

# Sustainability report with integrated environmental statements





## Sustainability – the best company tradition at Werner & Mertz

We are a company for which sustainability is not just a fad, but our finest company tradition. Our sustainability report provides deep insight into our understanding of the three pillars of sustainability. We're looking forward to dialog with our customers and the general public as well as exchanges with anyone interested in Werner & Mertz.

Maybe you are familiar with our environmental statements. Since 2003, we report annually about the progress our company has made to produce in an ecologically compatible and material-saving manner. The environmental statements for Werner & Mertz locations at Mainz and Hallein form a central part of this report. But sustainability means more than just keeping an eye on the environment; economy and social responsibility also play a role. For this reason, the report also provides information about how Werner & Mertz approaches economic challenges. It also shows how the company accepts social responsibility.

We are convinced that consumers favour companies that act in accordance with social and ethic criteria. Werner & Mertz is a responsibly engaged family company with production facilities in Germany and Austria. The family-owned company has specified and implemented binding standards in the areas of ecology, economy and social issues along the entire value chain.

I hope you will enjoy reading this brochure and I look forward to your reaction to the first edition of our sustainability report.

Sincerely  
Reinhard Schneider



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### Imprint

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## Sustainability – a statement in advance

Sustainability is a word on everyone's lips. But what does it mean? What does this term mean for Werner & Mertz? Sustainable action means to think about tomorrow today. And that includes considering the far-reaching effects that our business has. The term sustainability originally came from forestry, and it said that you should only chop down as many trees as would grow back – everything else is destructive exploitation.

By sustainability, we mean transferring that to our society which our children, grandchildren, and following generations require for life – in Germany and around the world. This social dimension shows how sustainability is based on three pillars: ecology, economy, and social values:

The „Care for all good things“... has been our credo for many years. This is connected with appreciation, preservation, and diligence. We have always applied this not only to our care and cleaning products, but also to our famous brands like Erdal or the Frosch products. Care for all good things is a direct expression of what we consider sustainability. For this formula can easily be applied to three pillars: The economic capacity of Werner & Mertz is closely linked to its social and ecological activities, successes, and objectives – today and tomorrow.

4  
*“We believe that our customers want to know under what conditions their products are manufactured, and increasingly make their purchasing decisions with this in mind.”*

Reinhard Schneider  
 Chairman of the Board Werner & Mertz GmbH



## Strong brands

The familiar brands of Werner & Mertz can be found all over Europe and in several countries overseas. This creates brand-loyalty with our customers and an outstanding starting foundation for tapping into new markets. This is how we have already been able to achieve an important strategic goal on an international level: Approximately 50% of our group revenues are currently achieved outside of Germany.

Concentrating on two areas of competence is also a part of the company philosophy: The traditional consumer division focuses on private end-users, and we offer them an extensive product portfolio for household cleaning and care. The professional division supports professional large-scale consumers with special care offers and services.



## Commitment to Germany as a business location



Since its foundation, Werner & Mertz has been faithful to Mainz. This is and will remain the company's headquarters. All core functions of the company are located in Mainz, including the departments Product Development, Product Supply, Marketing, Management, and Logistics. This commitment to the location in Germany is also recognition of the local company conditions, the extensive social services, of the high level of employee training, and of ecological awareness.

The same applies to Werner & Mertz' subsidiary in Austria: Some 140 employees work in Hallein near Salzburg. For over 50 years, short series of consumer and professional products have been produced in this favourably located city on the river Salzach.





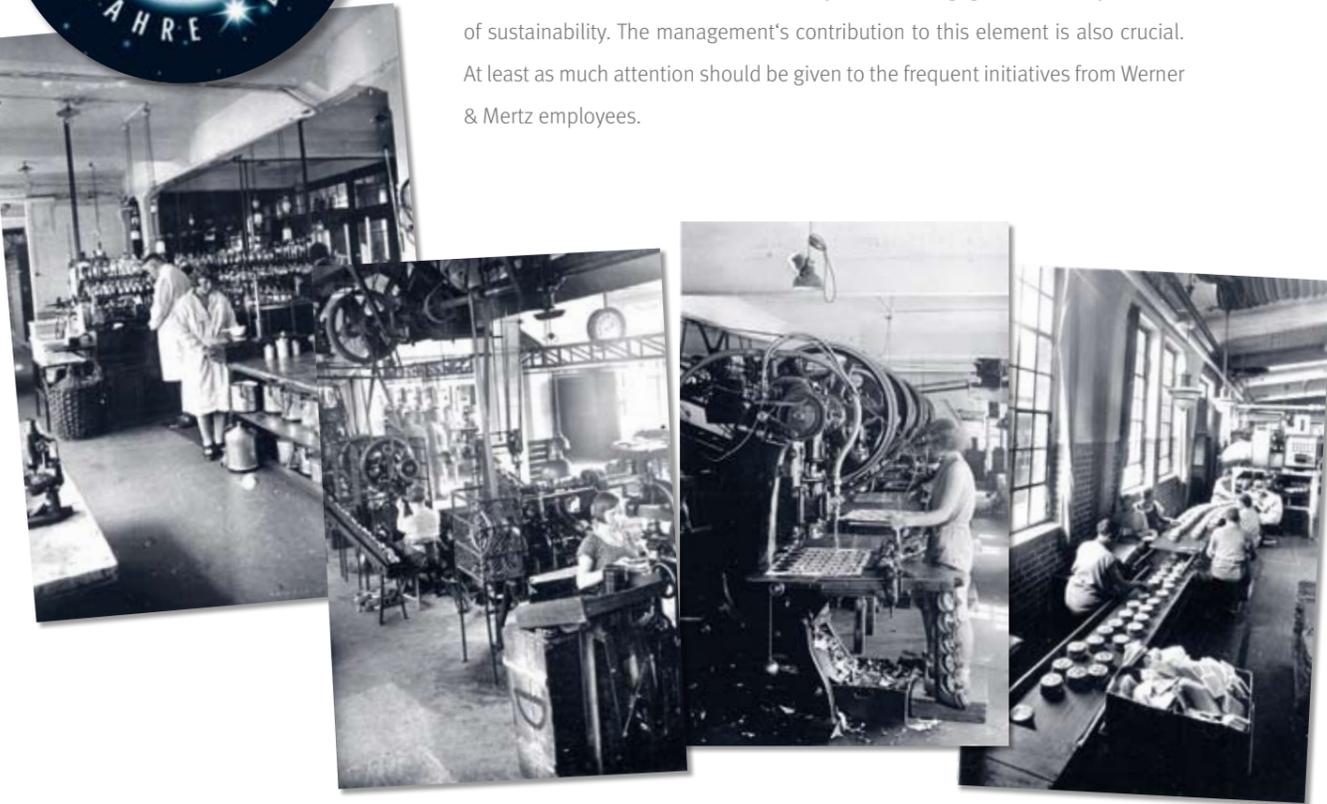
## Family business

The history of Werner & Mertz GmbH started in the 1960s. In 1867, the „Gebrüder Werner“ wax goods factory was founded. In 1878, Georg Mertz added his name to the business, and since that time, the company has been in business as Werner & Mertz. In 1887, Philipp Adam Schneider, Georg Mertz' brother-in-law, took over management of the company. Today, his great grandson Reinhard Schneider is the Chairman of the Board of Management of the company and the majority shareholder.

Many of Werner & Mertz' employees refer to themselves as Erdalians in connection with the success of the traditional Erdal brand. Several families have been in the company for many generations. This close association of employees, the identification with the company's philosophy, working conditions, and the products of Werner & Mertz cannot be appreciated enough, especially in times of restructuring.

The connection between employees is what is remarkable about the company's daily business: Employees lead groups of visitors through the company premises. The voluntary first-aid trained employees and voluntary fire brigade provide additional safety, just to name a few examples.

What does that all have to do with our topic? Social engagement is a key element of sustainability. The management's contribution to this element is also crucial. At least as much attention should be given to the frequent initiatives from Werner & Mertz employees.



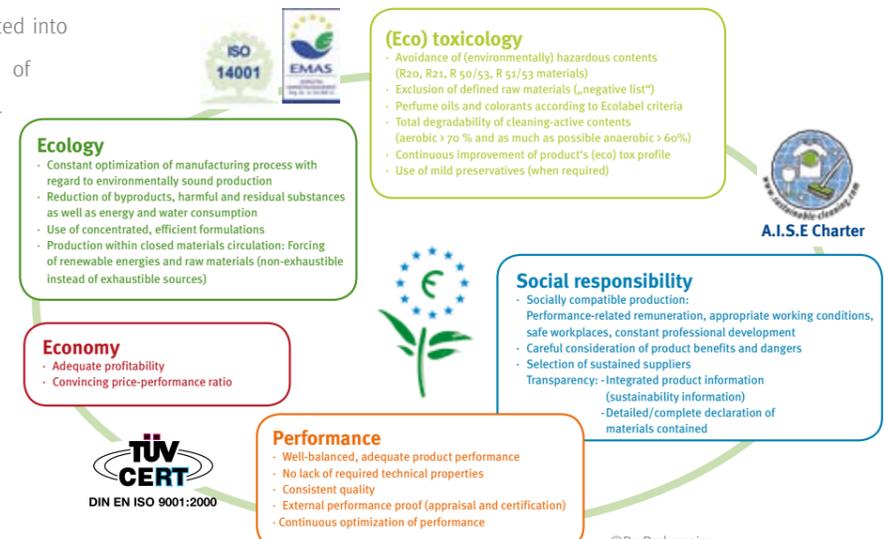
## Sustainability begins beforehand

Preparatory development is decisive for whether a product may be considered sustainable. Courses are set very early on in terms of selection of raw materials and ingredients, for production processes, and finally for performance levels. Werner & Mertz has placed development policies accordingly for its Grünfrosch products and the green care product family from the professional area. During the entire product lifecycle of these products, the three pillars of sustainability, ecology, economy, and social responsibility have been included to a large degree. That means they are equally considered during development, production, marketing and sales, application, and finally even during disposal of packaging materials.

The example of the development policies for Grünfrosch and green care products shows how Werner & Mertz also fulfils the requirements of different certifications (see figure). Certifications that compliment each other and, from our point of view, sufficiently fulfil the requirements of sustainability when taken together. These guidelines also summarize how the company does business environmentally and socially, as well as economically.

Werner & Mertz is aware that the company has reached a high standard with this approach. Motivations and experiences from these guiding policies for the Grünfrosch and green care products are also increasingly integrated into the development and optimization of other divisions. This transfer of know-how makes the „green“ products the motor for the other brands. At the same time, these guidelines can be developed and improved. For a sustainable company needs to be open for new initiatives and needs visions.

