

Progress Report
Werner & Mertz Group
for the reporting period 2017 - 2018

on the Leadership Declaration of the Biodiversity in Good Company Initiative

# **Leadership Declaration**

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# **Leadership Declaration**

The signatory companies acknowledge and support the three objectives of the international Convention on Biological Diversity:

- conservation of biological diversity
- sustainable use of its components
- fair and equitable sharing of the benefits arising out of the utlization of genetic resources and commit themselves to
- 1. analyzing corporate activities with regard to their impact on biological diversity;
- 2. including the protection of biological diversity within their environmental management system;
- 3. appointing a responsible individual within the company to steer all activities in the biodiversity sector and report to the Management Board;
- 4. defining realistic, measurable objectives that are monitored and adjusted every two to three years;
- 5. publishing activities and achievements in the biodiversity sector in the company's annual, environmental, and/or corporate social responsibility report;
- 6. informing suppliers about the company's biodiversity objectives and integrating suppliers accordingly and incrementally;
- 7. exploring the potential for cooperation with scientific institutions, non-governmental organizations (NGOs) and/or governmental institutions with the aim of deepening dialogue and continuously improving the management system.

To demonstrate ongoing commitment, member companies will provide the Initiative with a progress report every two years.



## Introduction

Sustainability and biological diversity, resource conservation and climate protection have determined corporate decisions and activities at Werner & Mertz for more than three decades.

Our approach is holistic and compliant with our own guidelines. We are convinced that it is necessary to consider the global impact of our actions while keeping our local premises and production methods in mind. Sustainability and biodiversity go hand-in-hand at Werner & Mertz.

Since 2012 we have been paving the way for sustainable, cross-industry solutions with our Frosch Initiative which combines a range of activities, including our Recyclate Initiative. In cooperation with our partners, we have succeeded in developing and establishing a material cycle for genuine mechanical recycling of plastic obtained from the Yellow Bag post-consumer waste collection system. This type of recycling effectively helps to prevent marine litter. The Initiative from Mainz therefore takes on a global dimension by contributing to conserving biodiversity in our Earth's oceans.

As a founding member of Biodiversity in Good Company, Werner & Mertz brought its convictions to this coalition of companies and today, as a board member, has a voice in shaping policy. This progress report explains how we carry out our self-imposed tasks, drive sustainability forward and work continuously to conserve and protect biological diversity.



### From Environmental Management to Sustainability Management

Werner & Mertz has had an EMAS-validated environmental management system for 15 years and a sustainability management system since 2007. The ecological impact, long-term economic plans and the social aspects of our corporate activities have long been under continuous observation. The regularly published Environmental Declaration in accordance with EMAS criteria keeps records of our progress and areas requiring action right before our eyes.

Ecological sustainability includes varied components such as resource and climate protection, land usage and the impact on biodiversity. Wherever raw materials are extracted, biodiversity has to be taken into account. Because we know that climate change alters the range of species and symbiosis, we rely on renewable energy and forgo the use of petroleum products and non-renewable resources in our operations. We turn instead – wherever possible – to ingredients based on plants cultivated in Europe.

### **Environmental activists since 1986**

Our convictions regarding sustainability, which are reflected in our product portfolio and business practices, have determined Werner & Mertz decisions and activities since 1986. Many people recall the incident at the Chernobly atomic reactor at the end of April in that year. It prompted the German government to establish the Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety. In 1986 Werner & Mertz introduced the Frosch brand, the successful product line of environmentally friendly household cleaners with natural ingredients. Since then the umbrella brand and its sustainability orientation have shaped our company. Frosch has an environmental impact beyond its broad product portfolio. The power of our trusted brand stands behind the Frosch Initiative for sustainable solutions. Through the initiative we provide new stimulation for environmental and resource protection with our Recyclate Initiative, for example, and with the project Native Surfactants from European Cultivation (www.initiative-frosch.com).











Many milestones in environmental protection mark the company's path toward rigorous sustainable management in the years since 1986.

| Since 1995 | Relocation of business partner to Werner & Mertz premises to put packaging manufacturing close to the production line. The move eliminates about 1,700 truck trips, and results in annual savings of about 600 tons of carbon dioxide.  |
|------------|---|
| 2001       | Participation in ÖKOPROFIT project initiated by the City of Mainz and the first of regularly received by Werner & Mertz distinctions as a Mainz ÖKOPROFIT business.   |
| 2002       | Introduction of environmental management system with the goals of obtaining DIN EN ISO 14001 and EMAS certification for Werner & Mertz GmbH in Mainz. Set up of energy management system in Mainz.  |
| 2003       | Publication of first Environmental Statement by Werner & Mertz GmbH for the Mainz site.   |
| 2004       | Introduction of environmental management system for the three Werner & Mertz Group companies at the Hallein site and successful EMAS and DIN EN ISO 14001 certification audits.   |
| 2005       | Implementation of sustainability guidelines and participation in the A.I.S.ECharter for Sustainable Cleaning, a voluntary initiative of the European soaps, detergents and maintenance products industry.   |
| 2007       | Top management orders the further development of the environmental management system into a sustainability system for the Werner & Mertz group, including the Hallein site.   |
| 2008       | First Sustainability Report issued by Werner & Mertz Group.   |
| 2009       | Werner & Mertz wins the German Sustainability Award for its umbrella brand Frosch.  |
| 2010       | The new Werner & Mertz headquarters building receives the Environmental Award from the federal state Rhineland-Palatinate. It is the first office building in Germany which generates more energy than required for heating and cooling by means of wind turbines and photovoltaic cells on the roof, combined with a geothermal system.  |
| 2011       | Mainz: Werner & Mertz develops its own assessment system for raw materials, substances and packaging with the goal of designing even more sustainable components. All production buildings and warehouses are now heated via district heating; process steam is produced economically by high-speed steam generators. Carbon dioxide emissions decline by about 1000 tons per year, compared to 2004. Separate areas in the new water center treat wastewater and produce deionized water for chemical production. The previously used ion exchange facilities, which required approximately 100 tons of hydrochloric acid and about 35 tons of sodium hydroxide per year, were replaced with the eco-friendly reverse osmosis system.  Hallein: A filling line for "Frosch-Oase" is equipped with an energy-optimized LED system which adjusts to daylight conditions. |

