



Echt Gut Gemacht

Our
sustainability report

2015



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Facts and figures

Extra

Our classic – exclusively from German strawberries since 2015



Pura – Our new fruit spread comprises 100% fruit



CORNY



To mark the 30th birthday of our Corny muesli bar, we planted 3,000 trees in Schleswig-Holstein

85%

of our suppliers are registered on the Sedex sustainability platform

One third of our fruit comes from Germany



95 % of our fruit originates in Europe - in our selection process we pay close attention to quality and enjoyment



Our initiative 'Bee careful' is now active in eight countries, where it is contributing to bee health

Dear Readers,

For more than 100 years, Schwartauer Werke has stood for high-quality products. Be it jam, sweet spread, dessert sauce, coffee or fruit syrup, muesli or fruit bar, we strive to offer our customers extremely enjoyable foods in top quality – true to our corporate philosophy 'Echt Gut Gemacht' (Really Well Done).



Dr. Arend Oetker
Shareholder



Sebastian Schaeffer
General Manager

We are pleased to observe that more and more people want to know how we make our products, where the ingredients come from, what the working conditions are like and how we contribute to society. In order to provide comprehensive information on these topics, in 2015 we became the first producer of preserves in Germany to publish a sustainability report in accordance with the GRI G4 international reporting standard. In this report we documented our understanding of sustainability, our goals and our measures with a view to economic, ecological and social areas of activity.

In our second sustainability report, we are continuing along the path we have adopted. In this report, we have taken a more differentiated approach to the presentation of our goals, extended the scope and depth of the data and expanded the description of our activities. In doing so, we have also seized on the mostly very positive reactions that we received in response to our first sustainability report.

As you will see, the past business year was an exciting period for Schwartauer Werke and one in which we achieved almost all of our goals. As a result, we were able to further increase the naturalness of our products in 2015: Schwartau Pura marked the launch of a fruit spread comprising 100 per cent fruit, while Clever Snack, the new vegan fruit bar, contains exclusively six natural ingredients. At the same time, we have been able to increase the proportion of our fruit originating in Europe to 95 per cent, while one third of our fruit comes from Germany. And for our flagship product, Schwartau Extra, we have even been using German strawberries exclusively since last year.

The year 2015 also saw us achieve important milestones with a view to our ecological footprint and our attractiveness as an employer. Worthy of particular mention is the great success of our 'bee careful' initiative, which we launched in collaboration with our partner Professor Dr Jürgen Tautz in 2014. This initiative attracted a great deal of attention last year and has now been adopted and undergone further development outside of Germany as well.

We have again set ourselves ambitious goals for the coming years. You will find them on pages 10 and 11 of this report. Details of the measures we aim to apply in achieving these goals and their current state of completion are explained on the pages indicated in this list. Should you have any queries on these issues or wish to comment on them, please do not hesitate to contact us. We look forward to your feedback.



Our Claim

As a manufacturer of fruit products with a tradition dating back more than 100 years, we regard it as important to adopt a far-sighted and sustainable approach to how we deal with our resources. We are firmly convinced that long-term commercial success can only be achieved if economic, ecological and social requirements are in harmony.

Die Schwartauer Werke

At home in Schleswig-Holstein

Schwartauer Werke GmbH & Co. KGaA is a family-owned company and has been specialising in the production of fruit products for food retailing for more than 100 years. Our portfolio of branded products spans jams and sweet spreads, dessert sauces, and coffee and fruit syrups, as well as muesli and fruit bars.

With three factories and our headquarters in Bad Schwartau, we have always been firmly rooted in Schleswig-Holstein. We employ some 800 people and are therefore one of the largest employers in

the region. In 2015, we generated sales of around €300 million.

Leaders in preserves and muesli bars

With our brands Schwartau Extra, Samt, Fruittissima, Hofladen and others, we are Germany's leading preserves manufacturer with a market share of about 35 per cent. We are also market leader with our muesli bar brand Corny. We sell the vast majority of our products in Germany, while around 20 per cent are exported to Europe as well as the USA and South America.

Our goal is to expand our market leadership both with our preserves and with our muesli bars. At the same time, we are focusing on innovation and the continual improvement of our recipes.

Responsible company management

Schwartauer Werke is managed by a four-man team under the leadership of Sebastian Schaeffer. The management acts according to the principle of joint representation within the framework of the articles of association and the rules of procedure. The general partners of Schwartauer Werke GmbH & Co. KGaA are Dr. Lutz Peters, Sebastian Schaeffer and Schwartauer Werke Verwaltungsgesellschaft mbH. The company is part of the Hero Group,



Senior management of Schwartauer Werke (from left to right): Dr Sebastian Portius, Dirk Löding, Sebastian Schaeffer, Maximilian de Maizière

a food company based in Switzerland, of which the majority shareholders are Dr Arend Oetker and his children.

The supervisory board of Schwartauer Werke consists of three members. Two of them are elected by the general assembly; the third member is an employee representative and is determined by the employees. The supervisory board meets three times a year and deals with the essential prerequisites for the successful, long-term development of the company. It is within this context that the discussion of our sustainability-related issues and reporting on our sustainability activities take place.

Five fundamental values as the basis for our actions

The crucial elements of Schwartauer Werke's business dealings are long-term success for the shareholders, sustainability in its commercial decisions, and the creation of values for society. Our company strategy is based on five fundamental values: entrepreneurship, speed, responsibility, change and family. Each of these values is defined by guiding principles, to which we align our actions. Thus, for example, we are committed to dealing with our resources carefully and responsibly, to continually questioning existing structures and processes, and to treating customers, suppliers and colleagues with respect. Here, our day-to-day activities are always in harmony with the statutory provisions and our Code of Conduct.

Through our Code of Conduct and in accordance with the principles of the United Nations Global Compact (UNGC) and of the International Labour Organisation (ILO), we are committed to upholding human rights and the right to freedom of association, and fighting discrimination, child-labour, forced-labour and compulsory labour, corruption, and anti-competitive behaviour. We expect our business partners' company policies to be in harmony with these principles, too. We monitor potential risks of anti-competitive behaviour and corruption throughout the company. Our employees – particularly in the areas of sales and key accounts – are given regular compliance training. In 2015, there were no formal complaints or procedures against Schwartauer Werke as a result of anti-competitive behaviour or corruption.

Our sustainability strategy

Our claim: Echt Gut Gemacht (Really Well Done)

As a family business, we think in terms of generations. The sustainability principle of not satisfying current needs at the expense of future needs is something we have practiced for decades. We look at the whole picture over a long timeframe and act responsibly towards our customers, employees, suppliers and environment. This is what we understand by sustainability.

Our motto 'Echt Gut Gemacht' (Really Well Done) is our company philosophy in a nutshell. We aim to achieve the highest possible quality – and this applies at all levels. Each day everybody in the company – from the senior management to our apprentices – tackles the same question: What can we do better? They do so with an eye on our products and processes, but also in terms of the way we deal with one another and with our business partners, and with regard to our environment and our commitments within society.

We firmly believe in the approach embodied by the continuous improvement process (CIP) for constantly enhancing the quality of our products, processes and services as well as occupational health and safety. Appropriate CIP structures are firmly established within our company. During the current business year, we shall be instructing and training 88 employees in CIP project management. In addition to this, we shall be training one dozen employees to become CIP multipliers.



Firmly anchored sustainability structures

The sustainability strategy of Schwartauer Werke is developed by the management team under the guidance of the Manager for Innovation & Quality. The further development of this strategy and the operational processing and coordination of relevant issues is the responsibility of the Sustainability Officer, who works under the Manager for Innovation & Quality in a specialist role.

The Sustainability Officer is advised and supported by a sustainability team made up of managers from the areas of Technology (Energy Management Officer), Environment & Occupational Safety (Environmental Management Officer and Occupational Health & Safety Specialist), Logistics, Procurement, HR, Innovation & Quality and PR. The committee meets regularly to discuss current themes with the Manager for Innovation & Quality and the Sustainability Officer. The extended sustainability team also includes the managers of the Finance, Sales, Marketing and Quality Control departments, as well as the production managers at our three factories.

In order to anchor the topics and issues of sustainability more securely in all departments, we aim to train several apprentices as sustainability ambassadors by 2017. These sustainability ambassadors

will have the task of independently initiating and developing sustainability projects as well as providing support in data acquisition for sustainability reporting.