### Green care development guidelines



*“With the Frosch brand I am responsible for a brand people trust and which has a high ecological standard. From the beginning sustainability was and is the brand essence of the Frosch brand.”*

Karin Steffens  
Senior Brand Manager Frosch



## Environmental protection milestones in Mainz and Hallein

Environmentally aware and sustainable business has been an essential concern at Werner & Mertz in Mainz and the Erdal GmbH in Austrian Hallein. The list shows how these companies provide consistent progress with a high capital investment and creativity.

- 1985** Steam production and heating via steam and boilers in Hallein are converted from heavy fuel to natural gas; emissions are significantly reduced.
- 1986** The Frosch brand  is introduced throughout the company as the basis for a successful line of environmentally-friendly household cleaning products.
- 1986** The Erdal GmbH is awarded the environmental protection prize from the city of Hallein.
- 1987** Werner & Mertz separates its sewage channel network into two systems: production sewage requiring pre-treatment and sanitation and other water not requiring pre-treatment.
- 1989** Construction of a chemical-physical waste water pre-treatment system in Mainz.
- 1990** Pigging introduced in Mainz for cleaning pipeline system, reducing rinse water significantly.
- 1991** The boiler house in Mainz is switched from heavy fuel to natural gas, significantly reducing emissions. As required, the option of using extra-light heating oil for steam production is also available.
- 1994** The production facilities for household cleaners in building L1 in Mainz are rebuilt and automated. Important effect: Energy, sewage, and waste are saved.
- 1994** Construction of a preliminary sewage treatment facility in Hallein. A biofilter is built in Hallein for disposing of odorous emissions.
- 1995** Setting up of a business partner for production-direct packaging production on the Werner & Mertz factory premises. This reduces 1,200 truck trips annually, meaning a reduction of 720,000 truck travel kilometres.
- 1996** The manufacturing facilities for floor-care and car care products as well as large-scale customers in building H22 in Mainz are rebuilt and automated; thus, energy, waste water, and waste were significantly reduced.
- 1998** Quantum leap in reduction of environmental impact in Mainz via development of a solvent-free, water-based shoe care series. Thus, the raw material white spirit is not longer needed in the shoe care. Impact on the environment is also reduced via reconstruction and automation of the manufacturing and filling facilities for innovative shoe care products in building L1 in Mainz.
- 2000** Introduction of a risk management also covering environmental protection in Mainz.
- 2001** Introduction of a Quality Management System for Product Supply by the TÜV-Rheinland, Germany, according to DIN EN ISO 9001:2000. Participation in the city of Mainz' project Ökoprofit,  starting regular distinction as one of Mainz' ÖKOPROFIT companies resulting in the following reductions: Waste water from production was reduced more than 25% in comparison to 2000 (12,175 m<sup>3</sup>), natural gas consumption was reduced approx. 1.8 million KWh, and waste quantities approx. 10 t per year with simultaneous savings of raw materials. Packaging foil for internal transports was partially replaced, saving approx. 10 t of stretch foil annually.

- 2002** Introduction of an Environmental Management System  with the objective of certification of the Werner & Mertz GmbH according to DIN EN ISO 14.001 and EMAS Development of an Energy Management System  in Mainz.

Unneeded buildings are dismantled to reduce annual heating energy consumption by some 2%.

The use of stretch foil at Werner & Mertz is able to be reduced even more by using a new kind of palette covering.

- 2002** Introduction of the Quality Management System for Product Supply in Hallein by the TÜV-Rheinland, Germany, according to DIN EN ISO 9001:2000.
- 2003** Publication of the first Environmental Statement of Werner & Mertz GmbH for Mainz.
- 2004** Introduction of an Environmental Management System for the three Werner & Mertz companies in Hallein: Erdal GesmbH & CoKG, Erdal GmbH and Werner & Mertz Professional Vertriebs GmbH, with the objective of certification according to EMAS and DIN EN ISO 14.001.  
  
Since the end of 2004, pressed mud - the so-called „filter cake“ - from the factory's own waste water pre-treatment facility in Mainz is recycled: During the production of Poroton blocks, the filter cake and other materials (e.g. saw dust and paper fibre materials) are mixed with the clay mass. During firing at temperatures over 1,000 degrees these materials burn up without residues leaving tiny cavities and bubbles in the brick mass to increase insulation properties.
- 2005** Introduction of a Quality Management System for the Product Development division and Certification by the TÜV-Rheinland, Germany, according to DIN EN ISO 9001:2000. Introduction of a sustainability system and participation in the A.I.S.E.- Charter for Sustainable Cleaning of the European Detergents Industry. 
- 2006** The first Rainett and Froggy products are switched to Eco-Label formulations  TANA cleaning products are also developed for the commercial industry fulfilling the requirements of the Eco-Label certification.
- 2006** Transfer of up to 80 m<sup>3</sup> groundwater daily from the proprietary source for production of desalinated water for production and coolant. The groundwater extraction contributes to reducing the high groundwater level in the Neualm area of Hallein.
- 2007** Commissioning of management for further development of the environmental management system into a sustainable system for the Werner & Mertz group including the Hallein location. This process is based on the three pillars of economy, ecology, and social engagement.
- 2008** Publishing of the first sustainability report from the Werner & Mertz group.





## Formulations and Packing Measures:

- 🌿 Eco friendly packaging (no use of PVC)
- 🌿 For the manufacturing of bottles that are filled with cleaner, we use PET materials consisting of 30% recycled materials.
- 🌿 Use of tensides on the basis of renewable raw materials
- 🌿 Use of CFC free propellant
- 🌿 Production of casks by suppliers located on the factory site
- 🌿 Regular examination of raw materials with respect to eco friendly alternatives
- 🌿 Use of removable labels for several end user products for the waste prevention in case of labelling inaccuracies for the new Biosan ingredient, which has a high dirt and water-repellent effect at up to 100 % biological-origin.

*“The concept of sustainability, based on the three pillars of ecologic, economic and social conscience, is the best and also the only answer to the imperative questions of our times. This sustainable approach is reflected in our development policy. To us, the enhancement of this policy is a vigorous process of continuous improvement.”*

Dr. Ralf Haak  
Head of Department PE 2

## Frosch biological quality in 9 points

What makes Frosch products so special?

The brand's products position themselves with the concept of natural ingredients and focus on proven home materials like vinegar, lemon, and soda. The combination of natural, highly efficient cleaning power and environmental-friendliness are the hallmark of Frosch „bio-quality for well-being“ since 1986. Since its introduction, the brand consistently uses above-average degradable ingredients.

The know-how in development and production of environmentally compatible cleaning and washing agents has been constantly expanded by Frosch in the last 22 years and produced in a sustainable manner.

The labels on the back of Frosch cleaning products provide information to consumers about the 9 points.



## TANA sustainability information

The ecological brand green care by Werner & Mertz in the wholesale consumer industry lays its cards on the table! With its „sustainability information“, Tana displays the sustainability profile of each of the green care products.

## Innovative by tradition

For over one hundred years, the family company of Werner & Mertz has stood for active market stimulation. New impulses and innovative product development orient themselves on increasing customer use and reducing environmental impact via optimized formulations. Examples from the company's history illustrate the innovative power of this traditional company in Mainz:



**1901** Development of a completely new style of shoe polish based on wax. This is the beginning of the successful Erdal brand. One important factor for the breakthrough was the user-friendly metal can. Until today, this remains the unmistakable Frosch name-image brand.

**Beginning of the 1950s** The economic miracle years present essential changes in home building and interior design. Werner & Mertz makes its mark with the development of brands like REX car care, tuba carpet care, tarax and tofix toilet cleaner.

**1958** Introduction of Glänzer, the solvent-free recipe floor brand.

**1969** For large-scale customers, Apesin offers a combination cleaning, care, and disinfection agent. Cleaning care in hospitals, retirement homes, and commercial kitchens becomes significantly easier.

**1973** The Emsal brand eliminates waxing. This combines a cleaning and polishing product in one.

**1982** Erdal revolutionizes the shoe care market with a self-shining agent.

**1984** Tarax toilet cleaners only utilize environmentally-friendly acids.

**1986** The Frosch brand writes a new chapter in Werner & Mertz' chronology of innovation: For more than twenty years, Frosch is the brand for powerful cleaning at home and for protection of man and his environment.

**1996** Erdal shoe care series becomes solvent-free via development of a high-quality, innovative water-oil formulation.

**2000** Bio-oil solvent from orange peels used as natural ingredient in Frosch cleaners.

**2002** In Spain, the first self-polishing shoe polish in a glass cup is introduced.

**2004** Green care introduces the first sustainably produced floor care system.

**2005** Frosch introduces the first fabric softener with vegetable-based tensides into grocery stores.

**2006** Frosch OASE is the only pure natural concept for air fresheners in grocery stores.

**2008** Frosch develops the first generic, high-performance lime and urine scale remover with lavender extracts.

**2009** With BIOSAN, Emsal floor care introduces a genuine organic concept with natural grime protection.





*“For decades now, I have enjoyed working for this Mainz company, because I love my work and feel at ease with my colleagues.”*

**Elmar Bootz**  
Sales specialist

## Prizes and certificates

For years, the company's location have been ISO 14001 certified. ISO 14001 is a worldwide valid environment management system based on a private law basis; this certificate enables us to feature a recognized environmental management system even outside of Europe in countries like Japan.

The EMAS certification proves Werner & Mertz' exemplary ecological orientation along the entire value chain at both production locations.

What makes EMAS so special?

- Consistent further **development** of high environmental standards
- **Annual** evaluation
- According to **strictest EU-criteria**
- By **independent** auditors
- **Employees** are actively included and trained.

Quality management in the product development and product supply is certified according to ISO 9001. ISO 9001 is a worldwide recognized standard for specifying and proving an established quality management system; besides many internal processes it also determines specific, consistent product quality.

Werner & Mertz was also the first mid-size company that is represented by the A.I.S.E. charter for sustainable washing and cleaning. With this seal, consumers recognize at a glance that this product was developed and produced according to sustainable standards. Special care is placed on consumer-friendly and safe use.

## Eco Flower

The European Eco-Label is the driving force for promotion of an especially environmentally-friendly formulation for cleaning products. The European Eco Flower was created in the mid 1990s as a European environmental label. It includes all national environmental labels and specifies high requirements for „environmental products“. Many of our cleaners for Europe now possess an Eco-Label certified formulation!

## Most trusted brand

The Frosch brand is trustworthy, and that makes Frosch and the people behind it happy! For the eighth time in a row, Reader's Digest readers chose the Frosch brand as the most trustworthy household cleaner in Germany. Among 90 different household cleaning brands, Frosch is „The MOST TRUSTED BRAND 2009“ once again.

