better and can replace the individual raw materials and contents with alternatives if necessary. In no small part thanks to the intensive dialogue with the customer, the perfect product comes into being. The expertise of our customers in direct communication with the end consumers also allows us to find out what standards the end consumer sets with respect to the products.

In addition, regular trade fair appearances alert us to changed customer requirements and trends in society.

#### **Staff**

At our company, we customarily maintain daily contact with our colleagues. An open communication culture and short decision-making channels lay the foundation for staff-based stakeholder management, allowing us to respond directly to the mood in the company and individual aims.

Numerous internal events and a regular newsletter give the staff the opportunity to come into direct contact with the management.



We would like to sharpen appreciation for an ethically unobjectionable supply chain and to reach the stage where responsible actions are carried further into the supply chain.

We use the active dialogue with our suppliers not just to strengthen relationships but also to promote raw material developments and innovations. Through cooperation's and joint projects, we try to perform pioneering work in our industry. New and more sustainable materials are jointly developed and tested.

#### **Members of society**

Initiative zur Stärkung der Region e. V. (ISR) is an association that aims to strengthen the economy in the region around Windhagen. In addition to economic aspects, this network also aims to deal with social issues. For instance, the ISR does a variety of work aimed at keeping specialists and young people in the region. The compatibility of family and work and public infrastructure are also much-discussed topics. The cooperation with the ISR includes the entrepreneurial meetings, at which the resident entrepreneurs can engage in dialogue.

As a good example of corporate responsibility, on the **8th German sustainability day** in Düsseldorf, we took part in the user forum sustainability codex "Sustainable industrialisation". We reported on the practical implementation of sustainability in the company, and the relevance to the German Sustainability Code (DNK).

The basic values of our company are practised everyday. In the scope of the **1st CSR communication congress** in Osnabrück, we reported on the development of the value system, and the basic ethical principles of our family company.

We would like to motivate companies to practice social responsibility and sustainability, and used the event "Unternehmer von heute – nachhaltig fit für morgen" [Entrepreneurs of today - sustainably fit for tomorrow] in Stuttgart, as an opportunity for this.

#### **Universities**

The collaboration with students is an example of our dialogue with universities and science. Dealing critically with a wide variety of topics by means of dialogue with academia is an enrichment for us and allows us to make further tweaks to our work.

As a trustee of **sneep – Studentisches Netzwerk für Wirtschafts- und Unternehmensethik e. V.** [Student network for ethics economics and practice], Johanna Jung provides advice on the implementation and alignment of the association in her role as sustainability manager. sneep offers students, young scientists and young professionals a platform for dialogue and the development of new impetus for economic practice and teaching. Important objectives of sneep include the university-policy implementation of ethics in economic programmes of study as well as development of awareness of responsibility and sustainability in everyday life and at work

# Unions, organisations, associations and politicians

As a participant in the **Circle of CSR Experts** in the association **Unternehmen für die Region e. V.**, we engage in dialogue with other SMEs in a trusting atmosphere about trends and core issues in CSR practice. In this circle, we explain our viewpoint of various sustainability topics and describe the measures implemented from specific topic areas.

Our support of the working group of the **German Sustainability Code** (DNK) constitutes a further milestone in our participation in the economic and political dialogue on sustainability. In our role as a mentor, we give companies, that comply with the DNK and would like to introduce sustainability management, help in implementing it. The guideline initiated by the council for sustainable development, is an important standard for sustainability reporting in Germany, and a recognised standard for the implementation of the EU guideline 2015/95/EU for the disclosure of non-financial services. In this working group, we worked together on implementable guidelines for small and medium-sized enterprises devoting themselves to the topic of sustainability for the first time.

The **European Disposables and Nonwovens Association (edana)** is an international union of manufacturers of nonwoven materials and related products. The union's objective is to impart information actively and to engage in open dialogue with the member companies. Nölken collaborates in the development of industry standards, especially in the working groups for wet wipes, communication and sustainability. Topics such as the implementation of environment-related claims and the flushability of moist toilet tissue are dealt with, to raise awareness in society.



The objective of the **Forum on Sustainable Palm Oil** (FONAP) is to increase the share of segregated certified palm oil and palm kernel oil or corresponding derivatives in the German, Austrian and Swiss market significantly and to make 100% segregated, certified palm oil and palm kernel oil available for these markets as quickly as possible. In collaboration with representatives from industry and trade, politics and NGOs, the FONAP develops solutions to sustainable palm (kernel) oil.