Dialogue with our stakeholders

We see sustainability management as a continuous improvement process, which can only succeed if there is an exchange with our stakeholders. Schwartauer Werke highly values dialogue, particularly with retailers and customers, employees and suppliers, as well as with non-governmental organisations, neighbours, political representatives and the media. We regularly hold such dialogues at various communication events, using various communication channels and tools. For 2016, we are planning to conduct a systematic survey among our stakeholders in order to verify the relevance of the sustainability themes that we are presenting.

Most importantly, by publishing an annual sustainability report in accordance with the globally recognised standard of the Global Reporting Initiative (GRI), we aim to enhance the exchange with our stakeholders and their trust in us. In future, we are aiming to additionally expand our reporting on subjects with a relevance to sustainability on our



Members of the sustainability team of Schwartauer Werke

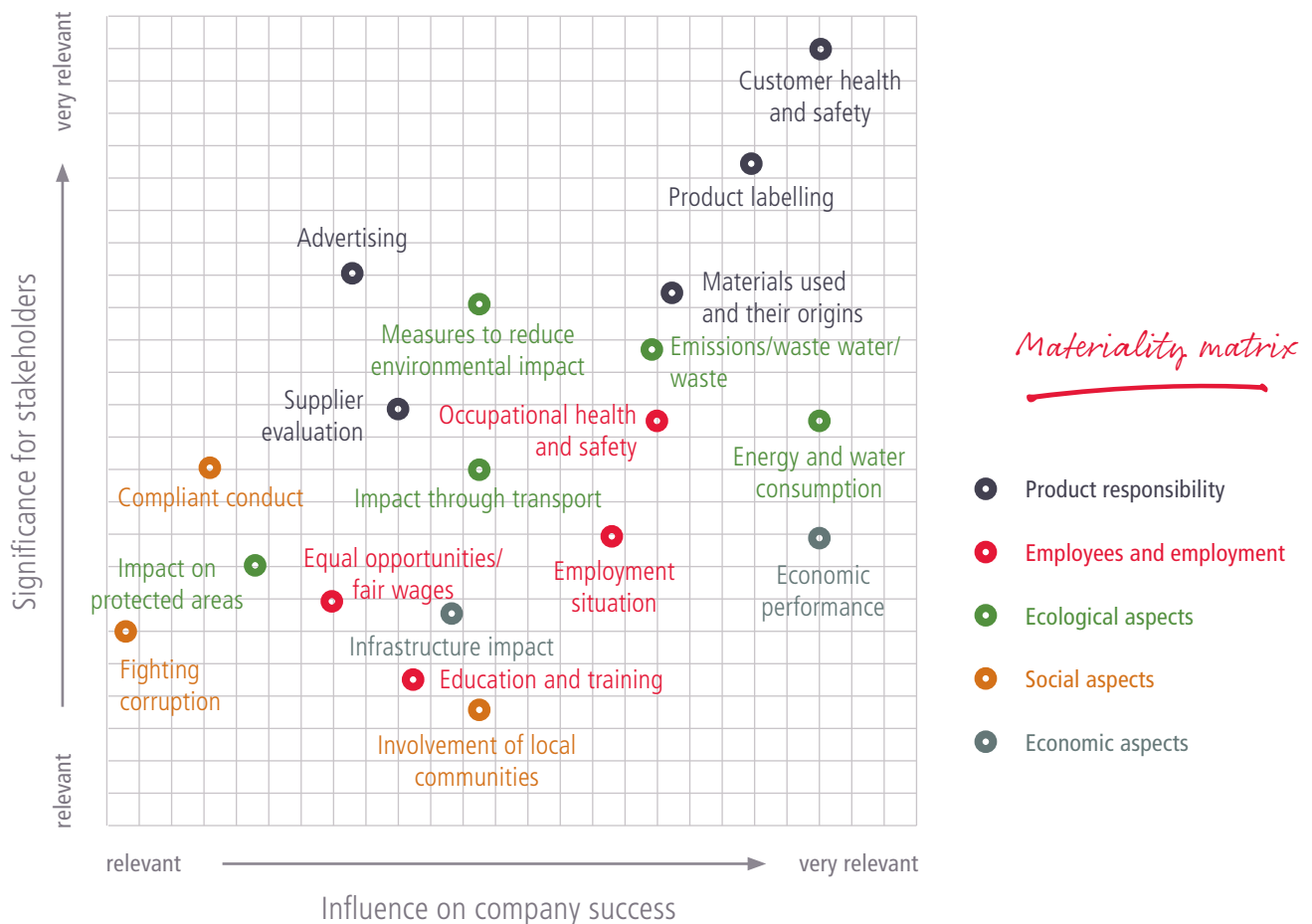
internet pages and thus offer our stakeholders even more information on our activities. To further improve the quality and quantity of our reporting, we intend to establish a company-wide data acquisition system for sustainability reporting by the year 2020.

Key aspects of our sustainability strategy

In 2014/15, we undertook a materiality analysis for all the aspects defined by the GRI in order to define the relevant contents of our sustainable actions. To this end, the aspects were analysed from the perspective of the company and the stakeholders identified by the sustainability team with the aid of standardised questionnaires. The management and sustainability team then conducted a validation of these aspects by analysing the impact of the sustainability aspects on the success of the company.

The materiality matrix presents all the aspects identified as relevant, both from the perspective of

the stakeholders and with an eye on the company's success. The greatest value was given to the category 'product responsibility'. In addition to this, ecological aspects and the employment situation were also rated as very relevant. All other aspects presented are seen as relevant. This sustainability report picks up on all the relevant and very relevant areas and, in both its structure and its content, is oriented towards the results of this materiality analysis.



Ambitious sustainability goals



Goals	Deadline	Status	Page
OUR CLAIM			
Conduct a stakeholder survey	2016	○	8
Run CIP training courses on project management	2016	◐	7
Train twelve additional CIP multipliers	2016	◐	7
Extend sustainability communication on the internet and intranet	2017	◐	9, 21
Train several apprentices as sustainability ambassadors	2017	○	8
Establish a company-wide data acquisition system for sustainability	2020	◐	9



OUR PRODUCTS			
Extend sustainability requirements relating to suppliers	2015	●	15
Implement an internal information campaign on the new quality policy	2016	◐	17
Procure UTZ-certified cocoa exclusively	2017	◐	14
Procure RSPO-certified palm oil and palm kernel oil exclusively	2018	◐	14
Deploy additional detection equipment for quality control	2020	◐	15
Develop product concepts based on the new quality policy	ongoing	◐	17
Increase the proportion of raw materials purchased as close as possible to the production site	ongoing	◐	13
Increase transparency through an open dialogue with our customers	ongoing	◐	17



Goals	Deadline	Status	Page
OUR EMPLOYEES			
Conduct an employee satisfaction survey	2015	●	19
Conduct a campaign to prevent slip and trip accidents	2015	●	20
Continue developing the information campaign on occupational health and safety	2016	◐	20
Improve the range offered by the canteen on the basis of the new quality policy	2016	○	20
Introduce a new idea management / company suggestion scheme	2016	◐	21
Redesign company health management	2016	○	20
Continue developing the intranet into a work platform	2017	◐	21
Introduce an e-learning system	2017	○	21



OUR ENVIRONMENT			
Increase energy efficiency through relocation of the combined heating and power plant	2016	◐	25
Reduce waste volumes and increase the recycling quota	2017	◐	28
Reduce the specific water consumption	2018	◐	27
Reduce the specific energy consumption	2018	◐	25
Support and expand the 'bee careful' initiative	ongoing	◐	29, 30



OUR HOME			
Conduct a regional awareness campaign on bees	2016	◐	31
Extend our commitment within society	2016	◐	32
Design and implement a family festival within the company	2016	◐	34

○ in planning stage ◐ in progress ● completed





Our products

High-quality branded products, a strong culture of innovation and a sustainably oriented supply chain are the basis of our success. Our goal: extremely enjoyable products for our customers.

Focus on product safety and quality management

Be it preserves, fruit syrup or muesli bars, it is a long route from cultivation and harvest to transportation of raw materials and then finally to the processing and delivery of the finished product. Along this route, product safety and quality management have the highest priority.

We place great emphasis on effective management systems that ensure compliance with both our own and statutory requirements. Thanks to long-

term, partnership-based cooperation with our suppliers and analysis institutions, we ensure that our products always meet the highest standards.

Raw material procurement close to production

Schwartauer Werke processes more than 40 varieties of fruit into more than 100 different products. The origin, selection and processing of the ingre-



Record harvest in 2015: in the fresh fruit season we process the strawberries from the region directly to jam



dients have a significant bearing on our products' quality and taste – and thus our economic success. A far-sighted, sustainable approach to how we deal with raw materials such as fruit and cereals is therefore very important in terms of Schwartauer Werke's strategy.