| 2012 | The new headquarters receives the LEED Platinum certificate, the highest international rating for sustainable construction. Werner & Mertz kicks off the Frosch Initiative, whose first activity is the Recyclate Initiative, followed by the research project "Native Surfactants from European Cultivation". |
|------|--|
| 2013 | ISO 50001 certification of the energy management system in use at Mainz and Hallein sites.   |
| 2014 | For the first time Werner & Mertz earns certification by meeting the international IFS HPC and IFS Broker standards. The certification is proof of the safety of our products and the continuous improvement of our production processes.  |
| 2015 | The international Cradle to Cradle Products Innovator Award was presented to Werner & Mertz for its brands FROSCH and green care PROFESSIONAL on 16 November 2015 in New York.   |
| 2016 | Roll-out of ISO 15001 in separate companies at Mainz site  |
| 2016 | For his engagement, Werner & Mertz owner Reinhard Schneider receives the renowned B.A.U.M. Environmental Award in the category "Small and Medium-size Enterprises".  |
| 2016 | RSPO (Roundtable for Sustainable Palmoil) certification  |
| 2017 | Construction begins on the new production building L8 at Mainz location in accordance with energy efficiency standard KfW 55 (Reconstruction Credit Institute)   |
| 2018 | Green Monitoring is introduced for the management of environmental and energy data.  |
| 2018 | Energy savings achieved with district heating and air compressor heat recovery in the new L8 building.   |
| 2018 | Photovoltaic system on new L8 building saves 76.3 tons of CO <sub>2</sub> per year.  |
| 2018 | To conserve resources, the largest legally permitted amount of recycled concrete was used in the new building.   |



#### **Successes of the Frosch Initiative**

Werner & Mertz launched the Frosch Initiative in 2012 with the goal of developing forward-looking and sustainable solutions. The key activities show the way for cross-industry solutions.



One of those activities is the Recyclate Initiative, which promotes high-quality re-use of plastic waste (currently PET, HDPE, PP) from the Yellow Bag waste collection system. The initiative contributes to waste prevention, resource conservation (petroleum), climate protection and thus to the protection of biodiversity (see "Outlook" section).

#### More than 315 million bottles of PET recyclate brought to market

The initiative's successes: Today the transparent bottles for Frosch products are made completely of PET recyclates. About one-fifth of the recycled material is PET recovered from the Yellow Bag and that amount is still growing. More than 315 million such bottles have been placed in the market (as of November 2019). Back in 2016 the brands emsal and green care Professional manufactured HDPE packaging of used plastic obtained from the Yellow Bag. In the latest example of success, Frosch shower gels are the first cosmetic products on the market in packaging of 100 percent used plastic from the Yellow Bag. Demanding research and certification processes have made this pioneering work possible. Our achievement was honored with the German Packaging Award 2019.

#### International recognition for Recyclate Initiative

What all this means is that with the Recyclate Initiative Werner & Mertz and its partners have tapped the enormous pool of secondary raw materials from the Yellow Bag collection system. Werner & Mertz has won several awards at home and abroad for its better alternative to downcycling or incineration of the materials. Bottle caps made of 100 percent recycled polypropylene (PP), for example, received the PackTheFuture Award in the Ecodesign category in Paris in December 2018.

More information: www.wir-fuer-recyclat.de/en/





#### Proper recycling to protect our oceans

At Our Ocean Conference 2018 on Bali Werner & Mertz signed the Ellen MacArthur Foundation New Plastics Economy Global Commitment to eliminate plastic waste and marine litter. The Mainz-based company thereby pledged to convert all packaging to 100 percent recyclates – which also are recyclable – by 2025.

With 100 percent recycled plastic packaging for more than 80 percent of its products, Werner & Mertz has qualified as the world's forerunner in the New Plastics Economy.

"A global alliance to eliminate plastic waste was long overdue," said Reinhard Schneider, Werner & Mertz CEO. "It pleases me all the more that the Ellen MacArthur Foundation was able to recruit so many renowned players for this binding commitment."

A precise analysis of the environmental impact is required in order to make progress and achieve success. With several validation instruments – some of which were developed in-house – Werner & Mertz keeps a close watch on the effects of its corporate activities.

#### **EMAS – Demanding environmental management since 2002**

The analytical foundation was laid with the introduction of the DIN EN ISO 14001 and EMAS-compliant environmental management system in Mainz in 2002 and in Hallein in 2004. Today EMAS (Eco-Management Audit Scheme of the European Union) is still considered the most demanding environmental management system on the market. Key indicators are regularly checked as part of the validation process conducted by independent auditors.

