



To keep the world our home.

Sustainability Report 2018



Contents

3 — Foreword

4 — Company Profile

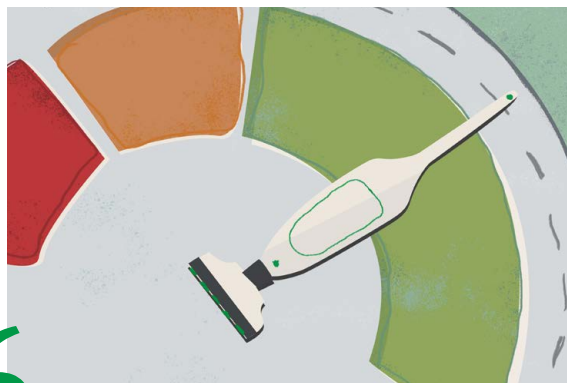
57 — GRI Content Index

62 — Report Profile

63 — Publication Details

This Sustainability Report complies with the requirements of the Global Reporting Initiative (GRI).

6



Innovation and Effectiveness

52



Connectedness and Support

19



Fairness and Decent Livelihood

Transparency and Dialogue

14



35



Protection and Efficiency

44



Quality and Durability



Dear Readers,

We just can't go on like this. This feeling is creeping up on so many people these days. Often it is no longer just a feeling, but sure knowledge. Climate researchers, for example, have known for many years that our current economies are too intensive in raw material consumption and CO₂ production. So, we need to take action. Clinging on to our old habits is not the way to achieve change.

At Vorwerk, we are not afraid of change. Throughout our company history, we have reinvented ourselves time and time again. Even in our present phase of transition, we want to make our contribution to solving current challenges on the basis of certain knowledge. Sustainability is key for this. Sustainability ensures that our world can still be our home tomorrow.

In 2016, we established a strategic sustainability management system. It helps us to transform our awareness of having to change something into the concrete knowledge of where and what changes are necessary.

We provide information on this here in our first sustainability report. Taking responsibility for economic development, environmental protection, the supply chain, our employees, and our self-employed advisors requires a broad-based approach. We have defined eight fields of action consisting of strategic material topics to help address this complex area in a structured manner.

This is not about success stories. We're still just getting started in some areas. And yes, we sometimes have difficult choices to make. As a responsible company, however, we keep an eye on long-term development and act according to this.

At the same time, other indicators show that we are well positioned in areas such as climate protection, socially responsible supply chain management, and the internationalization of human resources activities. We know what needs to be done to make Vorwerk even more sustainable – and we're doing it.

With this in mind, I wish you pleasant reading and look forward to your feedback!

Sustainability ensures that our world will still be our home tomorrow.

Reiner Strecker
Managing Partner Vorwerk & Co. KG



Reiner Strecker (center) with Corporate Sustainability employees Nina Roggenkämper (head) and Roland Essel.



2



3



1

This is Vorwerk

The courage to innovate and our aspiration for the highest quality have led Vorwerk to create an internationally successful company with a long tradition. Vorwerk was founded in 1883 in Wuppertal, and over the course of its 135-year history, it has developed from a carpet factory into a broad-based international group of companies. Vorwerk has remained a family business to this day. Vorwerk's business model encompasses the development, production, and sale of high-quality products and services that focus on people's home life.

1 – Vorwerk & Co. KG

The parent company of our family business is Vorwerk & Co. KG, founded in 1883 and headquartered in Wuppertal (Germany). Worldwide, just under 624,000 people work for Vorwerk, including 611,000 self-employed advisors. Vorwerk generated consolidated sales of EUR 2.8 billion in 2018 and is active in over 80 countries.

2 – Thermomix

This business unit represents the multifunctional kitchen appliance Thermomix, which has been simplifying everyday cooking for almost 50 years thanks to its special combination of a wide range of functions in one device and tens of thousands of recipes tailored to the Thermomix. It is mainly distributed via direct sales through more than 44,500 self-employed advisors worldwide. The business unit is active in 15 countries with its own companies. In around 40 other countries, sales are handled by distributors. Find out more at

→ www.vorwerk-thermomix.com.