Our aim is to purchase our raw and packaging materials as close to production as possible. With a proportion of 35 per cent, we already process more fresh fruit from Germany than any other producer of preserves. In the last business year, we increased the proportion of fruit that we process from Europe from 90 to 95 per cent. We only source exotic fruit, such as mangoes or pineapple, from outside Europe. This also happens in exceptional cases – for example in the event of a poor harvest.

Our pectins are produced exclusively in Europe. We also source our sugar exclusively from suppliers in the European Union, mainly from Germany. Sixty-four per cent of the total purchasing volume for direct materials is spread among producers in Germany. More than thirty per cent of all our contracts with fruit producers cover a period of several years,

thus creating a high level of security and stability in supply relationships for both sides.

Strawberries from the region

Around a quarter of all the fruit processed by Schwartauer Werke is made up of strawberries. We are in the advantageous situation that here in Schleswig-Holstein we have one of the biggest strawberry-producing regions in Germany right on our doorstep. In 2015, we worked together with 16 contracted farmers in Germany.

For the Schwartau Extra brand, we have been processing exclusively German strawberries since 2015. Overall, 55 per cent of the strawberries we used for our products in 2015 came from Germany. In the coming years, too, our aim is to source at least 50 per cent of the strawberries we use from Germany.

Short supply routes for the very best taste

In the past years, we have systematically expanded the direct sourcing of fruit from farmers and cooperatives. Seventy-seven per cent of our fruit now comes directly from the farmer, cooperative or processor (2012: 61 per cent). Our aim is to further increase this proportion in the coming years.

At the same time we have reduced the number of our fruit suppliers by more than 20 per cent in the last three years. This has enabled us to optimise our

Year	Farmer / Cooperative	Processor / Cold store	Dealer / Agent
2012	15 %	46 %	39 %
2015	27 %	50 %	23 %



supplier portfolio, intensify supplier evaluation and reduce the complexity of the procurement processes. Freshly harvested fruit from the region is transported directly to Bad Schwartau and processed immediately. As far as fruit from more distant regions is concerned, immediately after harvesting it is pro-

Year	Number of active suppliers
2012	93
2015	74

cessed according to our requirements and frozen or pasteurised. Consequently, the flavours and quality of the fruit are preserved in the optimum stage of ripeness. Furthermore, this means we are able to produce to a consistently high level of quality all year round.

In addition to shorter supply routes, regional procurement has another advantage. Together with farmers, we are able to decide on the optimum time for harvesting. Fruit may vary significantly in its flavour and texture. To ensure consistent product quality, we have established binding quality criteria for our raw materials in our contracts with suppliers. The fruit is subject to a strict inspection process and is then only used if it complies with all quality requirements.

Increased use of sustainably cultivated raw materials

In line with our approach to sustainability, we do not just rely on procuring raw materials as close to production as possible. Indeed, in order to better understand the ecological and social impact along the lifecycle of our products, we also examine our raw materials by means of so-called 'hot-spot analyses'.

In addition, we are increasingly using sustainably cultivated raw materials. Currently 80 per cent of the cocoa we source is certified according to the UTZ mass balance scheme. We have set ourselves the goal of increasing this proportion to 100 per cent by the end of 2017. Through this approach, we are supporting local farmers who cultivate and process their cocoa sustainably and by taking account of ecological and social aspects.

With palm oil and palm kernel oil, we have also made a conscious choice: more than 90 per cent of the raw materials we use that contain palm oil or palm kernel oil have RSPO (Roundtable on Sustainable Palm Oil) certification according to the mass balance or segregated system. We aim to increase this share to 100 per cent by the end of 2018. As the mass balance scheme involves mixing conventional palm oil and palm oil from certified plantations, we aim to go one step further by the end of 2019 and source certified palm oil and palm kernel oil exclusively in line with the segregation system.

High demands made of our suppliers

Close, trusting cooperation with our suppliers and contracted farmers is a key factor in our success. The Schwartauer Werke Code of Conduct forms the basis for nearly all our business relationships while every supplier has been assessed in accordance with the Schwartauer Werke Procurement Guidelines. We maintain intensive business relationships with around half of our approximately 500 suppliers through the regular supply of the materials that are essential to us. We place particularly high demands on them in our supplier selection and evaluation and encourage them to register on the Sedex (Supplier Ethical Data Exchange) platform and commit to compliance with the principles set out therein – such as the ban on child labour and discrimination, as well as environmental protection and quality assurance. With all our new suppliers, we check whether they comply with the quality, environmental and ethical criteria that we define.



In order to create firm links with our suppliers, we offer them the option of participating in a del credere scheme. This affords them protection against default risks in their work with us and reduces their credit insurance costs.

Sustainably oriented supply chain

In order to continually review the ethical and social sustainability of our suppliers, we use the Sedex management tool. In 2015, 85 per cent of our suppliers (2014: 72 per cent) were recorded on this online platform, on which their working conditions, social and environmental standards, and business practices are evaluated. Contracts, documentation, site visits and intensive discussions with our business partners all serve as a basis for analysis.

One of our most important sustainability goals is to systematically orient our supply chain to social and ecological criteria. In 2015, we therefore extended our supplier self-assessment by including a list of sustainability aspects.



Highest quality management standards

All company processes at our three factories and our headquarters are defined within the quality management system in accordance with the quality standard DIN EN ISO 9001. We also comply with the International Featured Standard, Food (IFS 6.0). Through our annual IFS certification audit, we ensure seamless quality along the entire length of the production chain. Before their introduction and during their manufacture, all products are checked for safety and statutory marketability as part of the quality management system.

The manufacture of our products is consistently subject to our quality management from receipt of goods to production and tasting. Our experts undertake sensory tests and laboratory investigations in accordance with a clearly defined procedure. When it comes to the testing of pesticides and other residues, we have been working with accredited analysis institutions for many years. In addition, we regularly subject ourselves to the strict testing criteria of recognised auditing standards.

Systematic inspection of product quality

Within the framework of the EU-wide obligatory HACCP (Hazard Analysis and Critical Control Points) concept, we analyse our production processes for possible microbiological, chemical or physical hazards. Every preserve and every bar that leaves our factory is systematically checked. Our aim is to further improve food safety with the help of the latest technologies.

For more than 15 years, we have been using validated magnets and metal detectors to identify metallic foreign bodies. In addition to this, we have been using X-ray detectors for eight years. Developed especially for the food industry, these low-voltage devices are able to detect physical defects and foreign bodies in our products beyond the capabilities of normal quality control. Since we achieve very good results with this technique, we are planning to expand its use to all our production by the end of 2020. In 2015, we tested a detection system based on microwave technology on one line for the production of preserves. This system also recognises foreign bodies from the fruit itself such as stones or pips. Following the excellent test results, we have since implemented the detection system.

Our goal: maximum possible naturalness and freshness

In 2014, we defined new quality criteria for product development. These include a commitment that extends beyond the usual standards to preserving the naturalness and freshness of the ingredients as far as possible. Under the headings 'The goodness of nature', 'Sustainability and health' and 'Non-negotiable principles', we commit ourselves to a number of objectives when developing new products and in the continuing development of our recipes.

During the current business year, we will firmly embed this quality policy within the company and explain its importance in the strategic orientation of the company to our employees. To achieve this, there are plans to use intranet contributions as well as various means of communication such as banners and posters.

Our quality policy



The goodness of nature

• AUTHENTICITY •

We use the best and freshest natural ingredients that are available.

• GENTLE PROCESSING •

We retain the goodness of nature by using gentle production processes.

Sustainability and health

• TRUST •

We work on the aspects of sustainability relevant to our stakeholders.

• HEALTH •

We continuously improve our products in terms of their nutritional characteristics.

Non-negotiable principles

• SAFETY •

We make no compromises on food safety.

• COMPETITIVENESS •

We adopt a long-term approach to pursuing our mission 'Echt Gut Gemacht' (Really Well Done) in order to generate sustainable growth.



Less sugar, fresh taste

Our aim is to process the ingredients of our products even more carefully and preserve their natural flavours to the greatest extent possible. We have already achieved this objective with a number of products – our smooth Schwartau Samt without fruit pieces or seeds, or Fruittissima, the fruit spread from the chilled section, are unique in their naturalness and their taste thanks to innovative processes. This way, over the past few years we have been able to continually reduce the sugar content of our preserves and fruit spreads in line with the prevailing public debate on the matter.

We have set out the raw ingredients and additives we use in a raw materials policy paper based on our quality policy.