Reader's Digest awards the Frosch brand the PEGASUS AWARD for German consumers - an award that is especially valuable, since the Trusted-Brand results objectively reflect unforced, spontaneous customer trust.

## Werner & Mertz seal of sustainability

We consider the seal below to be a summary of all of our certifications. The seal is used in our public relations work to illustrate our extensive sustainability documentation in this report and online under [www.ganzheitlich-nachhaltig.de](http://www.ganzheitlich-nachhaltig.de).



*“In the analysis, the consistently high quality of the raw materials is verified at the beginning of production. I really like this work, for it is satisfying and largely contributes to the quality of the company's products.”*

**Dekaviata Veith**  
Analyst



## Input / Output balance 2007

### Key figures for 2007

The following Input / Output Balance shows the most important data of the last 4 years.

### Environmental Performance / Key Figures for 2007

The following environmental performance and environmental key figures resulting from the input and output balance are essential control measures for the efficiency of the Environmental Management System:

- for the environmental related balance of the actual state
- for the environmentally oriented planning and control and
- for the periodic examination of the continuous improvement process.

The relation between tonnage used and end product must be considered as well as the meteorological conditions like duration and intensity of the heating period, etc.

### Input

	2004	2005	2006	2007		
<b>Water</b>	121.044	123.575	145.570	162.717	m <sup>3</sup>	Total consumption, thereof:
	99.221	100.176	121.202	139.571	m <sup>3</sup>	Well water from 2 deep-wells
	70.477	71.851	77.769	78.896	m <sup>3</sup>	thereof: desalinated water produced
	26.831	26.520	42.261	57.262	m <sup>3</sup>	thereof: used as cooling water
	21.823	23.399	24.368	23.146	m <sup>3</sup>	City water
<b>Energy</b>	18.144.721	16.978.849	17.771.504	17.354.255	kWh	Total consumption, thereof:
	5.658.545	5.629.975	5.951.752	5.867.300	kWh	Power
	11.009.537	9.340.799	9.275.772	8.685.845	kWh	Natural gas
	1.453.440	1.996.772	2.525.561	2.778.540	kWh	District heat
	23.199	11.303	18.419	22.570	kWh	Fuel oil EL
	3.608.000	4.065.000	4.763.000	5.052.135	m <sup>3</sup>	Pressure air
<b>Property-size</b>	110.000	110.000	110.000	110.000	m <sup>2</sup>	Total surface, thereof:
	49.210	49.210	49.210	49.210	m <sup>2</sup>	Sealed surface
	60.790	60.790	60.790	60.790	m <sup>2</sup>	Unsealed surface
<b>Raw Materials</b>	19.493	18.623	20.626	21.357	t	Total raw materials, thereof:
	6.382	6.003	6.612	7.874	t	Tensides, fatty acids, soaps
	4.753	4.665	5.262	5.550	t	Acids, salts, alkalis, etc,
	2.369	2.276	2.541	1.578	t	Alcohols
	1.942	1.721	1.978	1.906	t	Plastic dispersions / Polymers
	1.707	1.632	1.639	1.557	t	Solids and Fillers
	1.229	1.198	1.352	1.533	t	Fats
	270	327	315	330	t	Solvents, fuels
	180	129	123	110	t	Waxes
	173	166	201	250	t	Perfumes
	490	505	602	669	t	Other raw materials (yearly qty < 250 t)

<b>Packaging</b>	162.323.286	162.043.195	185.450.405	183.443.040	pc.	Packaging material (bottles, canisters, pouches incl. caps)
	16.880.937	14.910.771	16.314.535	20.238.577	pc.	Cartons
	136.167.021	130.848.375	151.211.100	154.028.595	pc.	Labels

**Paper** approx. 1.400.000 approx. 1.300.000 approx. 1.100.000 approx. 2.065.000 Sheets of paper for copier + printer

### Output

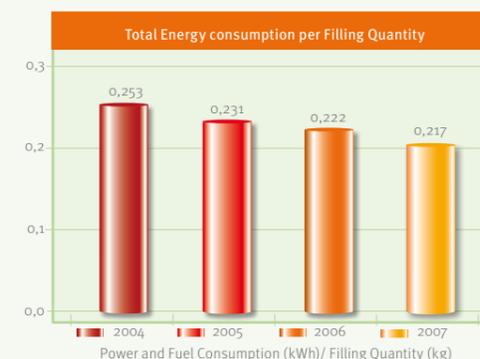
	2004	2005	2006	2007		
<b>Products</b>	71.626	73.407	79.896	79.973	t	Detergents and cleaners
	81.173.689	77.173.689	90.101.180	88.961.380	pc.	
<b>CO<sub>2</sub></b>	2.002.954	1.697.525	1.687.285	1.581.143	kg	CO <sub>2</sub> emission from fuels (boiler house):
	1.997.869	1.695.048	1.683.248	1.576.195	kg	Natural gas
	5.085	2.478	4.037	4.947	kg	Fuel oil EL
<b>Waste water</b>	58.750	60.836	76.110	94.551	m <sup>3</sup>	Total, thereof:
	26.831	26.520	42.261	57.262	m <sup>3</sup>	Direct discharge receiving water course (cooling water)
	31.919	34.316	33.849	37.289	m <sup>3</sup>	Indirect discharge
	9.865	11.114	12.509	15.701	m <sup>3</sup>	Pre-treated waste water
<b>Waste</b>	1.020	1.049	1.153	1.249	t	Total, thereof:
	324	75	76	68	t	hazardous*
	52	340	416	--	t	Waste requiring monitoring**
<b>Largest waste types</b>	386	397	424	427	t	Cartons and paper
	254	295	390	492	t	Filter cake
	165	132	147	127	t	Plastic packaging / mixed packaging
	42	50	46	57	t	Wood waste / Pallets
	31	33	26	20	t	Folis
	10	17	15	22	t	Wax waste
	31	29	45	20	t	Solvents

\* (until Dec. 2006: „requiring special monitoring“)

\*\* (Due to legal changes the category „waste requiring monitoring“ fell away in 2007)

### Energy

To control and optimise the energy consumption an Energy Management System is used to determine the consumption of power, gas, pressure air, etc. as well as potential savings. On the basis of these data various energy saving measures can be implemented, such as expansion of the consumption control system of power for the reduction of peak load consumption, selective power off at night, public holidays and week-ends, use of new energetically optimised filling lines, installation of insulation windows and optimisation of lighting technology by means of increased control mechanisms in relation to maintenance and repair measures



“I have been with Werner & Mertz for eight years. I deliberately chose this company because I want to work for a company whose products I can identify with in good conscience. And that is exactly what I have found in our company.”

14 **Monika Kindgen**  
PR Officer Corporate Communications Division



“It is important to everyone to be able to contribute to the future. I thoroughly enjoy managing the green care brand for large-scale customers which are dedicated to sustainability.”

15 **Silvia Winterwerber**  
International Junior Product Manager Professional

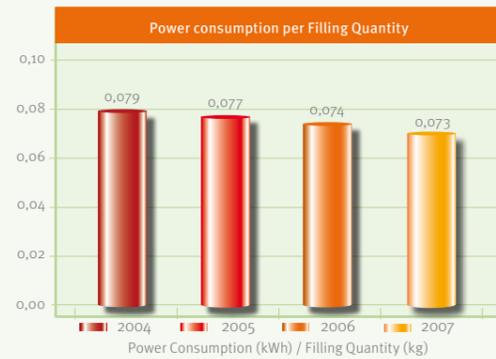


*"I have been working in this company for more than 40 years, because it is fun to have a diversified job which time and again presents new challenges for you. The contact with many colleagues across all divisions makes my work very interesting."*

Günter Kessel  
Accounting



The success of our measures for a more effective use of power by means of the used registration systems can be recognised by the reduced power consumption in relation to the filling quantity. Regular articles in our company newspaper and training of employees will contribute to a further reduction of energy consumption within the Werner & Mertz GmbH.

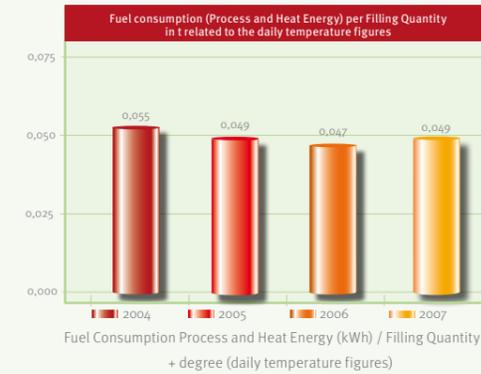
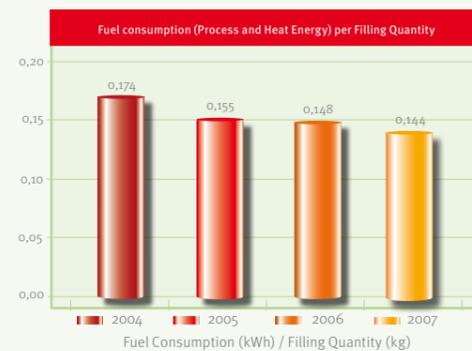


## Process and heat energy

(Steam and District Heating)

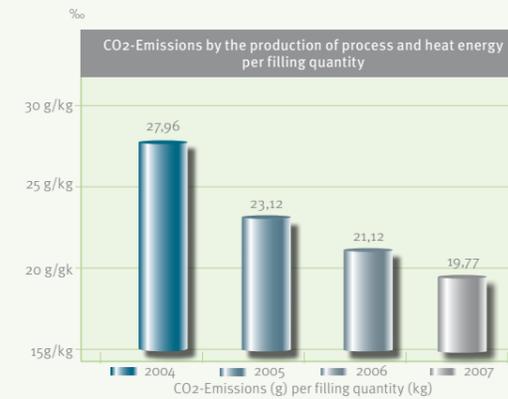
The steam produced in the boiler house of Werner & Mertz is used as process energy for the heating of raw material and semi-finished products and for the heating of the buildings. By means of commissioning a smaller boiler in September 2004 and change of heating to district heat in another production building in November 2005 the fuel consumption was further reduced significantly. By means of commissioning a smaller boiler in September 2004 and change of heating to district heat in another production building in November 2005 the fuel consumption was further reduced significantly.

Considering the daily temperature figures, i.e. independent of the outside temperature (climate neutral), the following development of consumption can be observed.