3 – Kobold

Kobold is synonymous with premium home care products and cleaning solutions. Among its most important products are the Kobold SP600 Duo-Clean, the Kobold VR300 Robot Vacuum Cleaner, and the Kobold VK200 Upright Vacuum Cleaner, "the classic" in the Kobold product portfolio. Kobold sells its products worldwide through a variety of distribution channels combining classical sales at the customer's home with digital and physical sales outlets. Find out more at

→ www.vorwerk-kobold.com.



4 – Temial

In July 2018, Temial launched operations in Germany and China. Temial distributes fully automatic tea makers, pre-blended loose-leaf tea, and matching accessories in direct sales, online shops, and Vorwerk stores. Find out more at → www.vorwerk-temial.de.

5 – Vorwerk Engineering

Vorwerk Engineering is represented at the three locations of Wuppertal (Germany), Cloyes-sur-le-Loir (France), and Shanghai (China). The largest production site is in Wuppertal, where research and development is also based. This business unit manufactures products for Thermomix, Kobold, and Temial on behalf of the sales companies that control the development process.

6 – Vorwerk flooring

Since 1883, Vorwerk flooring and its products have represented a unique blend of superior quality, sustainable innovation, and internationally award-winning design. Product development, production, and quality assurance take place in Hamelin and guarantee that the universal brand promise – It's a Vorwerk! – is fulfilled through perfect performance. Find out more at → www.vorwerk-flooring.com.

7 – akf group

The akf group has positioned itself as a classical financing partner for SMEs. Active in the market for more than fifty years, akf bank, akf leasing, and akf servicelease offer a product portfolio that is attuned to the financing requirements of SMEs. This includes innovative types of lending, capital-saving leasing options, flexible hire purchase, and factoring to optimize operational liquidity. Financial investment products complete the range of services. Find out more at → www.akf.de.

Other business segments

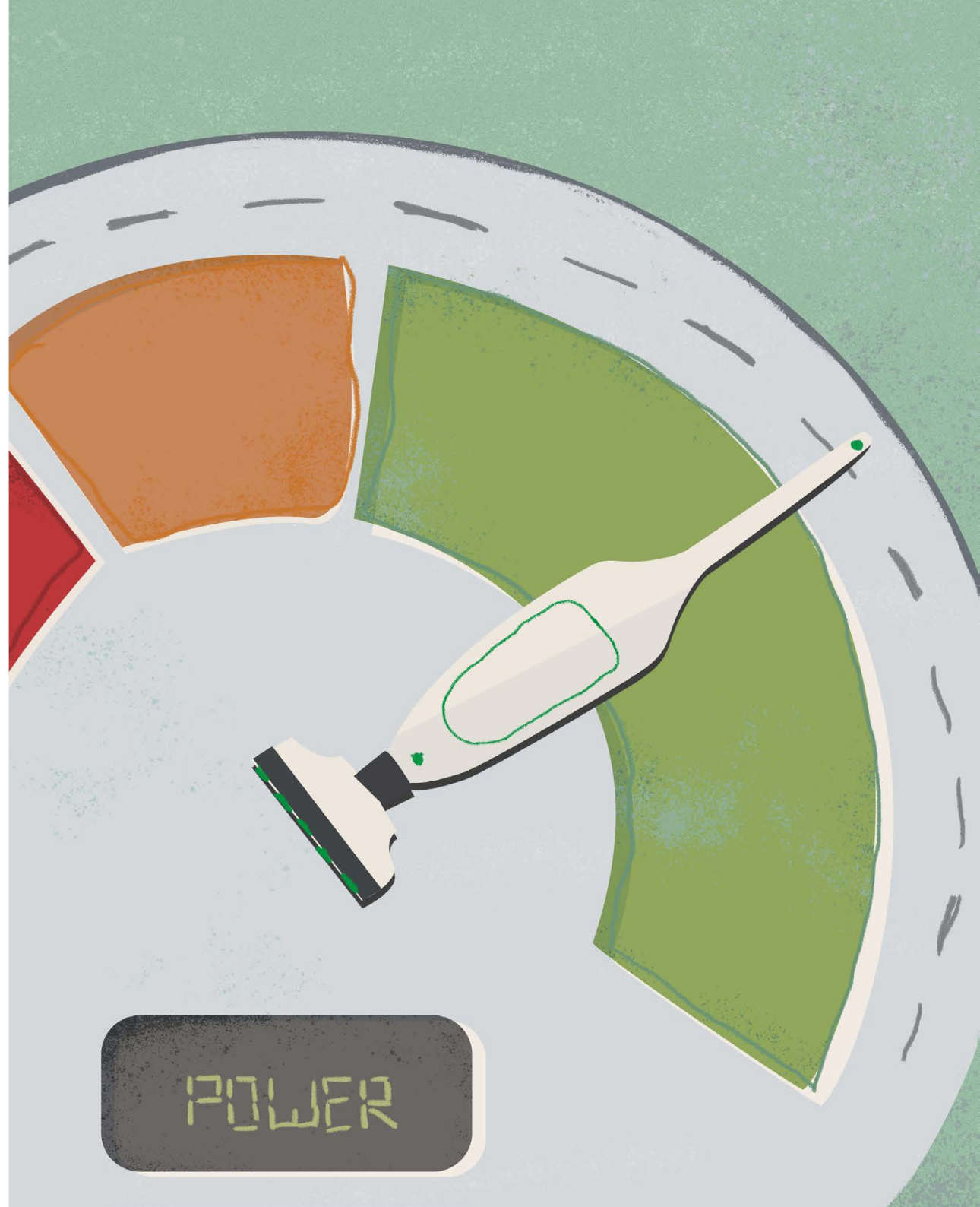
Vorwerk Direct Selling Ventures GmbH and the twercs product line are included in the key figures of Vorwerk & Co. KG. The following business units are not included in this report: JAFRA Cosmetics (one of the world's leading manufacturers of cosmetic products in direct sales, especially in Latin America) has not yet been included in the first phase of implementing the sustainability organization and reporting process. The same applies to the vacuum robot manufacturer Neato Robotics, Inc., which was fully taken over in 2017. The company Lux Asia Pacific (high-quality vacuum cleaners, water filters, and air purifiers in direct sales in the Asia-Pacific region) was sold in November 2018.