Year	Added sugar (in g per kg)
2000	587
2012	557
2015	520

*Trend in added sugar in Schwartau Extra
Strawberry*

Dialogue with our customers

We want our customers to know and to be able to check where the ingredients for our products come from. Naturally, we also display the allergen and nutritional values on the packaging in line with the EU Food Information Regulation that has been in force since 2014. In our product labelling, however, we go above and beyond the statutory requirements for the provision of information. Using QR codes on the labels of Schwartau Extra jars, customers can find out about the origin and processing of fruits. Many customers additionally take advantage of our customer advice service that provides more detailed answers to questions about products and packaging.

The desires and the needs of our customers are of key importance to us. Through targeted dialogue with them, we have already been able to develop numerous product innovations and variations, as well as improve recipes.

We regularly carry out customer surveys on individual products and incorporate the feedback into our product development. Last year, in response to customer wishes, we undertook improvements in our Corny production. With a technical solution developed by our own employees and implemented as part of a CIP project, we succeeded in distributing the chocolate strips on the muesli bar more evenly and thus also reducing food waste.

At regular intervals, we conduct product tests with customers both at home and abroad. Participants in these tests evaluate attributes such as colour, smell, taste and texture. The results of these product tests provide us with indications of whether and how customer preferences change over the course of time. In January 2015, we revised the recipes of our Extra preserves on the basis of comprehensive tests and representative surveys. Changes in our range of Corny free muesli bars are also attributable to systematic customer surveys.

Our customer service is available for questions and comments via a telephone hotline and the contact form on the website, as well as via our Facebook page. We use these findings to create a quarterly quality report and take corresponding measures.

It goes without saying that we comply with all statutory provisions in the area of product responsibility. This applies equally to the protection of personal data, as well as advertising, sales promotion and sponsorship. In 2015, no fines were imposed on Schwartauer Werke for non-compliance with laws and regulations in relation to the provisioning and use of products. The authorities did, however, make five objections, of which one was justified. There were no incidents where guidelines and voluntary codes of conduct relating to the health and safety of our products were not adhered to.





Our employees

Our dealings with one another are characterised by respect and trust. We maintain a very personal approach, have flat hierarchies and offer our employees an environment that enables them to develop in the best possible way.

Successful together

The success of our company is the success of our employees. We therefore aim to offer attractive employment with remuneration appropriate to the work involved and diverse professional opportunities.

Every employee of our company takes on responsibility. All employees are urged to develop ideas in order to continuously improve products or processes. Decisions are made through short channels, because we place great emphasis on flat hierarchies. It is important to us that our employees identify with the company and its products and put their hearts and souls into what they do.

Ninety-six per cent of all employees have open-ended employment contracts. Ninety-four percent are full-time positions. The proportion of employees with severe disabilities is 4.1 per cent. All Schwartauer Werke personnel are employed in Bad Schwartau, although around 51 sales representatives operate in various different regions of Germany.

In 2015, 29 new members of staff were recruited, of whom 10 were men and 19 women. A total of 44 employees left the company (25 men and 19 women). The fluctuation rate was 6.1 per cent.

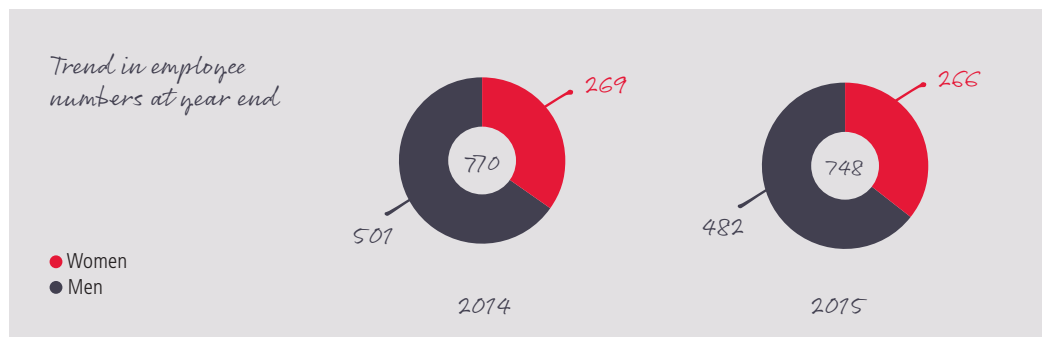
The seasonal nature of some of our production processes, for example the direct processing of fresh strawberries during the harvest period in May, June and July, means we regularly employ seasonal workers. In 2015, an average of 26 temporary workers provided their support.

Diversity and equal opportunities

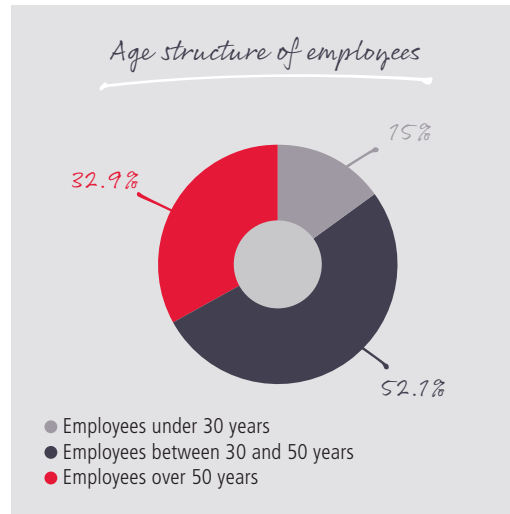
It goes without saying that we focus our conduct towards the principles of the General Act on Equal Treatment, which forbids any discrimination of persons based on age, gender, ethnic background, religion or sexual identity. This applies particularly with regard to remuneration.

All occupational benefits offered by Schwartauer Werke are proportionally available to employees with part-time contracts. Where fixed-term contracts are concerned, we base our terms on statutory provisions.

Every employee has a right to parental leave. In 2015, 23 employees, of whom seven were men and 16 women, took advantage of this option.



Twelve employees, of whom six were men and six women, returned to work in 2015 after a period of parental leave. The supervisory board and the management team were made up entirely of men in 2015.



Our 14-strong leadership circle includes one woman (7.1 per cent), while there are 13 women (32.5 per cent) among our 40 junior managers. We are making efforts to increase the proportion of women we employ, particularly in management positions.

Remuneration and representation of interests

We place great emphasis on fair and competitive remuneration. Thus, when establishing our salaries and wages, we based decisions on the relevant collective agreement, which provides for wage groups for specific activities in administration and production. We believe it is important that there should be no disparity between the remuneration of the management and the workforce.

The management's remuneration is agreed by the relevant committee of the supervisory board of the Hero Group. The remuneration is made up of a fixed component and a bonus. The amount of the bonus depends on the achievement of personal goals and the company objectives.



We hold regular appraisals with our employees based on a set standard. The HR software package that we use for this process facilitates an appraisal that is as objective and systematic as possible. The package is now applied in almost half of the employee appraisal interviews.

In 2015, we questioned our management personnel on various aspects of their working environment. The results that emerged are largely very positive. During the current business year, the criticisms that were raised, which particularly referred to the work-life balance, will be analysed in various workshops to provide a basis for the development of a set of countermeasures.

After a three-year qualifying period, all employees working at Schwartauer Werke have a right to an old-age or lump-sum death benefit as well as a disability pension, with the amount dependent on the number of years spent with the company and the applicable salary. Employees who have joined the company since 1 January 2000 have the right to a lump-sum retirement payment. Employees who were already working in the company before the year 2000 additionally receive a monthly occupational pension.

Our employees are able to influence company decisions via the works council. Naturally, we comply with all the requirements of the framework agreement on employment conditions for the German confectionary industry, the Works Constitution Act and all other provisions that govern the relationship between employer and employee. This also applies to formal agreements on occupational health and safety.

Collective agreements guarantee that equal employment rights apply to around 87 per cent of our employees. For all other employees, who include primarily staff on contracts outside of the collectively agreed scale rate, we cooperate on the basis of other regulations that correspond to the standard statutory provisions. In 2015, there were no formal complaints relating to our employment practices.

Occupational safety and health

The safety and health of our employees has the utmost priority for us. We comply with the statutory requirements and, beyond that, ensure additional workplace protection and accident prevention. Our long-term goal is to reduce the accident rate to zero. We investigate every accident with our occupational health and safety specialists and discuss

further measures within our occupational safety committee, with the aim of avoiding such accidents as far as possible in future. As a company in the food processing industry, we have no increased rates of illnesses or risks to health.