Verband der Chemischen Industrie e. V. (VCI) [Association of the Chemical Industry] represents the interests of the chemical industry in the fields of politics, business, science and the media. The joint sustainability initiative "Chemie3" of the VCI, the Industrial Trade Association for Mining, Chemicals and Energy (IG BCE) and the Federal Chemical Association (BAVC) sees itself as a motor for sustainable development in the chemical industry.

As a manufacturer of care and cleaning products, we are part of the **Industrieverband Körperpflege- und** 

**Waschmittel e. V.** (IKW) [Industrial Association of body care and washing agents]. The IKW supports its members by providing advice on and assistance in business activities, thus promoting the economic development of its members. We use this platform as an information pool for developments in the liquid sector.

As a non-profit organisation, the **Federal Union of Industrial and Trading Companies** (BDIH) represents the interests of various manufacturers and distributors, including cosmetics manufacturers. We also produce natural cosmetics, among other products, and follow the guidelines developed by the working group for natural cosmetics for controlled natural cosmetics with great interest.

**SEPAWA**, one of Europe's largest professional associations for the detergent and cleaning agent industry as well as the cosmetics and perfume industries, operates as a communication platform for experts from industry, universities and authorities.

## Staff

#### Structure

We are a family run company in the second generation. Our culture and our values are the foundation on which we base relationships with our employees and society. Now in our second generation, we deal with the individuals at the company openly and appreciatively and we give them the freedom to develop. After all, it is the people who shape our future. Only with motivated and satisfied employees can we continue to be successful.

In order to offer our customers first class products, and work together productively, we rely on employees with various perspectives and experience in their role. Thanks to them, we are in a position to understand customer requirements better.

We focus on discovering and promoting talent - irrespective of gender, nationality, ethnic background, religion or philosophy, disability, age, sexual orientation and identity. Diversity is the basis for our corporate stability. Our team of 346 employees includes people from the most diverse countries and cultures of the world: primarily from Germany, France, Poland, Romania, Russia, Syria, Portugal, Turkey, Morocco, Cameroon, the Philippines, Macedonia and Moldavia. We offer all our staff free participation in a private German course.

Many employees in our staff have worked for our company for many years, and have grown together with us. We employ people of all ages and we cater to the needs of the individual age groups. Our colleagues in production have to do different work than our colleagues in management; therefore, we have tailored our health services accordingly. We put together our teams according to the individual abilities of the employees.

We have a firm stance on the work-life balance, which is reflected, for example, in flexible working hours. By means of family-compatible working conditions such as shift work and flexible working hours as well as parttime and home-office positions, we cater to the personal wishes of our staff whenever possible.

Employee structure	:	2013	2014	2015
Windhagen	Management Board/Management	3 Women 8 Men	3 Women 8 Men	5 Women 10 Men
K WW	Employees	70 Women 95 Men	90 Women 124 Men	98 Women 137 Men
	Trainees	2 Women 6 Men	2 Women 5 Men	2 Women 5 Men
	Number of employees Temporary workers	<b>184</b> 2 Ø per Day	<b>232</b> 7 Ø per Day	<b>257</b> 4 Ø per Day
Nowogrodziec	Management Board/Management	3 Women 2 Men	3 Women 2 Men	3 Women 4 Men
K HH	Employees	37 Women 41 Men	42 Women 51 Men	39 Women 42 Men
	Trainees	0 Women 0 Men	1 Women 0 Men	1 Frau 0 Men
	Number of employees Temporary workers	<b>83</b> 1 Ø per Day	<b>99</b> 1 Ø per Day	<b>89</b> 1 Ø per Day





As a responsibly acting company, we are committed to the protection of human rights and compliance with the labour standards at both locations. Of course, we are committed to adhering to legal standards (constitutional law and employment law). Moreover, we are committed to following the principles of the UNGC and the ILO core labour standards and we have firmly entrenched these in our business processes. In a code of conduct that applies to all members of staff we have formulated basic values for the collaboration between our employees. Mutual respect, equality and appreciation of all colleagues are firmly anchored in our organisational culture.

Employee rights are further strengthened by our employee representative. All members of staff are informed of and involved in changes by the management directly, in meetings and in our staff magazine. Furthermore, we grant all employees freedom of association and the effective recognition of the right to collective negotiations. In addition, the employee representative represents the interests of the employees.

### **Apprenticeships**

Nölken has been an IHK-certified training company since 1985. Owing to the demographic change, we offer young people an apprenticeship as a chemical technician, in machine and system operation or in warehouse logistics, in addition to the apprenticeship as an industrial management assistant.