As the first environmental management system, EMAS III defined biological diversity as a singular aspect and a performance indicator. Consequently, EMAS-validated companies are required to check their impact on biodiversity. One key indicator is the development of land usage. Because many did not find that meaningful enough to describe the effect on biodiversity, other indicators were added. Our long-term analyses document our achievements in resource protection and reveal areas where more work can be done. EMAS therefore serves as both confirmation and stimulus.

NOTE: The current Environmental Statement for the Werner & Mertz sites in Mainz and Hallein is on our Website at www.werner-mertz.de.





#### **Exacting assessment of raw materials, formulas and packaging components**

At Werner & Mertz the raw materials and formulas we use are assessed with regard to their origin (preferably from renewable sources), their properties during use (minimization of potential hazards) and their fate after use (degradability).

The raw material and formula assessment system applies to the entire product range. We also use an internal system to assess packaging components with the objective of improving packaging.

#### **Purchasing considerations**

Our company involves suppliers in our own environmental and biodiversity goals. We have worked out an extensive criteria system for our supplier questionnaire and assessment. It helps us to find suppliers that ideally support our efforts in sustainability, environmental protection, biodiversity conservation, and occupational safety and health.

A good example: Our Purchasing department takes care that office equipment always satisfies sustainability requirements. The veneer on our office furniture comes only from FSC-certified wood of European origin. At first glance that detail may seem unimportant in the realm of corporate action, but it is representative of the whole and relevant for the conservation of biological diversity. Sustainable office materials such as recycled paper also are used.

#### Surfactants based on European vegetable oils

Surfactants are wash-active substances used to make laundry detergents and house-hold cleaners effective. During the wash cycle for clothes or dishes, surfactants act to suspend grease and other non-water-soluble substances in the water so that they can be rinsed away.

Companies like Werner & Mertz that want to forgo use of petrochemical surfactants currently cannot completely avoid reliance on palm kernel or coconut oil. As a member of RSPO (Roundtable on Sustainable Palm Oil), we are very much aware of the controversy surrounding the use of tropical vegetable oils. Since 2013 we have been working on developing surfactants based on native plants for use in Frosch brand products with the ultimate goal of doing without tropical vegetable oils.

The composition of native (European) vegetable oils differs greatly from that of palm kernel and coconut oils. Our company, however, has mastered the challenges posed by the use of surfactants made from native plants in cleaning products. We have resolved issues with the chemistry, re-engineered production processes and retained the familiar product characteristics that consumers know and like.

Since 2013 Werner & Mertz has converted 20 formulas for Frosch cleaning and care products to contain up to 100 percent surfactants based on European vegetable oils.

#### Native plants preferred

Besides surfactants, other ingredients from plant sources are found in the products from Werner & Mertz. Here too we prefer plant-based active substances from domestic production and from European partners. Many advantages come with the use of surfactants made from plants cultivated in Europe, including:

- 100 percent renewable raw materials
- Protection of rainforests by precluding their use for cultivation
- Short transportation routes
- Promotion of traditional crop cultivation
- No reliance on surfactants from tropical cultivation
- No monocultures
- No competition with food production
- Conservation and promotion of biodiversity

Werner & Mertz relies on the oils from native European crops such as rapeseed, linseed, olives and sunflowers. We make sure that only industrial-grade oils (e.g., from a third pressing) are used in order to avoid any competition with food products.

#### Organic ethanol from straw

After making surfactants from rapeseed, olive, sunflower and flax oils, Werner & Mertz came across a new plant-based raw material from domestic cultivation. It is sunliquid® cellulosic ethanol, an organic alcohol of the second generation, made from straw, an agricultural residue.

By using the plant residue straw, Werner & Mertz can draw from regional resources and reduce petroleum consumption. The cultivated areas are mostly in Germany, production takes place in Straubing and bottle-filling in Mainz. Transportation routes are shortened and energy expenditures are kept low.

The straw we use does not compete with foodstuff or fodder production. There is no need to create new cultivated areas or to break up tracts of arable land that have a high level of biodiversity. Furthermore, organic ethanol is practically CO<sub>2</sub>-neutral with greenhouse gas emissions reduced by 95 percent compared to fossil fuels.

#### Renewable raw materials in accord with

The use of surfactants, organic ethanol and other substances that come from European cultivation delivers tremendous ecological advantages to businesses — like Werner & Mertz — that work to protect biodiversity. Such action is required of all who rely on renewable raw materials. We see in the Biodiversity in Good Company Initiative a dedicated discussion platform where solutions can be found for this environmental and nature conservation issue.

#### Cradle to Cradle®

The Cradle® recycling principle was invented by Dr. Michael Braungart and further developed by the Environmental Protection Encouragement Agency (EPEA) in Hamburg. Werner & Mertz has had selected products and processes certified by this holistic procedure. Cradle to Cradle® Design is based on a detailed evaluation key



which assesses the materials used, their recyclability, energy and water consumption and the social impact of product cycles and production methods. Many of our products have earned Cradle to Cradle® certification.

In November 2015 Werner & Mertz received the Cradle to Cradle Products Innovator Award at a ceremony in New York. The award honored the manufacture of Werner & Mertz products in closed cycles in order to achieve maximum sustainability.