Despite our extensive efforts, in 2015 a total of 22 work-related accidents occurred. This represents a fall of 33.3 per cent compared with the previous year (2014: 33 accidents). By far the most frequent injuries were contusions and bruises. There were no deaths. The period of absence most commonly amounted to between 15 and 30 days.

Various measures were introduced in 2015 to lower the accident figures: in the workshops of the occupational safety committee, which take place regularly, the focus topic for the whole year dealt with the location and elimination of hazardous areas, particularly those that can lead to slip and trip accidents. Following this, appropriate measures have been introduced and implemented in all departments.

The campaign entitled 'Bleib oben' (Stay up there), which was organised by the responsible employers' liability insurance association and provided information on safety in handling (step)ladders, was directed in particular at technical staff. This campaign also dealt with the hazard potential of workstations at a height (e.g. elevated working platforms) and conducted training courses.

In addition, the working conditions in various factory areas were analysed and a list of improve-

ment measures drawn up, some of which have already been implemented. The end of 2015 will see the introduction of displays to visualise the accident figures in every department.

The information campaign on occupational safety will undergo further development in 2016 and will be continued with varying focus topics. To this end, there are also plans to expand the training courses in subjects relevant to occupational safety and to train a further ten safety officers (hitherto 14 safety officers). Occupational safety topics will also feature more prominently in the CIP meetings.

Company health management is to be redesigned during the current business year. At the centre of this process are the increased promotion of sporting activities, the offering of ergonomic examinations and massages and also the holding of a regular company health day. A concept is to be developed by the end of 2016, which will then provide the foundation for appropriate measures.

Moreover, in 2016 there is to be a refocus in the range of food and beverages offered in the company canteen. In future, canteen food will take greater account of nutritional aspects, contribute to a healthy lifestyle and refrain from the use of additives as far as possible.

Education and training

With their varied skills, our employees make an essential contribution to the company's success. Education and training are therefore extremely important to us.

We currently provide training in seven different professions, with apprenticeships lasting between two and three and a half years:

- Laboratory chemist
- Electrician for operating technology
- Food technologist
- Warehouse operator
- Industrial clerk
- Information technology officer
- Industrial mechanic

Over the past few years we have recruited an average of 14 apprentices each year. At the end of 2015, we employed a total of 44 apprentices, which gives us a trainee quota of six per cent. We take on all apprentices who have successfully completed their apprenticeships for a minimum of 12 months. Aside from this, we provide numerous internships



to school and university students every year, and support them with their academic papers.

The high quality of training that we provide is regularly reflected by the accolades that our apprentices receive. In 2015, an information technology officer who trained with us was judged to be the best regional apprentice, while five other trainees received honours from the Chamber of Industry and Commerce in Lübeck as best in their year. In playbizz, a nationwide business simulation for apprentices, the Schwartau trainee team competed against 200 other companies and won the German championship.

To ensure our employees can continually expand their expertise, we offer them the chance to participate in internal and external training courses.

Over the last few years, we have steadily expanded our internal training programme. In 2015, in particular, we ran internal training courses on the following subjects: handling technical equipment, health protection, food safety and safety instructions. External courses took place covering the areas of management training, rhetoric and communication, technical instruction courses, occupational safety, energy management, sales training, software instruction and professional training.

In 2015, a total of 2,812 hours of internal training and 3,164 hours of external training courses were held. This marks a 37 per cent rise in external training time on the previous year, which among other reasons was due to courses in occupational safety. Based on the total number of employees, each employee underwent just under eight hours of internal or external training on average in 2015. By the end of 2017, we aim to establish an e-learning system that will give our employees additional opportunities to engage in training individually and with a high level of flexibility. The e-learning tool is to be available for employees from both production and administration.



German champion: Sebastian Schaeffer joins the trainee team to celebrate its victory in the business simulation playbizz

That certain extra for internal communication

One important pillar of the internal communication at Schwartauer Werke is our intranet – known as ‘ExtraNET’ in homage to our flagship jams. It is here that we provide our employees with all the information that is relevant to our company and our staff.

In this way, the intranet also takes on the role of highlighting our values, the rights and responsibilities of employees, occupational health and safety, our quality policy, our social engagement and specific offerings from the company – such as information events or company sports groups.

The intranet was launched in 2014 and has led to a tangible improvement in internal communication and awareness of company procedures among employees. In 2014, there were on average 3,022 active visitors to our intranet per month, and this figure increased to 4,637 visitors in 2015. The average number of intranet contributions created each month rose during the same period from 30.5 to 36.7. There are now 17 employees active as authors on the intranet.

In view of the positive experience, we aim to expand the intranet from an information portal to a work platform by the end of 2017. The aim for the end of 2016 is that all of our employees should be able to access the intranet from home as well. A further aim is to use the intranet for the presentation of topics relevant to sustainability as well as for a quarterly report on the status quo in our efforts to achieve the defined sustainability goals.

During the course of the current business year, the intranet will be augmented to include a tool for ideas management. The purpose of this tool will be to record proposals for improvement from the staff and to supplement the company suggestion scheme. In future, the suggestions submitted will be regularly judged and the winners selected by a committee.



The goodness of nature

Through our quality guidelines we set standards: our aim is to offer our customers products that are as natural as possible and preserve the goodness of nature. To achieve this, we use the best ingredients and work together closely with our long-standing partners in both cultivation and quality assurance. At the core of all our activities are the enjoyment and satisfaction of our customers as well as the highest standards of quality assurance.



Extra

When developing new products and refining our recipes, we place great emphasis on a continuous improvement in the nutritional properties. Over a number of years, for instance, we have been repeatedly reducing the sugar level of our Extra preserves – and, as a result, are positioned in the lower range of sugar level limited by German legislation governing preserves.



100% German strawberries



heated 80% less

587



2000

557



2012

520



2015

Trend in added sugar in
Schwartzau Extra Strawberry (g/kg)

Fruttissima

Thanks to the very short heating phase and a low sugar level, our Fruttissima brand stands for especially gentle processing and an authentic fruit taste. It is so fruity that it can only be found in the chilled section at retail outlets.



*comprises
100% fruit*

Pura

In 2015, Schwartz Pura marked the launch of our first fruit spread consisting entirely of fruit. The four different varieties of Schwartz Pura have no added colourings, flavours or preservatives.



vegan



without added sugar

only 6 ingredients

Clever Snack

Every bar consists exclusively of six vegan ingredients and is the perfect snack in-between times for the diet-conscious. Clever Snack does not contain any added sugar, colourings or preservatives.



only 8 ingredients

Corny Crunch

The first baked Corny bar comprises eight ingredients exclusively, among them nutritious oats and golden yellow honey. For that special moment of crispy pleasure – with no colourings and without any added preservatives and flavourings.



with oat and honey



Our environment

We want our ecological footprint to be as small as possible. To achieve this, we set ourselves ambitious goals, develop initiatives to reduce our demand for energy and water and align our processes with certified management systems.

For a respectful approach to nature

As a company in the food processing industry, we rely heavily on natural ingredients. We therefore place great emphasis on using our resources responsibly and shaping our commercial activities so that they are as environmentally compatible as possible.

For this reason, we set out our environmental principles and implemented an environmental man-

agement system many years ago. Since 2000, this system has been certified according to DIN EN ISO 14001. In accordance with this standard, we present our goals, measures and successes relating to environmental protection in an annual environment report. In 2013, we also had our energy management system certified in accordance with DIN EN ISO 50001.



Our ecological footprint

In 2015, we produced a total of 67,482 tonnes of preserves, fruit spreads, syrups and muesli bars. This corresponds to a drop of 7.4 per cent compared to the previous year's production volume.



Energy

Targeted energy efficiency measures and the lower production volume have led to a drop in the amount of energy consumed: in 2015, we needed a total of 68,473,357 kilowatt hours (kWh) of energy. As a result, we were able to reduce our energy requirement by 5,395,625 kWh compared with the previous year, which is equivalent to the power demand of about 1,700 private households in Germany.

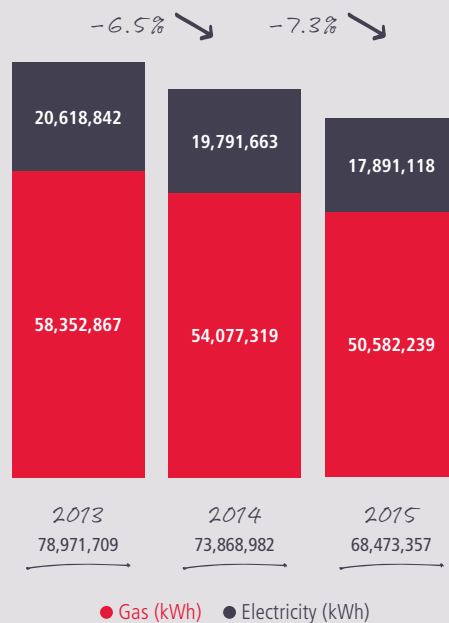
Of particular note amongst the energy efficiency measures implemented is the construction of a new boiler house, which has reduced the volume of gas required by around 21 per cent.