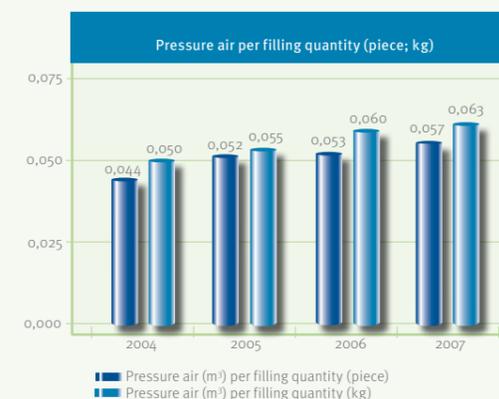
## CO<sub>2</sub>-Emission

CO<sub>2</sub>-Emissions by the production of process and heat energy in our boiler house were reduced continuously in the past years. The reasons were already explained in the Process and Heat Energy section.



## Pressure Air

Being the most expensive energy source pressure air is particularly in the focus of energy management at Werner & Mertz. Adjustment of the pressure air pipes, reduction of the operating pressure from 8,5 to 7,0 bar and closing a pressure air contracting resulted in an initial significant reduction in the past. Among other things, the increase as from 2005 is due to the operation of filling lines for flammable products that is equipped with pneumatic controls for explosion prevention.



*"To work for a company producing environmentally friendly products and which is in such close proximity to my home that I can even ride my bike to work, is great."*

Sonja Törnig,  
IT Application Specialist

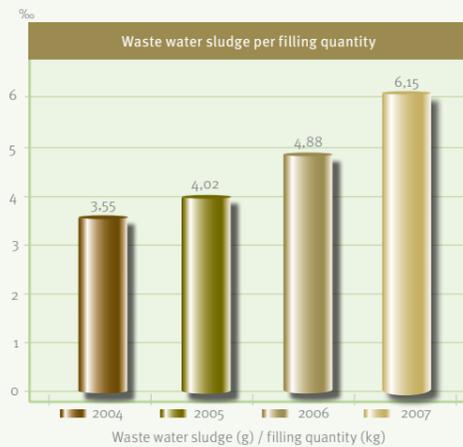


## Waste

Although production waste quantity increased by 71% between 2004 and 2007, the total waste quantity produced by Werner & Mertz GmbH only increased by 22% during the period of observation due to more intense rinse procedures. Since end of 2004 waste water sludge is recycled and is thus no longer classified hazardous waste.

The majority of produced waste evolves from our waste water pre-treatment plant during the treatment of rinse water from the production in filter cake form. Due to the reduced stock of finished products for optimized inventory, the production of smaller batches and thus higher production frequency is required making a further reduction of the quantity of waste water sludge impossible.

Waste management facility building

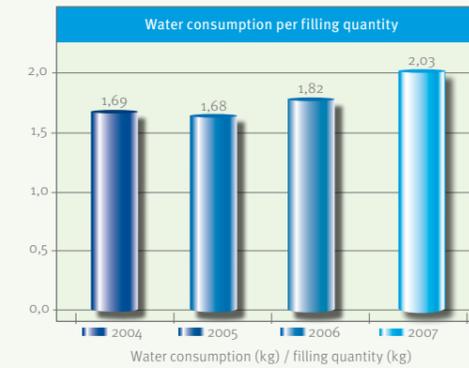


## Water / Waste Water

Werner & Mertz GmbH obtains raw water from the company's deep-wells and the public drinking water system of the city of Mainz.

The change of the relative water consumption in the period under observation results from the changes in the product mix as well as the optimisation of the rinse procedures.

The main water consumers are the chemical plants in which deionised water is used as main raw material as well as for cleaning and rinsing procedures. This increase is mainly due to the lot size reduction for a reduced stock of finished products resulting in more frequent mass changes and rinse procedures. A further increase could only be avoided by optimisation of rinse plans and further sensitization of our employees.



New waste water treatment plant





*“Sustainability is an issue concerning every employee within the company. To stimulate and control this cross-divisional communication gives me great pleasure.”*

**Birgitta Schenz**  
Corporate Communications Werner & Mertz  
during a conversation with the Environmental Management Team



## ➤ Hazardous Substances

Due to legal requirements most of the used substances at Werner & Mertz are classified into water hazard classes (WHC) 0 to 3.

We meet these facts with an optimised design of our warehouses in accordance with the legal requirements, precautions in the fields of work, safety and fire protection and appropriate training of our employees.

Moreover, to meet our obligation for executive care the Management has appointed a Hazardous Substance Representative although this is not required by law.



## Noise

The premises of Werner & Mertz GmbH do not cause any noise emission exceeding the legally defined critical values. To maintain the achieved level the existing noise cadastre of the production area was updated in the first quarter 2006 in accordance with the legal requirements and will be updated in case of plant modifications.

## Past pollution

There are no environmentally significant indications of past pollution or suspicious areas for past pollution at the location of the Werner & Mertz GmbH in Mainz which have not already been reported to the authorities.



## Evaluation of indirect environmental effects

The indirect environmental impact of all products of Werner & Mertz GmbH are outlined and evaluated by means of a checklist. For the evaluation similar products are combined in product groups. Potential impacts of the product, its ingredients and the packing material are taken into consideration during the analysis with the environmental impacts being considered separately before and after application of the product.

As potential indirect environmental impacts are already evaluated and minimised during the development of new products and approval of new raw materials and suppliers, at present the above mentioned evaluation list does not contain any items requiring actions.

Delivery traffic, energy consumption by the fleet as well as sensitization of our employees and customers were considered to be very important subjects.

Delivery traffic, energy consumption by the fleet as well as sensitization of our employees and customers were considered to be very important subjects. These subjects are also important, because besides the urgent need for action they provide a high control potential. The following details can be provided:

Delivery traffic. Wherever possible we favour local suppliers. Thus, we obtain more than 70 % of our packaging material and cartons from suppliers within a radius of 100 km of Mainz.

Due to in-house production of bottles and canisters app. 1,200 truck ways per year are economised. This corresponds to app. 720,000 truck km and app. 180,000 l diesel fuel per year.

Fleet. The diesel consumption of our fleet is monitored permanently to be able to react to extraordinary consumption changes promptly. Moreover, we will investigate the use of natural-gas vehicles. In 2009, we will organise the first training session „Eco driving“ in cooperation with the lessor for all drivers of company cars. Our objective is to further decrease the below-average fuel consumption of our fleet.

Employee and customer information. We regularly publish articles on environmental subjects in our company newspaper. Moreover, we train our employees regularly about environmental issues, such as energy saving measures.

With regard to customer information, it is our own interest to clearly point out the customer value of eco friendly products. Today a part of our products already meet the high requirements of the eco-label and are marked accordingly.



*“I just took a close look at the production and bottling departments. I think that if a company gives visitors such a deep insight into the company's processes, the trust placed in the products is boosted greatly. Now I also know what the EMAS logo at the factory gates stands for. During the tour we learned that it identifies the environmental management system.”*

**Iris Muth**  
Consumer during her first factory tour in Mainz





*"I see my mission in promoting the company-wide implementation of sustainability criteria and their continuous improvement, together with all employees for the benefit of the company."*

Dr. Detlef Matz Environmental Management  
Mainz u. Hallein during a tour with  
Operations Manager Thomas Großer



## Release to the public

With this Environmental Statement we want to inform our employees, customers and the interested public about the environmental protection of our company. We confirm the truth content of all information contained in this Environmental Statement and release it for publication. The General Management is responsible for the release of this Environmental Statement to the public.

Reinhard Schneider  
(Chairman of the Board of Management)

Dr.-Ing. Detlef Matz  
(Environmental Management Representative)



## Validation

After examination of the Environmental Policy, Environmental Management System, methodology and results of the Environmental / Company Examination, Environmental Performance and Goals, Environmental Programme as well as the Environmental Statement, I hereby validate the latter for the Werner & Mertz GmbH at the location Ingelheimstraße 1-3 in 55120 Mainz, Germany according to the regulation EG 761/2001.

Dr.-Ing. N. Hiller (Environmental Verifier)  
Nuremberg, 20 June 2008



*"Werner & Mertz, a family-owned company, the best foundation for sustainable company management!"*

Dr.-Ing. Norbert Hiller  
Environmental Surveyor

## Environmental programme

Even in future, Werner & Mertz GmbH will set high environmental goals: To achieve these goals various measures were determined. This is an excerpt of our environmental programme:

Objective	Action	Responsible	Dead-line	Status
Economy of app. 1.200 truck ways for the delivery of packing material	Maintaining of in-house production of bottles for new products.	Purchase Management	cont.	In-house production will be maintained
Consumer information	Use of eco-label (Öko-flower) to demonstrate the ecological orientation of Rainett and Froggy products, especially on the French and Danish market, as well as detergents for commercial enterprises.	International Marketing	Sep. 06	56 products were certified until the end of 2007
Use of low-emission energy sources for heating in buildings and reduction of heating energy consumption by approx. 5% and CO2 emissions by approx. 10 %.	Increased use of district heating for heating of buildings instead of process steam and heat energy.	Facility Management	Sep. 06	In 2007, energy consumption was 8% lower and CO2 emissions were 21% lower than 2004.
Reduction of heat energy in building H12 by 20 %	Renovation of heating and ventilation system in Building H12. The heat exchanger will be replaced in 2008.	Facility Management & Engineering	Dec. 06	Deadline postponed to 2008
Improvement of supply guarantee for deionised water	Use of a reverse osmosis machine for the production of deionised water in three steps.	Engineering	Dec. 08	On schedule, the 2nd expansion stage was put into operation Sept. 2007.
Exchange with other companies about environmental issues	Participation in the project „ÖKOPROFIT-Club-Mainz“ within the scope of the Local Agenda 21 of the City of Mainz.	Environmental Management Representative	Nov. 08	On schedule
Active collaboration in environmental Rheinland-Pfalz chemical association committee (VCI)	Active collaboration in environmental Rheinland-Pfalz chemical association committee (VCI).	Engineering	cont.	Continuous cooperation
Reduction of label storage, waste prevention and economy of plate costs	Online print of thermo labels for 5 and 10l containers.	Production	Dec. 07	Is being integrated due to high costs into the project „Global label management“ and implemented in year 2008.
Consumer information and transparency of the Management systems	Introduction of a Management System for sustained economizing according to the specifications of the A.I.S.E.-Charter „Sustainable Cleaning“ (Industrial Association for Personal Hygiene and Detergents (IKW) and Industrial Association for Hygiene and Surface Protection (IHO)).	Corporate Communication / Engineering & Environmental Management	Sep. 08	On schedule, notification of sustainability factors for 2007 was effected.
Consumer information and enhanced public work	Publishing of the first sustainability report from the Werner & Mertz group.	Corporate Communication & Environmental Management	Oct. 08	On schedule
Integration of continuous process improvement (CPI) into the Environmental Management system	Continuing integration of continuous process improvement and employee suggestion system into the Environmental Management system.	Environmental Management Representative	Dec. 08	Continuation according to plan schedule
Reduction of emissions caused by the Werner & Mertz vehicle fleet	Examination of potential conversion of the Werner & Mertz fleet to natural-gas vehicles.	Fleet Management	Dec. 08	Planned
Material savings of approx. 25,000 to 30,000 kg/a	Replacement of 3-litre-detergent-bottles by pouches (400,000 to 500,000 pc/year).	Production	Dec. 08	Planned



## Declaration of validity

The next consolidated environmental statement will be presented for validation in May 2009 at the latest. Within the scope of the Environmental Management System, the Environmental Statement is updated for validation by the Environmental Verifier on a yearly basis in line with the environmental management system.