**Summary:** At Werner & Mertz it has long been our overriding goal and established practice to relieve the burden on the environment and conserve resources with everything we do. Sustainable products in packaging made of recyclates, which also can be completely recycled at a high quality level, are the result of a detailed environmental management system. It is part of our corporate philosophy to share innovative ideas and developments in sustainability beyond the company and to create conditions essential for the conservation of biological diversity.

# 2. Integration in the Environmental Management System

The protection and sustainable use of biological diversity, key indicators in EMAS regulations since 2009, have been integrated in the Werner & Mertz Environmental Management System and documented in earlier progress reports. Werner & Mertz developed its Environmental Management System in 2007 into a Sustainability Management System for the company's sites in Mainz and Hallein. Accordingly, the focus lies equally on ecological goals and corporate social responsibility from a sustainable, long-term economic perspective. Sustainability Management is involved in all relevant investment decisions made by Werner & Mertz.

All the responsible corporate areas such as Marketing, Product Development and Corporate Communication are represented at the Sustainability Team's quarterly meetings. Broad participation ensures a continuous flow of information internally and externally. Concrete nature protection projects on biodiversity are likewise communicated by team members. The Head of Sustainability Management is a member of the board of Biodiversity in Good Company.

**Summary:** The topic of sustainability is ideally implemented and publicized with internal and external communication by Sustainability Management at Werner & Mertz. The specific cooperative conservation projects in the surrounding area and related activities on company grounds make biodiversity visible and real for the public and employees.

# 3. Responsible Parties in the Group

As mentioned in earlier progress reports, Werner & Mertz created the staff position Sustainability Management in 2007. The head of Sustainability Management regularly reports to top management at Werner & Mertz. Reinhard Schneider, CEO of the family-owned business, has great personal interest in sustainability activities. He was the catalyst behind the Frosch Initiative and the Recyclate Initiative.

#### G7 conference of environment ministers in Halifax

Environment ministers from the G7 met in Halifax, Canada, from 19 to 20 September 2018 to discuss climate protection, marine litter in the world's oceans and efficient use of resources. To create a broad basis for the dialog, summit hosts invited renowned representatives of international organiza-



tions, civil society, banks, businesses and the scientific community. At the invitation of the Federal Environment Ministry, Werner & Mertz participated in the information exchange with members of the G7 ministries. Reinhard Schneider reported on practical experience in an industrial company which utilizes up to 100 percent used plastic from household waste collections in its packaging. It has been recog-

nized as a "Best Practice" example with more than 222 million packages which are produced completely from old plastic. Because the used plastic is recycled into high-quality material, it is neither senselessly incinerated nor permitted to pollute the environment, rivers or oceans.



Federal Environment Minister Svenja Schulze and Reinhard Schneider met to share information on plastic recycling while at the G7conference in Halifax. Photo: BMU

#### **Our Ocean Conference Bali**

At Our Ocean Conference 2018 on Bali Werner & Mertz signed the Ellen MacArthur Foundation New Plastics Economy Global Commitment to eliminate plastic waste and marine litter. The Mainz-based company



thereby pledged to convert all packaging to 100 percent recyclates by 2025. Among the 250 signatories are companies, non-governmental organizations, political decision makers and individuals. Reinhard Schneider, Werner & Mertz CEO, applauded the joint action against plastic marine litter. "A global alliance to eliminate plastic waste was long overdue. It pleases me all the more that the Ellen MacArthur Foundation was able to recruit so many renowned players for this binding commitment. If plastic waste is collected after use by end-consumers and

recycled for high-quality re-use, together we will be able to keep plastic from entering the fragile eco system of the ocean."



From left: ALPLA CEO Günther Lehner, Ellen MacArthur, Werner & Mertz CEO Reinhard Schneider, Erik Solheim, Executive Director of UN Environment Photo: Werner & Mertz

Responsibility for sustainability rests on lots of shoulders in our company. The successes of the Recyclate Initiative and progress elsewhere are based on the work of many highly committed employees who take up ideas and develop them further. Such work is supported and publicized by top management, Sustainability Management and Corporate Communication.

**Summary:** The conservation of biological diversity is a part of sustainability activities at Werner & Mertz and therefore an integral component in Sustainability Management.



# 4. Measurable Objectives

In accordance with our sustainability orientation, we set concrete objectives for resource conservation in our Environmental Program.