However, in relation to the quantity produced, specific energy consumption has remained at the same level. The figure in 2015 was 1,015 kWh per tonne of goods produced (prod. t) (2014: 1,014 kWh). The reasons for this are primarily to be found in the lower production quantity, production of smaller lot sizes and in more frequent changes of product variety.

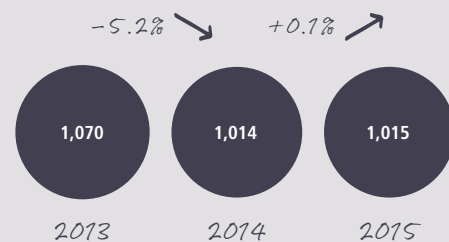
We had planned to reduce our specific energy consumption to 953 kWh/prod. t. by the end of 2016. Nevertheless, there are already indications that changes in variety on production lines will occur even more frequently next year due to an extension of the range. For this reason, we are now striving to achieve this goal by the end of 2018.

In the current business year, several measures are planned to reduce our future energy consumption: above all these include relocating the combined heating and power plant from Factory 2 to Factory 3 in order to achieve higher efficiency.

Trend in energy consumption



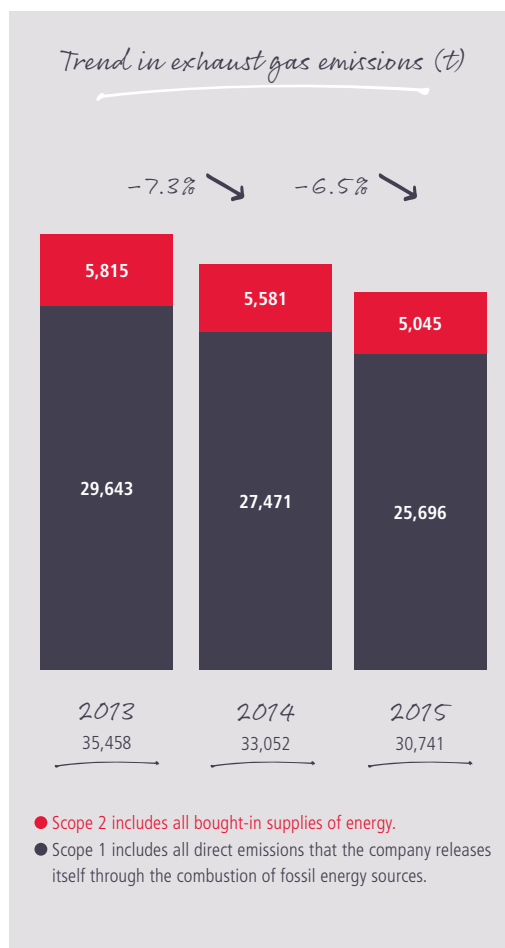
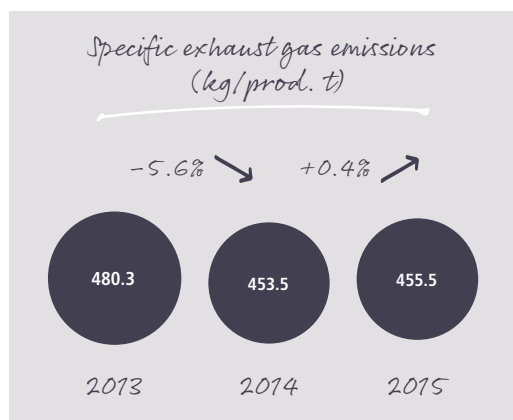
Specific energy consumption (kWh/prod. t)





Emissions

Schwartauer Werke's emissions, 99.6 per cent of which consisted of CO₂, fell in comparison to the previous year by 7.0 per cent. However, due to the reasons mentioned above, they rose by 0.4 per cent per tonne of goods produced. The remaining exhaust gas emissions consist of CH₄ and NO_x emissions (0.3 per cent) and N₂O, SO₂, NMVOC and NH₃ from cooling systems (0.1 per cent). Neither our product portfolio nor our production processes lead to emissions of ozone-depleting substances. Since 2015, we have been calculating the emissions we generate on the basis of the Greenhouse Gas Protocol. The emission factors used in this calculation are supplied by our energy provider EnBW.



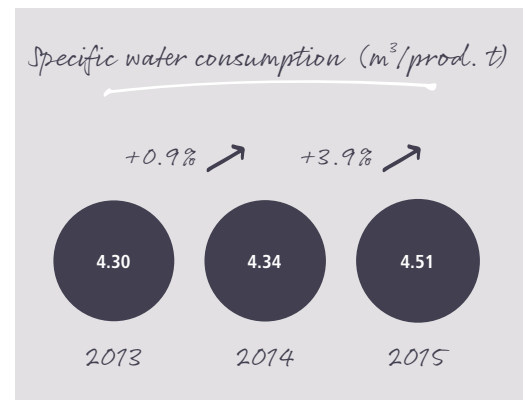
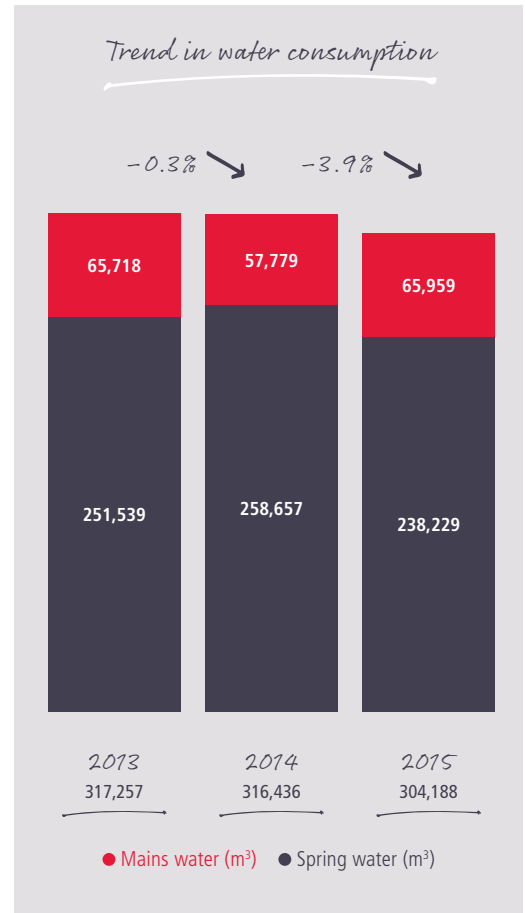
Water

The majority of our water consumption is due to the cleaning of production systems. The water for our three factories primarily comes from three on-site wells (groundwater), which do not lie in established protected areas. In addition, we also use water provided by the municipal supply system (water mains).

In 2015, we consumed a total of 304,188 m³ of water. This represents a fall of 12,248 m³ (3.9 per cent) compared with the previous year and is equivalent to the average annual water demand of 277 residents in Germany. Of this quantity, 238,229 m³ was groundwater and 65,959 m³ mains water. The water we use is channelled exclusively into the sewer system to be treated at the water treatment plant. Over the last year there was no unscheduled discharge of waste water.

Specific water consumption has risen by 3.9 per cent to 4.51 m³ per tonne of finished products. Compared with the previous year, the variety was changed significantly more frequently in production so that the production equipment had to be cleaned more often. It will not be possible to achieve our original aim of consuming only 3.91 m³ of water per tonne of produced goods by the end of 2016 due to the extension of our product range and the accompanying increase in change of variety in production. We are striving to achieve this value by the end of 2018.

In 2015, in order to reduce our water consumption, unused parts of technical equipment were dismantled in two factories so that the effort required for cleaning diminishes in future. Furthermore, employees were made more aware of the economical usage of water through the display of energy reports and the running of training sessions.



Waste

In 2015, a total of 3,669 tonnes of waste were produced, of which 13 tonnes were hazardous waste (0.4 per cent). In comparison to the previous year, the total volume of waste increased by 5.1 per cent, whilst specific waste generation rose by 13.6 per cent. The main reasons for this increase in waste volume are a higher level of reject production due to the more frequent changes in variety, a higher volume of waste due to the implementation of a new production line – particularly caused by test production runs to adjust the production parameters – and strict quality requirements that have led to a more extensive disposal of products with quality deviations.