Following Environmental Verifier / Environmental Verifier Organisation was assigned:

Dr. Ing. N. Hiller (Reg.-No.: D-V-0021)

INTECHNICA GmbH (Reg. - No.: D-V-0248)

Ostendstr. 181, 90482 Nuremberg, Germany



## Direct environmental aspects – Input / Output balance

### Key figures for 2007

In the following sections, the most important consumer data for the years 2005 to 2007 are presented and evaluated. For the areas of energy, water, and waste control, the annual values are also graphically compared for this period.

A quantitative overview of the raw materials and operating supplies, packaging, and consumables used by our company is given in the following table.

### Input

#### Raw materials, operating supplies

	2005	2006	2007	
Total raw materials, operating supplies; thereof:	2.995	3.253	2.861	t
Solvents / alcohols	848	1.012	672	t
Tensides, soaps, fatty acids	815	801	785	t
Acids / bases / salts	651	671	688	t
Chelating agents	327	343	366	t
Perfumes	147	175	163	t
Polymers / dispersions	70	81	85	t
Other raw materials, operating supplies (yearly qty < 50 t)	137	170	102	t

#### Packaging

Packaging material (bottles, canisters incl. caps)	63.198.280	76.220.787	69.107.501	Pieces
Cartons	5.654.128	5.712.374	5.885.446	Pieces
Labels	45.431.029	52.351.232	48.467.630	Pieces

#### Paper

Sheets of paper for copier + printer	350.000	1.000.000	500.000	Sheet
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#### Energy / Emissions

Power	659.890	701.040	703.280	kWh	A I
Natural gas	1.301.164	1.247.779	1.187.401	kWh	A I
Diesel	86.565	86.426	87.951	Litre	A I

Need for action  
Control potential

*“Because the division I’m currently working in provides me with many very interesting insights into the processes of a sustainability-oriented company.”*

24 **Martina Schlager**  
Personnel and Finance Assistant Erdal Hallein



## Output

### Products

	2005	2006	2007	
Cleansing agents, cleaner and care products	10.988	12.224	11.614	t
	23.775.854	27.890.897	26.462.296	Pieces

### CO<sub>2</sub>-Emissions

Power	approx 27.000	approx 29.000	approx 29.000	kg
Natural gas	approx 236.000	approx 226.000	approx 215.000	kg
Diesel	approx 227.000	approx 227.000	approx 231.000	kg
Total CO <sub>2</sub> -Emissions	approx 490.000	approx 482.000	approx 475.000	kg

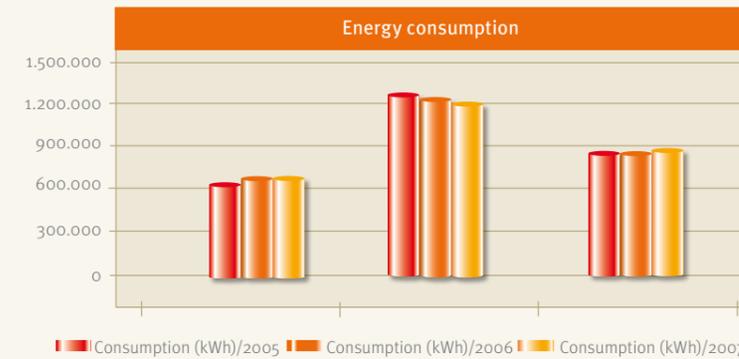
Calculation basis emissions:

1 kWh power = 0.0415 kg CO<sub>2</sub> (source: power provider)

1 m<sup>3</sup> natural gas = 1.88 kg CO<sub>2</sub> (source: Gemis 4.14)

1 l Diesel = 2.60 kg CO<sub>2</sub> (source: Federal Ministry of Economic Affairs)

### Energy



The most important energy sources in our company are power, natural gas, and diesel. Power is delivered by the municipal energy supplier in Hallein. 65% of the power consumption can be assigned to production, filling, and packaging facilities. Additional main consumers are pressurized air and lighting. The highest energy consumer results from burning natural gas during steam and warm water production. The highest energy consumer results from burning natural gas during steam and warm water production. Diesel consumption by our vehicle fleet is also significant, and is regularly monitored for this reason. We have specified improvement measures in all areas of our environmental program’s development. Evaluation of the topics with A I makes this clear.

Based on the GEMIS database, information about power providers and of the Federal Environmental Office in Vienna, we have calculated the CO<sub>2</sub> emissions resulting from the energy consumption data.

In production, closed systems of storage tanks, pipelines, production reservoirs and filling facilities, and this produces VOC emissions in very low quantities via condensation, spillage, conversion differences of density and finished packaging regulations.



*“I have been working here for 25 years and am happy to carry out a whole variety of duties, from mowing lawns on to painting and masonry work, up to winter services here at the factory.”*

**Hermann Hager**  
Caretaker in Hallein

## Waste output ↷

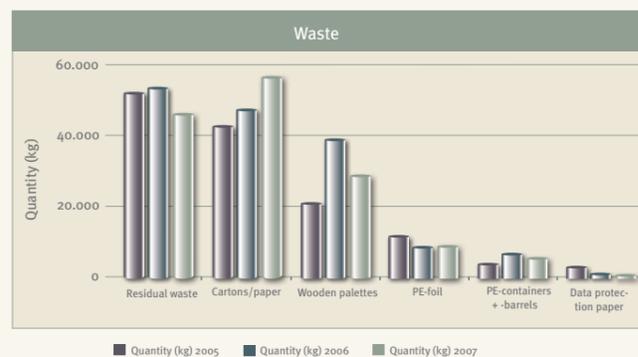
The following table displays our waste balance. The layout illustrates how a waste separating system has existed for many years already, and how this is constantly being refined and improved.

Residual waste, cartons, and wooden palletes represent the largest percentage of waste at the location. This waste can nevertheless be sent on for recycling. Hazardous waste, on the other hand, is only produced in low quantities. The largest percentage in this case would be used solvents. All waste fractions are regularly tested by our waste manager with regard to optimization of avoidance and recycling. For this reason, all fractions are appraised as I. Residual waste has been assigned to A due to the quantity.

Due to increased production and extra delivery of disposable instead of leased cartons, the quantity of cartons to be disposed of has increased. Increase of wooden palletes to be disposed of results from increased delivery of disposable palletes and decrease in quality of Euro palletes. This trend was able to be reversed in 2007 due to supplier agreements.

## Waste output ↷

	2005	2006	2007	EH	Need for action	Control potential
Residual waste	52.840	53.890	46.240	kg	A	I
Cartons and paper	43.580	48.140	54.700	kg	A	I
Wooden palletes	20.790	39.105	30.085	kg	A	I
PE-foil	11.133	9.420	9.480	kg	A	I
PE-containers + -barrels	3.599	6.973	7.213	kg	A	I
Data protection paper	2.990	1.879	676	kg	A	I
Plastic hollow containers	2.120	1.480	1.360	kg	B	I
Production wastes (WC refreshers)	0	565	738	kg	B	I
Mixed scrap metal	12.060	12.984	7.824	kg	C	I
Waste glass	1.560	1.760	1.440	kg	C	I
Scrap electronics	5	0	0	kg	C	I
Diverse raw materials and production materials with individual quantities under 500 kg	0	2.576	171	kg	C	I



## Input/Output water ↷

Water extraction at the location is guaranteed by a proprietary fountain and from the city water network. A large portion of the water flows in prepared quality into production. From the production building, the water used essentially for cleaning purposes is introduced into the sewage system. Waste water contaminated by tensides, for example, is continuously tested and monitored by authorities.

Since the beginning of 2006, we draw up to 65 m<sup>3</sup> of water daily from proprietary fountains on the company premises to produce fully desalinated water for production.

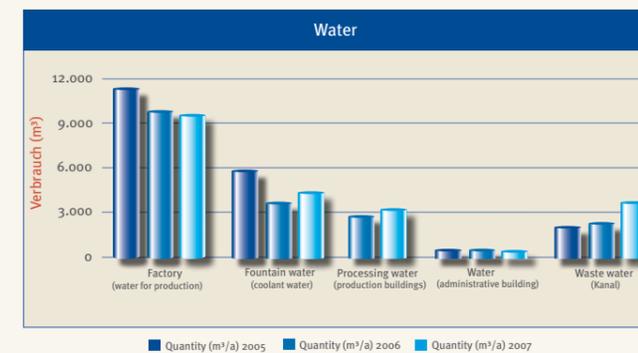
We also extract 15 m<sup>3</sup> of water daily from the fountain for cooling purposes. This water does not come into contact with products or other production materials and is reintroduced into the Salzach completely uncontaminated. The rain water collected from the roof drainage is also directed into the Salzach.

The groundwater extraction contributes to reducing the high groundwater level in the Neualm area of Hallein.

A comprehensible cause for increasing sewage water since 2006 was not determined yet, and for this reason additional detailed examinations.

## Input / Output water ↷

	2005	2006	2007	EH	Need for action	Control potential
Factory (water for production) incl. production buildings processing water	10.987	9.502	9.307	m <sup>3</sup>	B	III
Processing water (production buildings)	---	2.539	2.923	m <sup>3</sup>	B	III
Total consumption (production buildings)	10.987	12.041	12.230	m <sup>3</sup>		
Coolant water (fountain water)	5.749	3.474	3.761	m <sup>3</sup>	B	III
Water (administrative building)	269	299	286	m <sup>3</sup>	C	II
Waste water	1.667	1.855	3.517	m <sup>3</sup>	A	I



*“45 years with the company, this should really say it all! I particularly like the working atmosphere and the social attitude of the company. A good atmosphere is very important as we can enjoy our work and do a good job.”*

Josef Wind  
Marketing Manager Erdal Hallein



*“I have enjoyed working here for 10 years now, because I am pleased with my job.”*

Nicoletta Laura Giurgiuman  
Production worker



## Noise ↪

The premises of Erdal Hallein do not cause any noise emission exceeding the legally defined critical values.

## Past Pollution ↪

For Erdal Hallein, no environmentally-relevant indications of contaminated sites or potentially contaminated sites are present.