### 4.1 Environmental Program for the Mainz site (excerpt)

| Objective  | Measures  | Responsible   | Status   |
|--|---|---|--|
| Recycling of PET and HDPE<br>waste collected from consum-<br>ers by Yellow Bag system  | Promote the use PET and HDPE recyclates sorted by type from the Yellow Bag for the production of new PET and HDPE bottles. Frosch Recyclate Initiative                                      | Erdal-Rex and Pack-<br>aging Development                    | Successful market<br>launch, more than<br>300 million bottles<br>sold as of end 2019                         |
| Use of surfactants from European cultivation   | Increase use of surfactants based<br>on European plants in formulas for<br>Frosch brand products  | Product Development   | Proportion of 11% to 100% European vegetable oil in total surfactant content in formulas for Frosch products |
| Use of native-grown straw  | First-time use of native straw to yield sunliquid® cellulose alcohol, an organic ethanol  | Product Development   | For use in Frosch mul-<br>ti-surface cleaner   |
| Eliminate distances<br>traveled, emissions and<br>travel time  | New regulations for customer visits<br>and route planning for tana field<br>sales staff; no return trip for dis-<br>tances of more than 100 kilometers<br>from home; overnight stay instead | Management at<br>tana-Chemie                                | Rules in effect since<br>Jan. 2015   |
| Increase efficiency by doing without accompanying documents, shorten the distance covered and trip time; Avoidance of about 5 tons of CO <sub>2</sub> emissions/year | Replacement of the semi-trailer used for transfers between LZ1 and LZ2 with an electro-tractor with trailer; shortened routes within the factory site and no longer over public roads       | Plant management<br>at Werner & Mertz<br>Service & Logistik | In operation since<br>April 2015   |
| Promotion of biodiversity on company grounds   | Measures to establish typical plants for the site and to create habitat for bees  | Sustainability<br>Management                                | Plant herb garden<br>and wild plants,<br>install three insect<br>hotels                                      |

| Objective  | Measures   | Responsible   | Status   |
|--|--|---|--|
| Continuous measurement of waste water pollution and potential for quick reaction when high levels are recorded; Reduce the number of test cuvettes containing quick-silver used to take COD measurements | Online measurement of TOC and COD levels in the feed of waste water tanks from waste water lift stations in production buildings | Engineering   | Measuring device in use since May 2015                             |
| Reduction of 10% (about 20,000 kWh/year) in district heating consumption for Building H24  | Installation of additional high-<br>speed doors at the gates of drum<br>storage H24 within the building                          | Facility Management                                   | Installation in Sept.<br>2015                                      |
| Reduce fuel consumption and emissions  | Organize an "Eco-Driver Competition" for field sales staff to promote an economical and anticipatory driving style.              | Frosch sales team +<br>BNS                            | Competition has begun; most effective drivers will receive a bonus |
| Roll-out of ISO 50001 for separate companies on the entire site  | Introduction of an energy manage-<br>ment system for the companies<br>on Mainz site and ISO 50001<br>certification               | Sustainability<br>Management and<br>Energy Management | Implemented  |

### 4.2. Development goals for nature conservation projects

The highly varied conservation projects in which Werner & Mertz participates as a partner are aimed at individual conservation development goals. We do not exercise any influence, but rather rely on the know-how of our cooperation partner. Over the years this type of task distribution has proven effective and highly suitable for our activities in conserving biodiversity where we live and work (see Section 8 Projects).

**Summary:** Sustainability in concrete terms! The individual objectives in the Environmental Program for the Mainz and Hallein sites define the relevant ecological optimization step, the responsible parties and timeframe for implementation.

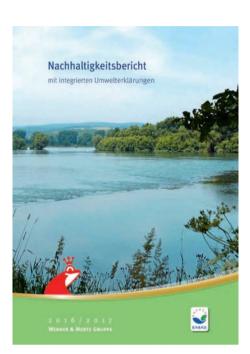


# 5. Publication in Sustainability Report

The results of the EMAS validation in the form of Environmental Statements make up the central component of our Sustainability Report, which we have published since 2008. The current report 2016/2017 contains the developments of individual parameters of EMAS key performance indicators from previous years and the results from our in-house assessment system.

Our cooperative projects in environmental protection are covered in the reports as one aspect of the sustainability activities carried out by Werner & Mertz.

**Summary:** The Werner & Mertz Sustainability Reports summarize the many different corporate activities and serve as status reports and proof of our company's integrally sustainable orientation.



# 6. Supplier Involvement

Werner & Mertz has involved suppliers in its environmental goals for many years (see reports from previous years). It is one way we send a clear signal of our commitment to sustainability. We also conduct regular surveys of our suppliers or request information from them on their environmental and sustainability management, corporate social responsibility and their activities in the conservation of biodiversity. Approximately 90 percent of our bottles are produced by a business partner with operations on Werner & Mertz premises. With packaging generation in such close proximity to our production facilities, we eliminate about 1,500 truck trips annually. That saves 220,000 liters of diesel fuel and prevents about 570 tons of CO<sub>2</sub> emissions per year. Based on our positive experience with the ÖKOPROFIT project run by the City of Mainz, we were able to persuade the same supplier to participate along with us.

**Summary:** Werner & Mertz keeps an eye on its suppliers where resource protection is concerned as it is an essential prerequisite for the conservation of biodiversity.



# 7. Cooperation

To encourage sustainability on many fronts, Werner & Mertz continues long-term cooperative efforts with many different organizations and associations. (See Section 8).

# B.A.U.M. (German Environmental Management Association)

B.A.U.M. works at raising awareness of environmental protection and a sustainable economy among companies, institutions and political organizations. Werner & Mertz is particularly interested in widespread use of integrated systems in sustainable business management.



In May 2017 Werner & Mertz, a B.A.U.M. member, assisted with the award presentation for outstanding engagement. Pamela Fandel, Sustainability Management at Werner & Mertz, presented the International B.A.U.M. Special Award to Christine von Weizsäcker and Princess Laurentien of the Netherlands.

"It's an honor for us to represent the integrally sustainable company of Werner & Mertz as the presenter of the international Special Award to these two outstanding and inspiring women who work to give people a voice in discussions on environmental and social issues," said an apparently impressed Fandel.