Of all the waste generated, 94.7 per cent (3,476 tonnes) was reprocessed. The specific waste for reprocessing rose from 44 kg/prod. t to 52 kg/prod. t. The specific waste for disposal fell from 3.68 kg/prod. t to 2.35 kg/prod. t.

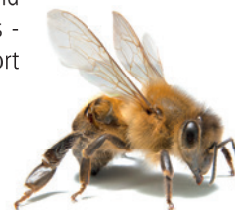
The choice of disposal method and the approach to waste are set out in our environmental management system and are in accordance with statutory provisions. The sales packaging of our products is returnable via Der Grüne Punkt - Duales System Deutschland GmbH as well as within the scope of an industry-specific solution. In 2015, we did not cause any significant pollution.

In recent years, our total volume of waste has steadily fallen, but increased again for the first time in 2015. We have achieved our target of raising the recycling quota. In 2015, an extensive analysis was conducted according to plan into the waste generated. The results revealed new reprocessing channels for production waste and cost reductions. Ideas

emerging from this analysis – particularly those involving a further differentiation in the collection of film waste – are currently being implemented.

Transport

As a manufacturing company we rely on the supply of the necessary raw materials and ingredients. In addition, we transport our products to the points of sale. Since a large proportion of our transportation is carried out by external logistics partners, we have previously been unable to calculate the resulting environmental impact. In 2015, we started to record these figures. By purchasing our materials and ingredients – particularly fruit, sugar and rolled oats – as locally as possible, we ensure short transport routes.



Preserving natural diversity

Biodiversity is one of the most important basic conditions for our existence – and for our company, too. Since our products largely consist of natural ingredients, preserving ecosystems and protecting biodiversity are very important to us.

Even if our actions have no direct impact on biodiversity, we are aware that the use of land for agriculture affects habitats and species diversity. The use of pesticides and clearing woodland for cultivating crops are other matters that we are addressing and helping to find solutions for. The glass we purchased in 2015 consisted of between 55 and 65 per cent secondary raw materials, with the proportion of recycled material in our cardboard boxes amounting to between 85 and 95 per cent.

Trend in waste volume	2014	2015
Total volume of waste	3,492 t	3,669 t
of which hazardous waste	29 t	13 t
Waste for disposal	268 t	158 t
Waste for reprocessing	3,224 t	3,476 t
of which recycled	1,227 t	1,310 t
of which fermented	989 t	1,157 t
of which used for energy production	584 t	519 t
of which composted	273 t	299 t
of which reprocessed by other methods	151 t	191 t



Together for bee health: bee researcher Professor Dr Jürgen Tautz (r.) and Dr Sebastian Portius at the launch of the 'bee careful' initiative in 2014

Our efforts to preserve biodiversity are evident, for example, in the initiative 'bee careful'. Since the health of bees is under threat and the conditions for their health have been insufficiently researched so far, we have joined forces with Professor Dr Jürgen

Tautz and the research and teaching platform HOBOS – HOneyBee Online Studies at the University of Würzburg to set up a research project spanning several years. Since its launch in 2014, some €250,000 of support has flowed from Schwartzauer Werke into this initiative. In the meantime, other companies in the Hero Group have also adopted the 'bee careful' initiative and launched various projects in seven countries. The total expenditure on this campaign will amount to more than €500,000 by the end of 2016.

In 2015, to mark the 30th birthday of Corny and as part of an exceptional promotional campaign, we took the first steps towards creating a new forest. Visitors around the main stations of Berlin, Frankfurt, Hamburg and Stuttgart were summoned to push the legendary blue Beetle from the former TV commercial for Corny. Those taking part in the campaign pushed the car for a total of 1,684 kilometres. In return, Schwartzauer Werke donated 3,000 saplings, which it planted near the town of

Flensburg. The Corny forest not only contributes to increasing carbon dioxide absorption but also creates a new biotope for birds and insects.

Our three factories each have plots of between 35,000 and 66,000 square metres and lie in residential and mixed-use areas. Factory 2 borders an area of protected landscape. The biodiversity is not affected by our factory.

In 2015, our environmental protection expenditure in the area of waste, including certification costs, amounted to around €220,000.

Also in 2015, Schwartzauer Werke was not issued with any fines or non-monetary penalties as a result of non-compliance with environmental regulations. Nor did we receive any formal complaints based on the environmental impact of our commercial activities.



3,000 trees for Schleswig-Holstein: Fabian Schierer (left) and Dominik Küstner (right) from Schwartzauer Werke helping to plant the Corny forest

Measures for the protection of bee health

Around 80 per cent of all crops are dependent on pollination by bees. An increase in bee mortality, as has frequently been observed in recent years, therefore has fatal consequences for the available fruit diversity. In 2014, Schwartauer Werke joined forces with Professor Jürgen Tautz to launch the 'bee careful' initiative, which supports research projects to increase bee health, offer information concerning the bee for all interested sections of the population and encourage beekeeping. Through the numerous activities conducted in the past two years, the initiative has created a high level of attention and generated a lot of positive feedback.



*Awards ceremony
in Kiel in October
2015*



Award-winning initiative

In 2015, Schwartauer Werke received the Environmental Award conferred by the Studien- und Fördergesellschaft der Schleswig-Holsteinischen Wirtschaft – an industry association to promote education and culture within the state – in recognition of its effort to promote bee health and increase the bee population. In announcing its decision, the panel of judges particularly praised "the entrepreneurial ideas and activities that were not oriented merely to the here and now, but instead had an impact extending far beyond the factory perimeter".



Expansion of the research station

The bee research station established on the factory site was extended during the course of the last business year by the addition of a modern weather station. The data from the weather station supplement the existing scientific database, which is available online to all interested parties for purposes of observation and research.

Cross-border activities

Following the launch of the initiative in Germany in 2014, 'bee careful' now has a presence in eight countries. Common to all projects are the key topics of research, information and the encouragement of beekeeping.



Research project on
Lamarche's honey bee



Flower strips for bees
in Spain

PaS 'Bee Helper' campaign

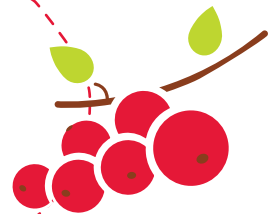
From April to November 2015, Schwartauer Werke raffled 100 beekeeper courses throughout Germany via the limited edition 'Bienenhelfer' (Bee Helper) Schwartau Samt fruit spread. After their training course, the beekeepers are able to set up their own bee colony, which consists of up to 30,000 bees on average.



Competition for the 'most bee-friendly community'

Schwartauer Werke supported the town of Bad Schwartau in its entry for the competition 'Bienenfreundlichste Kommune Schleswig-Holsteins' (most bee-friendly community in Schleswig-Holstein) organised by the environmentalist organisation BUND. Measures included the bee-friendly design of regional spaces, information and activation of the public and environmental course units for children at schools in the region.

Blogger Clara Moring reports on her
beekeeper training at bee-careful.de





Our home

We are closely connected with our home and sense an obligation to contribute to its social development. In these activities, we focus on the areas of education, sport and culture.

Close links to the region

We have been based in Bad Schwartau for over 100 years. In 2012, we invested €20 million in a modern factory for the production of preserves.

As one of the major companies in the region, we are regularly in discussions with representatives of Bad Schwartau council, the Ostholstein district and the state of Schleswig-Holstein. In addition, Schwartauer Werke also participates in gatherings

of various economic initiatives in the region, such as the north German industry network 'foodRegio'. We seek out direct dialogue with neighbouring companies and households and take their needs and thoughts very seriously.

Our production facilities directly adjoin residential areas. We therefore try to keep disturbances from traffic, noise and smells to the minimum possible level. To this end, we make efforts to optimise transport routes and undertake regular analyses of smells and noise.



Social commitment

As a company, we are part of society. We therefore regard it as our duty to involve ourselves in society and to offer support where our competences and resources enable us to do so. Nurturing young talent is an area particularly close to our hearts.

Besides donations for specific events, we support individual initiatives in the areas of education, sport and culture within our region. For the current business year, we plan to expand our involvement by selectively supporting further initiatives. Suitable projects have already been selected for this purpose.



Nine employees are managing three bee-hives on one of the production sites of Schwartauer Werke

Education

We support nurseries, schools and educational initiatives in Bad Schwartau and the surrounding area. We therefore work, for example, with Wissensfabrik – Unternehmen für Deutschland e.V., a network of around 120 companies and company-linked foundations. As part of this collaboration, primary schools in Bad Schwartau are being given experiment kits on the subjects of water, air and food. These enable the pupils to address issues of natural science in a play-based way.