## Evaluation of indirect environmental effects

The most important environmental aspects of our location in Hallein were analyzed by our environmental team and accordingly evaluated according to the approach described on page 14 of the Environmental Statements published on the Internet. The evaluation provides a basis for creation of environmental goals and programs, whereby primarily the points with high relevance and high control potential are considered. The list is regularly checked within the scope of the internal audit to make sure it is updated.

Especially important topics from this evaluation are areas of employee traffic, energy consumption by the vehicle fleet, raising awareness of employees, and product-related effects, e.g. via packaging. These subjects are also important, because besides the urgent need for action they provide a high control potential. The following details can be provided:

### Employee traffic

For many years now, our company has guaranteed a financial benefit for employees who take the ÖPNV to their place of employment.

### Fleet

The diesel consumption of our fleet is monitored permanently to be able to react to extraordinary consumption changes promptly.

### Employee and customer information

We regularly publish articles on environmental subjects in our company newspaper. Moreover, we train our employees regularly about environmental issues. With regard to customer information, it is our own interest to clearly point out



*“The working atmosphere here is very good and I like the tasks in my area. I can provide the company with responsible and independent work. „*

**Bianca Kammerer**  
Purchasing and distribution of labels and packing materials

the customer value of eco friendly products. In 2006, we contacted all Austrian EMAS companies and informed them about our product palette for professional cleaning services.

### Product-related effects

During selection of packaging materials, environmentally-friendly aspects are considered. In the past, PVC as a material was exchanged. The environmental program contains measures for avoiding packaging waste.

Environmental aspect	Relevance for the location	Explanation	Evaluation	
			Evaluation of environmental aspect	Influence capability
Traffic	Employee traffic (selection of means of transportation)	Employees normally come from a radius of approx. 30 km	A	III
	Parking places (offers for commuters)	Parking places available are considered sufficient	C	III
	Visitor traffic (frequency and means of transportation)	Visitor traffic is negligent	–	–
	Supplier traffic (frequency of trips)	Relevant, since a waiting area for trucks is missing	B	III
	Field services (diesel consumption)	Approx. 30 employees in field services	A	I
	Disposal traffic („trash removal“)	Rather low; normally in monthly pick-up cycles	C	I
Selection of suppliers/ contract partners	Environmentally low-impact manufacturing process	High-revenue suppliers will be asked about available certificates	B	II
Procurement / Purchasing	Selection of environmentally-friendly articles	Raw materials are determined by product development – relevant in the administrative department, as required with regard to consumable materials	C	III
Increasing awareness	Employee information	User behaviour as a topic; employee newspaper as a medium	A	II
	Public/customer information	Relevant, since the „Frosch“ line, for example, and professional „green care“ products qualify as environmentally-friendly	A	I
Product-related effects	Packaging, removal of bunches, removal of residual products	Company participates in legal return system (ARA)	A	II
	Transport packaging	Reuse of pallets is an important topic	A	I



*“What I think is great about our company, is that we do not hold on to problems, but rather have the opportunity to develop sufficiently good solutions.“*

**Gerhard Pump**  
Production Manager PPC 3 Hallein





## Release to the public

With this Environmental Statement we want to inform our employees, customers and the interested public about the environmental protection of our company. We confirm the truth content of all information contained in this Environmental Statement and release it for publication. The General Management is responsible for the release of this Environmental Statement to the public.



Certification Audit Hallein

Herbert Schallenberg

(General Management)

Dr.-Ing. Detlef Matz

(Environmental Management Representative)

## Declaration of validity

The next consolidated environmental statement will be presented for validation in April 2011 at the latest. Meanwhile, the Environmental Statement is updated for validation by the Environmental Verifier on a yearly basis in line with the environmental management system.

Following Environmental Verifier / Environmental Verifier Organisation was assigned:

Dr.-Ing. Norbert Hiller (Article No.: D-V-0021) INTECHNICA GmbH (Approval-No.: D-V-0248)	Dipl. Kfm. Ing. Helmut Buchinger (Approval according to notification GZ 92 770/124-IX/1/96) UTR Consulting Group GmbH (Approval according to notification GZ 92 770/45-IX/2/99 as well as GZ 67 4782/24-VI/7-2002)
Ostendstraße 181 D-90482 Nuremberg	Bahnstraße 7 A-2345 Brunn am Gebirge



## Validation

After examination of the Environmental Policy, Environmental Management System, methodology and results of the Environmental / Company Examination, Environmental Targets and Environmental Programme as well as the Environmental Statement, we hereby validate the latter for the Werner & Mertz Professional Vertriebs GmbH at the location Neualmer Str. 11-13 in 5400 Hallein, Austria according to the regulation EG 761/2001.

Nuremberg, 19 Sept 2008  
Dr.-Ing. N. Hiller  
Environmental Verifier

Brunn am Gebirge, 24 Sept 2008  
Dipl. Kfm. Ing. H. Buchinger  
Environmental Verifier



Presentation of the EMAS certificate to the Chief Executive Officer Herbert Schallenberg by the Austrian Environment and Agriculture Minister Josef Pröll in January 2006

## Environmental programme

Even in future, Erdal Hallein will set high environmental goals: To reach these goals various measures were determined. This is an excerpt of our environmental programme:

Objective	Action	Responsible	Termin	Status
Reuse of recyclable materials	Sales of used cartons and containers to external companies	Waste manager	cont.	Continuous process
Reduction of fuel consumption by vehicle fleet	Monitoring of diesel consumption via lease provider. In case significant changes to the (currently below-average) consumption are detected, then driver training with regard to ecological and economic driving behaviour will be carried out.	Personnel management	cont.	Continuous process
Avoidance of trips by suppliers	Changeover to larger bunches/containers for raw material procurement	Purchasing manager	cont.	Continuous process
Reduction of power consumption	Changeover of facilities in filling hall to magnetic valves; this enables switching of during breaks	Technology manager	cont.	Successively implemented since 2006 with facility changes
Reduction of damages during loading and transport, improved truck efficiency during transport	Change of toilet gel trays to increase stability and improvement of stackability	Factory manager	May 08	Planned
Savings of approx. 900 kg polyethylene/year	Reduction of implementation weight for 500-ml trigger bottle and additional weight reduction for 250-ml bottle	Factory manager	June 08	Corresponding stock controls are carried out during product development in Mainz
Savings of approx. 3,300 kg PET/year and cost reduction	Reduction of implementation weights of 20-l and 30-l canisters	Factory manager	June 08	Planned
Savings of approx. 500 kWh/year	Replacement/general overhaul of existing wax-melting cauldron to improve product quality and energy efficiency	Production manager	Oct. 08	Planned corresponding CPI-workshop is finished
Energy consumption optimization	Testing of options for signing an energy saving contract for the production building	Factory manager / Technology manager	Oct. 08	Rough analysis has been carried out in March 2008
Avoidance of approx. 100 kg waste/year. Omission of pre-printing of labels and reduction of handling and inventory costs	Online printing of packaging labels on multiline to increase efficiency and avoid scrap	Technology manager / IT-department	Dec. 08	Planned





*“EMAS is the recognition of past efforts and commits us to sustained action playing an important role in all areas and being continuously monitored. That this is our deepest understanding and justifies what was already proven by the introduction of Grünfrosch during the mid-80s.”*

Ingo Lurger  
Environment Team



For more information, please contact our Environmental Management Representative, Dr.-Ing. Detlef Matz or our environmental team contact partner Ing. Ingo Lurger.

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A 5400 Hallein  
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Telefax: 0 62 45-80 111-205  
lLurger\_erdal@werner-mertz.com



*“It makes me proud to have received my training in this traditional and innovative company. Now I am glad to have been given the opportunity to continue working here and to apply the knowledge I have gained.”*

Saman Mirnia  
Accounts Receivable

## Qualified employees– the strength of Werner & Mertz

The concept of sustainability is focused on the future. If a company wants to maintain its position in the market, it has to keep an eye on different strategic areas with a long-term planning perspective. In view of demographic changes, Werner & Mertz sees one of its most important areas of work as personnel development: This includes modern process-related training for younger people as well as attractive options for qualification. The basis for employee-oriented further education plans at Werner & Mertz is the so-called „process-feedback meeting“. These are carried out at least once per year by the management and employees. In addition, there are also training plans for each department.

We place a lot of value on personal further education and make the necessary means available, since we consider this a kind of appreciation of our employees. The company often pays for or provides leave of absence for the education and the education programmes range from daily training courses to multi-year extra occupational studies. A lot of interest is generated by in-house language courses in English and French, for example, and special topics are often focussed. Professional courses organized by the chemical association are also provided.

At its various locations in Europe, Werner & Mertz sees the benefits of a **high standard of education** and an extensive qualification offer. Both are a requirement for modern production and products at the highest level, for an economically sensible and ecologically compatible production.





## Personal further development

Employees in management positions have more influence than others via their personalities on the organization and interplay in the company. For these employees, there are specific training courses connected with an internal concept for management. Promoting trust, values, and exemplifying standards, keeping disciplined, and being open are four of the most important elements of the management style.

How compatible is this concept of standards with the reality of the company? To test this, Werner & Mertz **allowed employees to rate board members directly** at the beginning of the year for the second time. The questionnaires, which were not even answered anonymously by many employees, were summarized and reported to the managers. In this way, everyone received valuable comments about their management style. This individual evaluation promotes a culture of openness. Constructive criticism can be taken easier to develop further personally.

*"I have been with the company for 4 years now and have received a lot of support; this enabled me to work with a broader scope of duties in Controlling after having worked in Accounting. The company has financed the advanced training I completed in my spare time."*

*Susanne Löcker  
Controlling Erdal Hallein*

## Providing opportunities for the next generation

Werner & Mertz is currently training 24 men and women in different professions. This is more than what it requires, but promotion of future generations shall nevertheless enjoy a high priority in the future as well. Part of our understanding of sustainability for the company and the location is that we counteract the lack of professional workers in Germany.

For many years, the collaboration of the German-French secretariat in Saarbrücken has promoted a training cooperation with France: Trainees from Werner & Mertz travel for three weeks into south France to Valréas to become more familiar with the country and people, specialties and culture in addition to their company internships. In exchange, French guests in Mainz receive insight into the company and participate in an extensive cultural program and other activities.



## Flexible, trustworthy, equally treating, and committed

The company matches the personal desires of employees whenever possible with variable shifts and flexible working models. Besides this, there are part-time positions or the opportunity to work from home offices. Non-pay scale employees in special positions of trust and management positions are guaranteed flex time. Equality of men and women at Werner & Mertz is displayed by the following points:

- Equal payment according to pay scale contracts
- Family and equality promotion, e.g. via promotion of parental time for men according to the Federal Parental Support and Parental Leave Acts (BEEG)
- Guarantee of parental leave for mothers and fathers or of care time for dependents according to the BEEG or Care Time Act

All employees at Werner & Mertz have the right to organize themselves, join a union, name a representative for their interests, and to be selected as such. The same rights apply to subsidiaries.