Since 1986 Christine von Weizsäcker has been engaged with Ecoropa, the European Network for Ecological Reflection and Action, which integrates ecology, democracy, and north-south fairness and justice in political decision making. Princess Laurentien of the Netherlands was honored for her engagement on behalf of a society with more participation, co- and self-determination in the Missing Chapter Foundation she founded in 2009. The foundation brings together children and decision makers who discuss sustainability subjects and jointly work out solutions.



#### **Ellen MacArthur Foundation**

Founded in 2010, the British Ellen MacArthur Foundation works with companies, governments and academic institutions on a framework for a circular economy.

Werner & Mertz is involved with the foundation through its Recyclate Initiative, which serves as an example of how a medium-sized enterprise develops and implements solutions to environmental problems. At Our Ocean Conference in November 2018 on Bali Werner & Mertz signed the Ellen MacArthur



Foundation New Plastics Economy Global Commitment to eliminate plastic waste and marine litter. (See Section 1)

More information at <a href="https://newplasticseconomy.org/">https://newplasticseconomy.org/</a>



#### ÖKOPROFIT Mainz

Since 2001 Werner & Mertz has participated in the ÖKOPROFIT project, which the City of Mainz initiated in cooperation with the Rhine-Hesse Chamber of Commerce & Industry, the Rhine-Hesse Chamber of Trades and others.

#### A.I.S.E.

Since 2005 Werner & Mertz has been involved in the A.I.S.E. Charter for Sustainable Cleaning, a voluntary initiative for the European soaps, detergents and maintenance products industry. Member firms commit to using sustainability procedures in resource procurement, manufacturing and product usage.



**Summary:** Our goal is summed up in "Together we make things happen." In partnerships and cooperative projects like the initiative Biodiversity in Good Company e.V., we stand together in support of environmental and sustainability management in companies and organizations. That's why we are a founding member of Biodiversity in Good Company e.V.



Another welcome effect of our many sustainability activities documented here is the protection, conservation and promotion of biodiversity.

For more than 20 years our highest priority has been water – from the protection of ground water and river habitats and other bodies of water to ocean protection. In this work we cooperate with local and internationally active environmental and nature conservations organizations.

We make concrete improvements through our current projects such as our donation to Viva con Agua and our cooperative efforts with the Ellen MacArthur Foundations (see Section 7 Cooperation).

#### Werner & Mertz supports Viva con Agua

"Clean drinking water must be available to all people everywhere. Our fundamental philosophy calls for sustainability in everything we do. The cooperation with Viva con Agua should bring a real improvement in quality of life for many people," said Reinhard Schneider, CEO of Werner & Mertz.



Here in Germany we take for granted our water supply and wastewater treatment and the high standards that apply to both. In many other countries of the world, however, similar water quality is an exception. Some nine percent of the world's population has no access to clean water. Eighty percent of the wastewater flows back into the ecosystem without treatment or reuse and 1.8 billion people still drink water contaminated by germs.



#### 20,000 EUR for Water Projects in Ethiopia

That's the situation in Ethiopia too. Despite positive developments in recent years, the East African nation is still among the world's economically weakest countries. In 2015 only slightly more than half of Ethiopia's people had a proper connection to a drinking water supply. Every day many people consume dirty water or have to walk several kilometers to gain access to this vital raw material.

To improve the situation there, Werner & Mertz is working with the Hamburg-based Viva con Agua, a non-profit organization that manages drinking water projects around the globe. In a related project, Werner & Mertz and its Frosch brand kicked off the fund-raising activity "Gurgling for Water" on Sustainability Day in December 2016 in Düsseldorf.

The proceeds of 20,000 EUR will go toward the construction of drinking water wells. To date, a 10,000 EUR donation has funded the drilling of a well that gives about 500 people access to clean drinking water. Viva con Agua also stands for WASH (WAter, Sanitation and Hygiene) projects. This work involves not only establishing new sources of drinking water but also ensuring progress in the sanitation infrastructure.

#### **Frosch protects frogs**

The "Frosch protects frogs" project was initiated in 1998. In collaboration with NABU in Rhineland-Palatinate, Werner & Mertz works toward improving living conditions for the tree frog in the Rhine-Main metropolitan area. Many uses are concentrated in a small area in the Rhine



wetlands. Here NABU develops concepts and projects to promote the peaceful coexistence of man and nature.

Recent nature conservation efforts have concentrated on practical care and development work in varied biotopes. Small bodies of water created as a habitat for frogs and other amphibians, for example, have to be released every now and then. Overly thick growth on the edge of the waters, sedimentation of the water surfaces and other changes run counter to the goal of providing a lasting home for frogs. Although the silted up areas are sometimes attractive, they are no longer suitable as sunny breeding grounds for amphibians. For this reason, conservation work sometimes involves the use of saws and mowers.



#### **Excerpt from the project report**

For more than 19 years the NABU conservation center Rheinauen has worked intensely to improve the Rhine wetlands between Mainz and Bingen as a habitat for the tree frog. As a result, NABU has been able to secure the future of the remaining specimens of this rare species of frog.

In 2018 many measures were carried out in the Lebensader Oberrhein project for the benefit of the tree frog population in Bingen-Gausheim.

The value of the new man-made habitat became apparent in that year. In January the area was flooded, but by summer the Rheinauen near Bingen had almost completely dried up. Just small bodies of water, many of which had been established in channels and troughs fed by water from nearby slopes, still held water.