We offer an extra-occupational course of study to our employees and trainees who have proved themselves in their traineeship or employment. Nölken supports the employees in the extra-occupational course of study financially and structurally. Dual education is also an option at our company. In addition, each year we offer interested school pupils internships and we help students to give practical relevance to their course of study.

Training has high value at our company and we place importance on making the traineeship lively. An exciting run through production and management awaits the trainees in the first few weeks. They thus have the opportunity to get to know the employees and to gain initial insight into the company before the actual traineeship plan begins. In addition to technical knowledge, all the trainees at the company also become acquainted with the principles of a sustainable and ethical business method. Part of each apprenticeship at our company is a learning phase in the sustainability department.

#### **Training**

The success of our company is directly dependent on the competence of our employees. In order to meet the challenges of demographic change, and remain competitive, the continual further training of our employees forms a central area of our HR management.

A key aspect of our HR management is the company-wide academy. We have thus created a modern platform for training staff and involving them in finding subjects for our range of apprenticeships. All members of staff at our company are supported by the services of our academy. In this way, we would like to enable each employee to bring his potential and ability to bear.

Last year, we were once again able to inspire all our employees with the training programmes of our academy, and further increase the hours of further training.

We finance training courses fully or partially and/ or allow leave of absence. Continuous training measures enable all employees to perform optimally for the company and keep the performance level high, including of older members of staff. Thanks to the formation of interdisciplinary teams, expertise is

#### Industrial management assistants

At Nölken, industrial management assistants deal with commercial and business management-related areas of responsibility such as purchasing, logistics, sales and marketing, HF and accounting.

#### **Machine and system operators**

Machine and system operators in our production facility set up production machines and systems, put them into operation and operate them. They also retrofit the machines and keep them in good repair.

### **Chemical technicians**

Chemical technicians control and supervise machines and systems for manufacturing, bottling and packing chemical products such as our shampoos, creams and lotions as well as impregnating liquids.

#### Warehouse logistics expert

Warehouse logistics experts receive a wide variety of goods, check them and store them professionally. They put together deliveries and trip plans and they load and dispatch goods. They also collaborate in the optimisation of logistical processes.



passed on from the more experienced colleagues to the younger colleagues.

#### **Occupational health and safety**

A safe working environment is an essential element of responsibility for our employees. With comprehensive risk management to recognise and assess potential hazards, we work preventively for more safety at work.

To guarantee health and safety at work for every employee, we have appointed an occupational health and safety expert who, together with the company doctor, the employee representative, the head of production, the quality manager and the management, forms the occupational health and safety committee. This commit-

Further education Windhagen				
2013 1.049 Hours 184 Employees	<b>2014</b> 1.350 Hours 232 Employees	<b>2015</b> 1.981 Hours 257 Employees		
Further education Nowogrodziec				
<b>2013</b> 48 Hours 19 Employees	2014 220 Hours 14 Employees	2015 126 Hours 7 Employees		

teewinle@akatprlagerlarvientyetwedstantuh reem soutustuhns.objectives and measures in the area of occupational health and safety.

COMMENT OFFICES, WITHCH

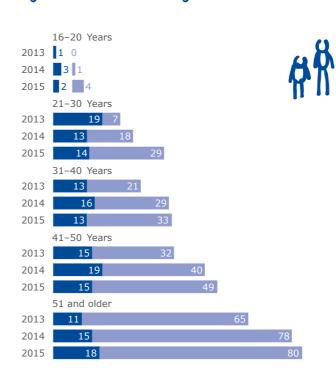
With our occupational health and safety programme, we ensure that all technical systems and workstations are reviewed regularly and that our employees are appropriately trained. Personal protective equipment is available to them free of charge and they are instructed in occupational health and safety and fire safety on an annual basis. In addition, all field service workers and department heads receive safe driving training. We offer a comprehensive check-up at both locations. Our aim is to reduce the accident figures further, which is to be achieved primarily through training and technical measures.

#### **Health management**

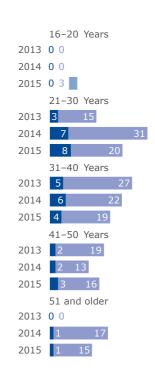
Protecting the health of our employees is a further essential point of our HR management. To protect the health of our staff and to reduce the number of absences due to illness further, we have introduced an operational health management system (OHM) with a variety of health-promoting measures.