Anyone who cares for the rights of company employees, and anyone who pays a fair wage needs **to have the entire value chain in view** as a sustainable company: Werner & Mertz categorically denounces child labour. In no phase of production is child labour exploited. There is no forced labour in our company.

## Process-oriented, holistic training

Holistic training for production processes - is this really feasible? Werner & Mertz creates a bridge with its process-oriented training between first-class provision of practical professional knowledge and awareness for clear understanding of company processes. We are convinced that training can't simply stop with providing the skills needed by young people to pass tests successfully. The basis for modern training should be measures **enabling consideration of the entire business process.**

The standard for the future compatibility of our company includes employees who are able to view processes independently and on their own initiative and positively influence them.

This approach by Werner & Mertz simultaneously promotes social and interactive competence, as well as the transfer of value to the trainee. We encourage young people to **learn independently** and show this **in the team.**



*"The love for a traditional family business in the branded goods industry sector!"*

*Jeanette Bremböck Assistant to Werner & Mertz  
Managing Director Professional answered to what she valued most at her workplace.*



*“As a staff member of the Company Suggestion Scheme Division, I can participate in the implementation of environmental improvement proposals. Here, I can contribute to the sustainability of our company with my work - and I think that is great!”*

**Jochen Hornung**  
Clerical Assistant CSS

## Creativity is rewarded

The company suggestion system at Werner & Mertz proves it: We are very interested in optimization suggestions for work processes, safety, and environmental protection or other topics. We also appreciate the innovative potential of our employees. Employee suggestions are evaluated for potential company improvements and if large cost savings can be expected, they are also checked by controlling.

Providing ideas is lucrative: **The employee gets 20% of the annual savings for a positively evaluated suggestion.** Furthermore, employees can win another cash price during the annual raffle.

## Safety first...

Health and safety of employees in administration and the production area has top priority. Werner & Mertz places a lot of value on workplace safety and workplace and health protection. Since besides numerous natural raw materials, materials are also used that are subject to hazardous materials guidelines.

- Werner & Mertz has a complex workplace protection management system. It comprises regular evaluation of all technical facilities and workplaces. Where improvements are required, procedures are suggested and then evaluated to see if they have been implemented.
- Each year, all employees are instructed in work, fire, and environmental protection. Thus, Werner & Mertz fulfils all legal requirements. Moreover, the company's extensive fire and environmental protection measures are voluntary.
- Werner & Mertz has an occupational medical service at both production locations. Access is ensured around the clock. There is also a voluntary first-aid worker in every area of production.
- All employees may voluntarily train in first-aid during working hours to become first-aid assistant.
- All employees may be vaccinated against influenza by the company physician and there are programmes for health promotion, e.g. „proper lifting and carrying of loads“. The company also pays attention to ergonomics in the workplace, for example at computer work stations or by using pneumatic lifting aids in production.
- Another special feature of Werner & Mertz is that personal protective equipment for employees is free, e.g. workplace shoes, glasses, and gloves.



*“In the ambulance station, I not only tend to the employees' minor injuries, but I can also work with our company's physician in reference to prevention measures for our patients. The company health rate is good and I am happy to be able to contribute to this.”*

**Farzaneh Balzer-Taghavi**  
Company nurse

## Always on call – the company fire brigade in Mainz

The high level of training of the company's fire brigade is due to the employees' extraordinary commitment. Eight voluntary fire-fighters and three main officials (three of whom are on leave of absence) provide safety on the company premises.

Some of Werner & Mertz' fire-fighters are also engaged in voluntary local fire brigades promoting the high level of training. Regular exercises every 4th Saturday and modern equipment like breathing apparatus also support the high performance of the fire brigade. During the yearly exercise involving multiple fire brigades from other companies and the voluntary fire brigade from Mombach the team is able to demonstrate its high training level. Mombach is the district of Mainz where the Werner & Mertz headquarters are located.



*“Implementing and enforcing preventive and defensive fire protection as well as security-related tasks, provides me with professional satisfaction. To insure that the safety standard for Werner & Mertz continues to stay at a high level, we participate in several courses at the Fire Brigade Training Center Koblenz every year and incorporate our professional know-how into our daily work.”*

**Jürgen Schmidt**  
Fire-fighter Plant Protection





## In direct dialog with consumers



Market shares say a lot about the success of a product. The above-average faith of customers for the familiar brands of Werner & Mertz allows further conclusions. We are always interested to get in direct and personal contact with consumers.

For this reason, we have had our **own consumer counselling** for nearly 20 years with its own telephone service line: This enables us to provide tips about the proper use of our products, receive valuable feedback regarding their application routine and answer questions. Consumers tend to contact Werner & Mertz by email increasingly often. Around 12,000 calls, emails, or letters reach us every year in Mainz.

Our „short chain of command“ and our personal customer counselling are positively perceived by consumers. In fact, we have our own in-house customer service instead of a call center. Most of the questions are about the proper use of our products. Fortunately, we hardly receive any complaints, but all comments are evaluated immediately.

## The Frosch blog

Frosch moves with the times, and now it has its own online journal, the Frosch blog: The people behind the Frosch brand report first-hand about products and current topics at Frosch, and the company leads an active dialog with customers, consumers, and Frosch fans. The Frosch bloggers, i.e. those responsible for reporting and keeping contact, are employed in the Product Development, Consumer Counselling, Marketing, and Public Relations departments.

While advertising or websites are frequently one-sided, i.e. from supplier to user, the Frosch blog is a real exchange of information. This modern medium, which has already received several awards, complements the traditional ways of keeping contact with the customer and keeping in touch with potential customers.



## Well connected, well advised

Werner & Mertz has enhanced its activities in terms of company environmental protection, especially since the year 2000 - when we participated in the project ÖKOPROFIT with the city of Mainz. Thus, in summer of 2001 we received the „Mainz ÖKOPROFIT company“ award. The ÖKOPROFIT project with the Chamber of Industry and Commerce for Rheinhessen and chamber of trade Rheinhessen provides training and support for companies. In this way, they can execute production processes more effectively, cheaper, and environmentally-friendly. ÖKOPROFIT means environmental protection with profit.

Werner & Mertz is also engaged in this and participates in the follow-up project, „ÖKOPROFIT Klub“, an exchange forum for corporate experiences. At this „little round table of Mainz' economy“, which meets four times a year, the company continues to receive stimuli and impulses to reduce consumption of raw materials even further.

Experience exchange is also the topic, when Werner & Mertz employees are sent to work groups at different organizations, e.g. Chemical Industry Association, Industrial Association for Body Care and Cleansers, Industrial Association for Hygiene and Surface Protection, German Packaging Institute, Research Institute for Cleaning, or at the Research Community for Cleaning and Care Technology.

Major topics are the further development of consumer safety and environmental protection. Workgroups are involved with special topics like „hygiene at home“ or „proper dosage“. Technical specialists meet to improve safety of application and effectiveness of the products. In the best sense of sustainability, we provide our knowledge to help develop new, easy-care floor coverings, for example.



*“While working at the reception desk and the switchboard, I interact with people from around the world. I really enjoy this and am happy to be the first person to greet people calling the Frosch.”*

Petra Neher-Pierron  
Reception and Switchboard Clerk





## Visitors are always welcome

Another way to exchange product knowledge is by means of direct conversations during the factory tours at Werner & Mertz. These have been available for more than 80 years now, and they are a popular option to learn more about the company and the products that can be found in most German and Austrian households. Some 60 factory tours with groups of 15 to 60 people take place every year. Specially trained employees guide the visitors tours. Most of the groups are school groups or visitors from local women's clubs, vocational schools, and other institutions.

## Sponsoring

Connected with Mainz, engaged for the environment and social responsibilities

Traditionally, Werner & Mertz feels closely connected with Mainz and its location on the Rhein. This is obvious, e.g. by our commitment to social well-being and the environment. „Frosch protects frogs“ is the name of a cooperation with the Naturschutzbund (NABU) in Rheinland-Pfalz. For many years, Werner & Mertz has supported the work of other environmental agencies. The overall idea is to revitalize and promote the natural area of the Rheinauen  more then ever before.

In France and Austria, our products help support the  WorldWideFund For Nature and its animal and environmental protection projects. Something that can't be missed in the inner city of Mainz are the two electrically driven cleaning mobiles. The citizens and visitors are happy that they keep the tight alleys clean, helping keep Mainz a nice place to live in. Werner & Mertz also provided financial support for the design of the Mombacher roundabout. This large traffic node stands out because of its special planting and the red frog company logo. Good service is important to us. For this reason, Werner & Mertz sponsors 1. FSV Mainz 05, a secondary German national league football club.



## Professional training for professional users

Besides cleaning and care products for household and private applications, Werner & Mertz also offers products for professional use: 

TANA, the product line for large-scale customers, helps provide cleanliness and hygiene in commercial kitchens, hospitals, food-processing operations, at airports, and other public institutions. For 30 years, a number of practice-oriented training courses have been available for professional users. This covers a broad range of topics:

- The growing number of new materials and their different requirements for cleaning and care
- The high level of importance of toilet and bathroom care
- Modern hospital cleaning – from the microbiological basics to personal hygiene
- Current legal changes, e.g. biocidal regulations, REACH, the Assignment Act Hazard Analysis Critical Control Points, i.e. danger analysis and control of critical points along all steps in food-processing areas
- Sustainable commercial cleaning, and much more.

This selection shows that the training courses are suitable for technical personnel and users as well as for the management of cleaning companies. Most part of the training courses are carried out on a product neutral basis. This means that Werner & Mertz sees this long-time service not as a sales event or product promotion. In contrast, the company believes that the optimal effect of our products can be achieved with the highest level of value and protection for users combined with the long-term success for our business partners. The TANA training programme, which is complimented by an extensive online offer, shows the commitment of Werner & Mertz to sustainability - for over three decades now.



*“When two years ago my improvement proposal received a positive evaluation and I received a good bonus, it certainly pleased me. When I also won at the annual raffle, I was able to use this most welcome windfall for my upcoming honeymoon. The Company Suggestion Scheme has definitely proven itself of value to me.”*

Alexander Landua  
Energy Electronics Engineer



## Global economic interdependencies

The positive economic development of the past two to three years has resulted in increased prices for raw materials. Nevertheless, it was and remains a strategic goal of Werner & Mertz to obtain its raw and precursor materials from the areas around its production facilities wherever possible. At least they should be purchased in EU states and not in cheap-labour countries. The company sees this as a contribution to economic value. A company that wants to be successful in the business over the long-term needs to support the market with their own demand.