(...)

#### **Public Relations Work**

Public relations work is an important part of the cooperative project "Frosch protects frogs". An amphibian exhibition in May and June 2018 attracted nearly 10,000 visitors to the Information Center Schatzinsel Kühkopf. The Stellwerk Mensch/Natur/Technik in Bingen also hosted a salamander week in April. The "Frosch protects frogs" project was introduced on several occasions, including during a Japanese delegation' visit in October 2018.

(...)

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#### **Lowland forest on the Harter Aue**

Lowland forests in floodplains are among the most biologically diverse natural habitats in Germany. The flooding of bordering rivers ensures constantly altering conditions in habitat; temporal and spatial circumstances change frequently. The Harter Aue is a peninsula in the nature reserve Fulder Aue-Ilmen Aue near Ingelheim am Rhein. For several decades the land was farmed, but now much of it lies fallow. Some parcels were purchased and woods typical of lowland forests were planted. The rapidly growing trees serve as  $CO_2$  sinks. Data on  $CO_2$  depletion and a study by the Technical University Munich report that five tons of  $CO_2$  are removed from the atmosphere and taken up by plants for every hectare reforested with English oak and Aue wild bushes. That makes projects like the new lowland forest near Ingelheim so important for both biological diversity and climate protection — and good reason for Werner & Mertz support of this NABU project.

#### Nature discovery area "AuenLand"

In the past two years NABU Bingen und Umgebung acquired a field at the edge of the Rhine lowland forest near Bingen-Gaulsheim. The medium-term goal is to build a new NABU-Zentrum Rheinauen there. Most of the property, however, will be developed into to small biotopes where visitors can experience nature firsthand in the "AuenLand".



#### **Excerpt from the project report**

In addition, more biotopes will be developed to serve as exhibitions that promote biodiversity in home and private gardens. They also show other companies how they might incorporate nature on their own premises.

In 2018 too, volunteers put in hundreds of hours of work in the area. In the summer a 50-meter-long dry-stone wall was built as a habitat and winter quarters for amphibians and other species. In December two garden houses were set up. One will be a training pavilion and the other storage for a propagation station for rare plants.

Since then more biotopes have been established to show how biological diversity can be increased on a former agricultural field. The biotopes also are excellent examples for biotope design in private gardens and public parks.

(...)

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In the meantime the following have been laid out as biotopes and nature adventure parks: ponds, dry-stone walls, flower patches, hedges, dry hills, insect hotels, sage, grass and orchard meadows.

In 2018 a propagation station for rare plants was again expanded. Unfortunately, funds were not approved for the required building (Biological Diversity Workshop). Plants from the propagation station are used to supplement species-poor wetlands with certain plants or to to turn company grounds into green areas. In any case insects feed on the plants. The insects, in turn, are important sources of food for our domestic amphibians like the tree frog.



#### LIFE Project: Hunsrück-Hochwald National Park

The EU LIFE project Restoration and conservation of sloping and transition mires in Hochwald (Hunsrück), which began in 2015, pursues the goal of reactivating the valuable wetlands so that flora and fauna typical of a bog can resettle here and halt the disintegration of the peat. LIFE is an EU funding program for nature conservation measures. The main objective is to conserve diversity in plant and animal species and to stop the loss of species through targeted conservation. Werner & Mertz works with NABU Rhineland-Palatinate on this project.

During the reporting period a more detailed picture of the site conditions was obtained in part from closely meshed peat mapping. That helped to specify subsequent steps for re-wetting. Spruces were carefully removed from large areas so as not to damage the ground or destroy the rest of the peat. At the same time volunteers worked by hand on hundreds of places to close and block former drainage ditches. Today we can see the positive effect of all that manual labor. The mineral decomposition in the last remnants of peat has been stopped and rain water, even after heavy precipitation, now flows measurably more slowly out of the area than before.

#### **Information:**

The Hochwald National Park is a highly endangered area with the highest priority for nature conservationists. The park's large peat bogs make up the dominant ecological system. Road construction, draining and deforestation over the years caused significant changes and, in some cases, the loss of bog habitats. Where the moor is drained, the peat dries out, begins to mineralize and disintegrates. The process not only leads to the loss of a natural environment with unusual plants and animals, but also releases into the atmosphere the carbon dioxide which had been held in the intact bogs. Protection of the bogs, therefore, contributes to climate protection.

### **Biodiversity on our doorstep**

In the project "Lebensader Oberrhein – Naturvielfalt von nass bis trocken" (Upper Rhine Lifeline – Nature's diversity from wet to dry) we worked with NABU to implement many measures on our company premises. Here they are in detail:

- set up three wild bee hotels
- change to the frequency of mowing the grassy area near employee parking
- planting of wild rose bushes
- establishment of unusual species from the NABU propagation station for rare plants
- informative signs for visitors
- set up nesting blocks for wild bees

To make way for the construction of the new production building (L8) in 2017, we had to eliminate the employee parking lot, which had flower strips in the dry and warm spaces between the parking areas. Back in 2015 we decided that the development of the ruderal community there would be "Natur auf Zeit" (temporary natural site) and later replaced with something equivalent. Other flowering areas on the premises are thriving.