### Age Distribution Windhagen

administrative industrial



## Age Distribution Nowogrodziec



the amount raised is donated directly to the non-profit project or the association on behalf of the employee. Due to the high level acceptance by the employees, we will continue the programme and actively advertise it.

Our company health day takes place on an annual basis. It gives the employees the chance to try out relaxation and fitness exercises for free and has the aim of increasing the participants' awareness of the importance of looking after their own health and physical balance. Through the cooperation with regional organisations and companies, we can lend great variety to the health day.

For organisational reasons, we were not able to hold a health day in 2015. However, we took the opportunity to

Sickness rate Windhagen				
<b>2013</b> 5,5%	<b>2014</b> 9,4%	<b>2015</b> 9,5%		
Sickness rate Nowogrodziec				
2013	2014	2015		



The health programme that we founded in 2014, is sponsored and actively promoted. With "Nölken Active", we support our employees in collecting money for a social project or a non-profit association of their choice with their sporting activity. At the end of the programme,

Work accidents Windhagen				
2013	2014	2015		
19 Accidents	32 Accidents	56 Accidents		
68 Lost days	145 Lost days	268 Lost days		
Work ac	Work accidents Nowogrodziec			
2013	<b>2014</b>	<b>2015</b>		
3 Accidents	0 Accidents	0 Accidents		
351 Lost days	0 Lost days	0 Lost days		



### **Ideas management**

All employees can contribute to the company suggestion system and thus actively help shape the company. With innovative ideas, our employees provide new impetus to the implementation of efficient processes as well as resource and environmental protection or for training. All small and large suggestions for improving the company or the products can be submitted via the internal ideas management system.

Many innovations that optimise the processes or improve sustainability in the use of resources are submitted by our employees via the ideas management system.

The ideas are far-reaching and involve innovations in areas ranging from economics to the environment, technology, organisation and social issues. Last year, we received two valuable suggestions from employees and implemented one of them.

To increase participation in the suggestion system, there is now a further communication channel available. Our employees are invited to submit their suggestions both via the intranet and in paper form. The employees whose ideas are implemented receive a prize in recognition of this



Ideas Windhagen				
2013 15 submitted 6 implemented	2014 2 submitted 0 implemented	2015 6 submitted 1 implemented		
Ideas Nowogrodziec				



- Discount on gym membership
- Health days
- Running, mountain biking and hiking meetups
- Flu protection vaccinations
- Sponsoring for city / marathon races



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## Members of society

At both company locations, we contribute to the community in a variety of ways thanks to our close integration into each community. The employees engage in various social projects and when possible they are given leave of absence for their volunteer work. Below, we describe selected initiatives that we regularly support:

#### **Neighbourhood assistance**

The workers' welfare association in Bad Honnef engages in volunteer work for a socially just society. These services also include the "Tafel" [Food bank]. This establishment offers people in need food and products for everyday life. Nölken supports the workers' welfare association on a monthly basis with material donations of body and care products. Since 2011, we have donated

the whole amount that we previously spent on Christmas gifts for customers and employees, on people in need. Last year's donation went to the **Stiftung schwerkrankes Kind** [Foundation for seriously ill children], which takes care of affected children and families.

#### **Sporting support**

Our employees are now actively supporting the child aid initiative **Kinder in Not e.V.** [Children in distress] for the fourth year and are running the donation marathon in Windhagen. As part of our corporate engagement, we regularly sponsor our employees in regional town runs. The association works to assist needy children in the Third World and was founded by businesswoman Gisela Wirtgen.

Our commitment as a sponsor of **Sportverein Eintracht Windhagen 1921 e. V.** is already a tradition. Nölken has been supporting the sports club with donations since 2009. These donations also benefit our employees, who for the most part come from Windhagen and the region, and are active members of the sports club.

### **Cultural heritage**

In order to preserve culture and tradition in our region and to celebrate the mad carnival season, we support the Windhagen-based carnival association on an annual basis. The **carnival association Wenter Klaavbröder e. V.** has been in existence since 1953 and has major significance for Windhagen and the surrounding area.

#### Safety first

The **voluntary fire brigade** in Nowogrodziec relies, on the one hand, on the commitment of the firemen and women and, on the other hand, on the funds supplied to it by companies. We regularly support the voluntary fire brigade.

### **Caring products up close**

We are always happy to open our doors and gates and grant interested parties an insight into our production. In the last year we have invited school pupils from second grade at the **catholic elementary school Bonn-Holzlar** to get to know the production of caring- and cosmetic products.