The consequences of the worldwide financial crisis as of mid-2008 that now affects other industries, too, present new challenges for all companies. In fact, raw material prices are now decreasing, and many people fear that this will change the consumer behaviour, too. Werner & Mertz observes this development and stays calm.

Does this confidence have something to do with sustainability? On the one hand, our products are daily consumer products that are needed independently of the economic situation. On the other hand, we are convinced that the high level of brand loyalty, the high quality of our products, and the intensive contact that Werner & Mertz has kept with customers and commercial partners for decades will also pay off. This is also a part of „caring for good things“.



*“I have been very happy working here for 31 years, because I really like it: The varied work and the quality products our company manufactures and sells.”*

Hilde Rettenbacher  
Lead Worker Production

## Economical sustainability – commercial foresight

The concepts of ecology and economy have the same linguistic roots: ‚oikos‘ is Greek for ‚house‘. This connects properties of circumspection, care, and foresight of people who belong to a household. For Werner & Mertz, economic sustainability doesn't end at the door of a house, but it is essential inside and outside of the company's gates. The company motivates sources of performance – people – by means of fair and appropriate wages, pension plans, and suitable internal educational offers for sustainability.

In 2007, Werner & Mertz spent a fifth of its revenues of 268 million euros on salaries and wages. Every year, the company pays 1.4% of its revenues to the voluntary company employee pension fund. As a mid-size family company, Werner & Mertz does not aim at short-term maximization of profits. **What counts for us is long-term development of company** values and a permanent profitable environment. This applies to the future, too.

Umsatzverteilung  
Werner & Mertz



*“I have enjoyed working for the company for the past 30 years, because my work - the creation of technical drawings in AutoCAD – is fun and there constantly are new challenges.”*

Pedro Dosch  
Draftsman (deaf)

## Management philosophy

The managerial understanding in our company is also put in practice: The basic values were developed by the employees themselves. During our annual process-feedback meetings the adherence to values in terms of practice is evaluated. Management also regularly discusses the topic of managing people during training exercises, and participates in external trainings for this.

### WERNER & MERTZ Führungverständnis:

WIR WOLLEN DAS BESTFÜHRENDE UND LERNFÄHIGSTE UNTERNEHMEN UNSERER BRANCHE WERDEN!

<p>Hohes <b>VERTRAUEN</b> fördern durch</p> <ul style="list-style-type: none"> <li>die Konzentration auf <b>LERNCHANCEN</b>, anstatt auf Schuldzuweisungen</li> <li>Unterstützung des <b>UNTERNEHMERISCHEN DENKENS</b> über alle Ebenen</li> <li><b>RESPEKTVOLLEN UND FAIREN UMGANG MITEINANDER</b></li> </ul>	<p>Werte und Ansprüche <b>VORLEBEN</b> mit</p> <ul style="list-style-type: none"> <li>Übernahme von <b>EIGENVERANTWORTUNG</b></li> <li><b>kritischer, regelmäßiger ÜBERPRÜFUNG DES EIGENEN VERHALTENS</b></li> <li><b>IDENTIFIKATION</b> mit den Zielen und <b>LÖSUNGSORIENTIERTEM DENKEN</b></li> </ul>
<p>Weitreichende <b>OFFENHEIT</b> zeigen bei</p> <ul style="list-style-type: none"> <li>neuen <b>IDEEN und METHODEN</b></li> <li>unterschiedlichen <b>CHARAKTEREN</b> im Teamrad</li> <li>dem <b>ANSPRECHEN</b> von Verbesserungsmöglichkeiten</li> </ul>	<p>Selbstverständliche <b>DISZIPLIN</b> einhalten in</p> <ul style="list-style-type: none"> <li>der Befolgung der <b>SPIELREGELN</b></li> <li>konsequenter <b>ZIELORIENTIERUNG</b></li> <li>vereinbarten <b>MASSNAHMEN</b> und <b>STANDARDS</b></li> </ul>



## Proven use, further development...

Improving the good and systematically refining it. In a nutshell, this is the forward thinking strategy of Werner & Mertz. The Grünfrosch and green care products are the outstanding features of the company. Every day they underline the ecological sustainability in the consumer and professional field. In the future, the process cycles and marketing around these products will be further improved. Using proven things, on-going development, and engaging in new activities...

Traditional family enterprises like Werner & Mertz, may exhibit complex processes in some areas that were implemented over time. Management sees opportunities to simplify complicated matters and making them more effective. Because employee suggestion plans are encouraged and profitable, the company can combine innovative power with corporate know-how. By means of simplifying complex processes step by step, new potential can be identified and utilized elsewhere. The philosophy of a Continuous Improvement Process (CIP) is characterized by achieving an amplification of quality and efficiency in small and steady steps. In this, the CIP closely follows the natural principle of an evolutionary development and thrives on the continuous involvement of all employees. At Werner & Mertz, the resulting structures are put to the test of new requirements and environmental conditions on a regular basis.

CIP is not only feasible for the production area, but also gains importance for the administrative and service-providing areas. The complex processes which may have been implemented over a long period of time in many family enterprises, can be reorganized to become more efficient.

Due to the success of the method developed in the production area „Train the trainer“, this method was also implemented in the administrative department in 2003. As early as 2004, during the „Office Excellence Award“, it came in first among 14 top players.

However, our CIP is not a short term measure, which is carried out during a limited time period. The goal rather is to set a permanent process into motion, which can be seen in our 6-phase model.

Processes are improved, starting with an efficient office organization on to workplace standardization and up to a responsible self-control, until reaching the highest levels of „Best in Class“.

The regular joint development of process improvements - particularly with the cooperation of the departments - the so-called process mapping is systematically pursued.

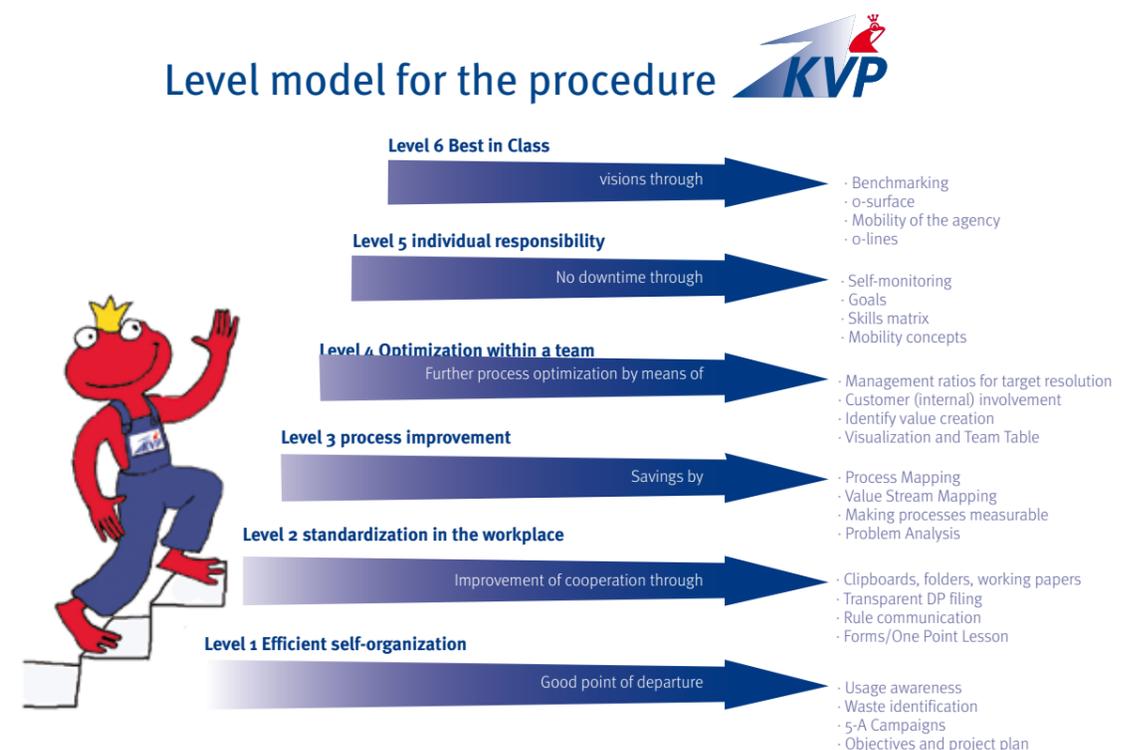
By encouraging the consistent realization of this model, the corporate management actualizes the task to simplify the complicated and conceptualize it more effectively – specifically the administration contributes to a harmonic and preferably waste-free cooperation amongst the departments for a sustainable value creation.



*“Here at Werner & Mertz, I was able to witness the maturation of the environmental management into the sustainability project. Thus, I could also put the holistic approach into practice here, which constituted a major part of my biology studies (focus ecology).“*

**Uwe Eggert**  
Project and Environmental Manager

## Level model for the procedure



## Success story



Sustainability has two points of view: It includes review and forecast. Thus, Werner & Mertz utilizes past achievements as a solid basis to increase the entire enterprise's orientation towards sustainable requirements in the future. This is also proven by the exemplary energy management approach in our new administrative building. The product and company sustainability plays an increasing role in competitive advantage in Germany and abroad. This is illustrated by the „neo-green“ movement, which consumer researchers have identified in customers. Even in case of public tendering and procurement ecologically sound products are increasingly in demand.

Werner & Mertz utilizes the experience gained in previous achievements to develop selected new products. End of 2007, the Research & Development department had 36 employees. These employees also help to support the company in its long term success.

## Construction of an environmentally sound main administrative building in Mainz

In August 2010 a new main administrative building will be built at the Mainz headquarters – and we will pay particular attention to the environmental impact of this new building.

This building's energy generation will equal its consumption - and perhaps even exceed it.

This will be achieved by taking a similar approach already used with the Frosch brand.

Instead of investing large sums into the perfection of one good feature, we pay attention to promoting as many components of environmental conservation as possible. In doing this, we should achieve an outstanding overall result.



### Our new building features:

- A good thermal insulation of the façade
- The use of geothermal energy with a geothermal power facility
- The use of solar energy through photovoltaic systems on the roof of the building
- 16 small wind turbines will provide the entire power requirement of the geothermal facility pumps

## Werner & Mertz: Our commitment to sustainability!

„Our goal is to permanently achieve higher standards of environmental orientation, social focus and economic foresight. Prerequisite for this is utilization of our strength as a medium-sized family-owned company and create an even higher awareness among our staff and partners for this goal. This way we will succeed in developing an increased awareness of sustainable action.“





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