With the 'bee careful' initiative, we are taking various measures to promote bee health.

In 2015, we continued to develop the content of the internet platform 'bee-careful.de' and to help train 100 new beekeepers in Germany. Nine of our employees have also undergone training as beekeepers and have since been managing three bee colonies on our company's production sites. We support them by supplying the necessary equipment and in 2015, for instance, provided a new honey extractor.

In cooperation with Lübecker Nachrichten we are sponsoring reading lounges at the three secondary schools in Bad Schwartau. The aim is to encourage young people to read newspapers daily and critically address political, economic and cultural topics.



In addition, together with the Ostholstein district fire service association, we provide support in educating nursery and primary school children in the region about fire prevention. Every two years the local Kiwanis Club Bad Schwartau awards a monetary prize to schools for outstanding projects, and in 2015 Schwartauer Werke again participated. For many years, we have fostered close links with the Haus der Kinderhilfe - a facility set up by the McDonald's Kinderhilfe Foundation at the Lübeck University Clinic. In addition to donations of money and goods, our employees are also becoming personally involved, through activities such as cooking and baking. Furthermore, with our Deutschlandstipendium scholarship we have been supporting committed students at Lübeck University of Applied Sciences since 2013. In 2015, we and several other companies took over an endowed chair for the specialist area of food processing – this course of studies was developed in collaboration between companies operating in the food industry and Lübeck University of Applied Sciences within the context of the 'foodRegio' network.

Since last year, Schwartauer Werke has also been supporting students at the Batho Ciro school in Letniza. This small town in the north of Bulgaria is home to the headquarters of our long-standing supplier Bulgaria Foods OOD. As the state no longer supplies schoolbooks free of charge to pupils from year 8 onwards, Schwartauer Werke has funded



Official handover of schoolbooks in Letniza (Bulgaria): Senior Buyer Fruits Kai Maack with school principal Snejana Wignatova

textbooks to a value of €5,000. In this way, many of the young adults can continue attending the school until year 12. At the same time, the school has specialised in food technology, which simultaneously means that potential employees for our supplier are also recruited in this way.

Sport

For over 15 years we have been funding grassroots sports activities in the region, and also support the realisation of various club projects, through measures such as the procurement of new sports equipment. In order to establish top-level handball within the region on a permanent basis and selectively promote youth work, we sponsor the men's first team of VfL Bad Schwartau, which plays in the second national handball league, as premium and out-fit partner.

DoppelPASS is an initiative launched by the cancer charity Deutsche Krebshilfe, which we have been supporting since 2012. Its goal is to make funds available for families of children suffering from cancer through football tournaments.



Cooking and baking in the Haus der Kinderhilfe in Lübeck

Culture

The Schleswig-Holstein Music Festival is one of the most important classical cultural events in northern Germany, and we have been supporting it for over 15 years. Since 2007, we have been providing business support for the 'Musikfeste auf dem Lande', which invites families to enjoy a picnic in the most beautiful estates of Schleswig-Holstein. What is more, we have been providing concert visitors on Sundays with bread rolls – and, of course, our jams – since 2010.

In 2016, we will be organising a Schwartau summer festival for the first time. Apart from employees, invitations will also be extended to close family members so that they too can become better acquainted with our company, our corporate philosophy and our activities in the economic, ecological and social spheres.

About this report

This is the second sustainability report by Schwartauer Werke. For us, it is a central medium of communication via which we disclose our contribution to sustainable development on an annual basis. All the data contained in this report relate to Schwartauer Werke GmbH & Co. KGaA and the calendar year 2015. The last sustainability report appeared in June 2015.

During the reporting period and in comparison with last year, there have been no important changes in terms of the size, structure and ownership structure of Schwartauer Werke. As a consequence, no reformulation of information or important changes in the scope and limits of the aspects have been necessary compared with earlier reporting periods. We did, however, alter the calculation of emission values in 2015, so that this now takes place on the basis of the Greenhouse Gas Protocol.

In order to ensure transparent and recognised reporting, we follow the guidelines and the reporting principles of the globally recognised Global Reporting Initiative (GRI) in its G4 version. No external auditing is planned at the present time.

We defined the relevant content of this sustainability report on the basis of a materiality analysis. This report meets the 'in accordance core' option defined in the GRI reporting standard. Our aim is to consistently expand and systemise the sustainability reporting and the dialogue with our stakeholders in order to fulfil our claim of 'Really Well Done' in the area of sustainability too.

Swartauer Werke is an active member of the following organisations in particular: Bundesvereinigung der Deutschen Ernährungsindustrie e.V. (Federation of German Food and Drink Industries - BVE), Bund für Lebensmittelrecht und Lebensmittelkunde e. V. (German Federation for Food Law and Food Science - BLL), Bundesverband der obst-, gemüse- und kartoffelverarbeitenden Industrie e. V. (German Association of the Fruit, Vegetable and Potato Processing Industry - BOGK), Bundesverband der deutschen Süßwarenindustrie e. V. (Association of the German Confectionery Industry - BDSI), Zentrum für nachhaltige Unternehmensführung Universität Witten/Herdecke (Centre for Sustainable Business Management at the University of Witten/ Herdecke - ZNU).

Contact person:
Yvonne Klemke
Telephone: 0451 204-889
E-Mail: nachhaltigkeit@schwartau.de



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The GRI index outlined here contains only those aspects identified as essential. The management approaches (DMA) are presented in the chapter "Our claim".



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Schwartauer Werke GmbH & Co. KGaA
Lübecker Straße 49–55
23611 Bad Schwartau

Telefon: 0451 204-0
Fax: 0451 204-385

E-Mail: nachhaltigkeit@schwartau.de
Internet: www.schwartauer-werke.de
Press contact: s.tron@schwartau.de

Concept, design und text

segmenta communications GmbH
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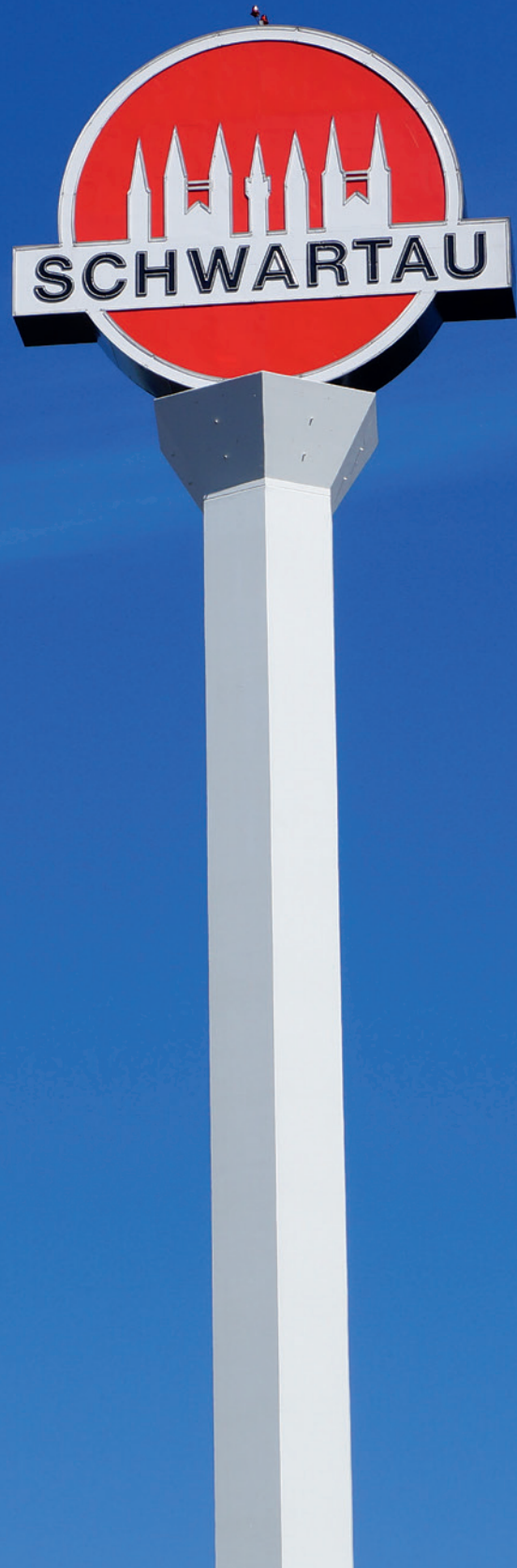
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