## About this report

For us, sustainability means being future proof. Since 2011, we have been working with a sustainability management system, which records and strategically organises our non-financial services, in a transparent way. Carrying out business sustainably is part of the corporate strategy for Nölken Hygiene Products GmbH, and has been permanently institutionalised by means of an executive department since 2011. We have broken down the fields of action of our sustainability management system into the following areas: Environment, strategy, products and people. These four focus fields define the dedication, reporting and communication.

This is the fifth sustainability report of Nölken Hygiene Products GmbH. We produced it for customers, employees, service providers and suppliers, neighbours, the interested public, representatives of unions as well as other interested parties from the domains of politics, the media, society and science. This report provides an overview of our sustainability strategy, measures and processes that have already been implemented successfully, as well as short-, medium- and long-term objectives at our two locations in Germany and Poland. It is crucial to reflect on one's own performances especially with a view to knowledge transfer - in order to awaken further sustainability potential. We want to communicate in a transparent manner with all relevant interest groups and engage in open dialogue with them. We would thus like to invite you to communicate your ideas and suggestions to us.

#### **Reporting parameters**

We see this sustainability report as a progress report, in the scope of the annual reporting standards. As in the previous years, the reporting parameters are the ten principles of the UNGC and the 20 criteria of the DNK. The parts of the text relevant for UNGC and DNK are marked in the following overviews.

#### Reporting period

The content in this report refers to the period from June 2015 to July 2016. Publication of the next comprehensive sustainability report is planned for 2017.

For ease of reading, the feminine form is not expressly named in the report. However, in all cases both male and female persons are meant.

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## Glossary

# Occupational health and safety management system (OMS)

The occupational health and safety management system regulates the occupational safety of the employees and the protection of their health. An OMS should support a company, to avoid accidents at work and illnesses in its operations, and maintain the health of the staff.

#### Company health management (CHM)

The aim of the CHM is to promote the health and motivation of the employees on a sustainable basis by means of good working conditions and quality of life at the workplace. The CHM is the design, control and development of operational structures.

#### **Corporate Social Responsibility (CSR)**

CSR is the voluntary corporate responsibility for society and the environment, and describes the contribution of the economy to sustainable development. CSR is about, how profit is generated in companies.

#### **German sustainability code (GSC)**

The GSC describes the minimum requirements for reporting, from a sustainability point of view. It therefore provides a framework for reporting on non-financial services, which can be used by companies and organisations of any size and legal form.

#### **DIN EN ISO 14001:2009**

The international environmental management standard sets requirements of an environmental management system. This standard focuses on continual improvement in relation to environmental services of an organisation.

#### **DIN EN ISO 22716:2007**

The standard DIN EN ISO 22716 on cosmetics GMP (good manufacturing practice) is a guideline for the manufacture of cosmetic products. It illustrates the requirements for production, regarding quality and hygiene.

#### **DIN EN ISO 9001:2008**

This standard sets requirements for a quality management system and quality assurance, to fulfil the customer requirements. In addition, the quality management system must be subject to a continual improvement process.

# **European Disposables and Nonwovens Association (edana)**

edana is the umbrella organisation of the fleece material industry and the pertinent sectors. edana represents the interests of 240 organisations along the added value chain of the non-woven fabric industry.

#### **Energy management system (EMS)**

The energy management system regulates energy consumption at the company. An EMS makes the energy situation in organisations systematically and continually transparent, and contributes to reducing energy costs.

# International Featured Standards Household and Personal Care (IFS HPC)

IFS HPC is a standard to guarantee the safety, quality and transparency in the manufacture of household and bodycare products. The standard ensures that the products do not present any danger to the safety of the consumers.

#### Non-governmental organisation (NGO)

NGOs or non-state organisations are civic interest groups. An NGO is a not for profit oriented organisation, based on voluntary work, which can be organised internationally or nationally.

#### Roundtable on Sustainable Palmoil (RSPO)

The RSPO is an initiative founded by the World Wide Fund For Nature (WWF) in 2004, which - as a central organisation - wants to promote sustainable palm oil cultivation. Members of the RSPO, alongside non-governmental organisation, are also companies and institutions along the added value chain.

#### **Environmental management system (EMS)**

The environmental management system regulates the environmental aspects of a company. An EMS makes the environmental impact of an organisation systematically and continually transparent, and contributes to minimising the negative environmental impact.

#### **United Nations Global Compact (UNGC)**

The UNGC was founded by the United Nations in 1999. The members of the UNGC ensure compliance with the ten principles in the areas of human rights, labour, the environment and anti-corruption.

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# The German Sustainability Code

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# United Nations Global Compact

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