#### L8 as KfW 55

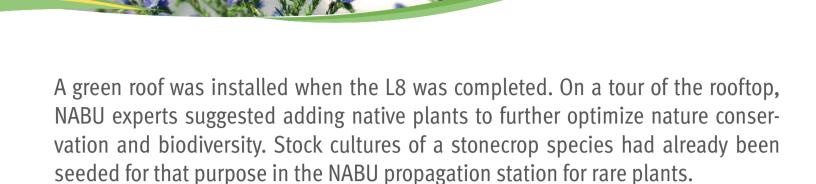
Our new production building L8 is an energy-efficient building.

"KfW 55" indicates the new construction level (KfW 100) minus 45 percent. A KfW-efficient building 55 requires 45 percent less primary energy in year as a comparable new construction. Introduced by the Kred-



itanstalt für Wiederaufbau (KfW), the term "energy efficient" is an energy standard for residential buildings. Werner & Mertz decided in favor of this ambitious energy standard and used it in the planning for its new building, NABU proposed different biotope structures as the replacement for "Natur auf Zeit" on the construction site for L8. The following were set up on the company grounds:

- Building of dry-stone walls to promote vegetation for dry and warm conditions and to support wall lizards
- Planting of native deciduous schrubs instead of ornamental bushes
- Set up of sandy areas for wild bees
- Wild bee nesting stones placed along the fence



#### **Briefly noted**

#### Butterflies - ambassadors of species diversity

A photo book entitled "Schmetterlinge – Botschafter der Artenvielfalt" was issued with the goal of getting children and teens interested in biodiversity. Impressive photos by Wolfgang Düring promote the protection of butterflies and their habitats. Because the subject is very important to Werner & Mertz, we supported the printing of the book. We are pleased that more than 700 copies have been distributed to schools and kindergartens throughout Rhineland-Palatinate.

#### B.O.S. a new biodiversity project

BOS Deutschland e.V. protects and rescues orangutans. Together with local partners BOS BOS (Borneo Orangutan Survival) works on behalf of the reddish brown apes in that homeless and orphaned animals are taken care of in rescue stations and their habitat, the tropical rain forest of Indonesia, is protected. BOS also plants large areas of rain forest in the moors.





#### Goals of the partners' cooperative efforts are:

- Species protection on Borneo (Indonesia)
- Maintain and expand the habitat for orangutans on Borneo
- Reciprocal stimulation on subjects of palm oil and surfactants

#### Measures taken by BOS

- Rehabilitation of orangutans and preparation for their return to the wild
- Returning rehabilitated orangutans to the wild
- Monitoring orangutans reintroduced to the wild and forest protection
- Environmental training on the protection of orangutans (e.g., training case)



## Outlook

#### **Environmental Award 2019 went to owner Reinhard Schneider**

The environmental award with the highest financial endowment in Europe was presented to Reinhard Schneider by Federal President Frank-Walter Steinmeier on behalf of the German Environmental Foundation (DBU) on 27 October. The owner of Werner & Mertz was honored for his integrally sustainable corporate philosophy.

Schneider will invest the award of 250,000 EUR in the reforestation project for the rain forest in the Mawas conservation area, which is the largest peat bog in Indonesia and one of the largest in the world.

There, the CO<sub>2</sub> and other greenhouse gases from the past 8000 years are stored in a 15-meter-deep layer of peat. Mawas also is home to 2600 wild orangutans and 48 other critically endangered species (including a recently discovered frog).

With cooperation from BOS, the Mawas damaged eco system is to be stabilized and further forest fires prevented. The degraded wasteland is the future site of a wooded peatbog, the most valuable type of forest for the climate. The plan is to create a natural habitat for many endangered species, including orangutans, frogs and several types of plants.

**Summary:** Werner & Mertz works for the protection, maintenance and promotion of biological diversity on many different levels, from its general activities in resource conservation and climate protection to concrete measures on site in cooperation with environmental associations for species and biotope protection.





#### **Recycling revolutionized**

In 2018 after years of development, Werner & Mertz presented a completely recyclable stand-up pouch with a removable wrap-around label for the Frosch refill packaging. With this innovation, the approach to recycling was truly revolutionized. The pouch was from the start designed to be 100 percent recyclable. Earlier versions of the refill packaging had the advantage of saving material, but until now its recyclability was a problem.

The project was admittedly ambitious. The point was not simply to invent flexible plastic packaging that would be only theoretically recyclable and therefore likely to end up in a landfill. The objective was to design the packaging by means of "reverse engineering" — constructing it backwards from the end of the product cycle — so that it would be compatible with the recycling process. In the end, packaging was created that was a perfect fit for the circular economy.

#### The challenge of true recycling

A critical yet often neglected recycling step is the sorting of used packaging. When the collected packaging is not sorted into material streams recycling companies can use, the material goes into "downcycling", i.e., into low-quality recycling and products that no longer have the original properties. That should not be allowed to happen.

The solution was a completely recyclable pouch with a removable printed label. When the pouch is empty, it is simply "undressed" so that the two components can be

shredded and sorted into separate recycling streams. Then the patented pouch packaging of polyethylene is 100 percent recyclable; the spout and cap also are made of polyethylene. Once recycled, the recyclates have quality that's equivalent to the input material. At the end of 2019 the new packaging product is scheduled to go into serial production at Werner & Mertz. This development – pushed by the Frosch Recyclate Initiative – conserves raw materials, protects the climate and prevents waste. Therefore, it also has a far-reaching positive effect, not least of all, for the conservation of biodiversity.





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