Innovation and Effectiveness

Creating something new for the benefit of all

No doubt about it, the world needs innovation and change if it is still to be our home tomorrow.

This is why we are constantly developing ourselves and our services in the spirit of sustainability. Innovation is the hope for maintaining and improving our quality of life. Vorwerk is prepared for this undertaking. We are effective and approach our tasks with passion and expertise.





Responsibility in corporate governance

Sustainability is a management approach that we use within our sphere of influence to help ensure that the world will still be our home tomorrow. For this we must act responsibly, and we must be organized in this responsibility. At Vorwerk, we regard sustainability as a management topic. This means that the strategic orientation of sustainability activities will be determined by the management in accord with the overall corporate strategy.

Responsibility for the development and implementation of the programs lies with the management boards and executives in the various business units and specialist departments. To achieve responsible governance in the company, the executive leadership must fulfill a role model function.

The basic prerequisite for responsible corporate management is compliance with the law and regulations. If doubts arise about the legality or legitimacy of a project in business operations, our Code of Conduct offers the answer. If a question cannot be fully clarified, the relevant superior must be consulted. Our Guidebook for Managers provides additional support with regard to potential legal issues.

At Vorwerk, compliance is decentralized and organized according to the specific country.

Among the measures implemented to ensure compliance with the high quality standards expected of Vorwerk products, we have put in place a quality management system as per ISO 9001, which is implemented at all four production sites of Vorwerk Engineering and Vorwerk flooring. In the event of customer complaints, these are processed in accordance with the laws of the respective countries. The protection of customer data and IT security are other material topics for which the company has defined clear lines of responsibility.

Assessment of the opportunities and risks of business activities is an integral part of Vorwerk's executive functions. Group-wide risk management is a clearly defined, continuous process for assessing and dealing with risks.

This process is detailed further in the → [Annual Report 2018](#) (page 35ff.).

As a family business, we think in generations. Long-term developments such as climate change are therefore already calling us to action today. We want to do our part to ensure that our world continues to be home to us all in the future.

Reiner Strecker
Managing Partner Vorwerk & Co. KG

Rainer Genes
Managing Partner Vorwerk International & Co. KmG

Dr. Thomas Rodemann
Managing Partner Vorwerk International & Co. KmG

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Together, we are driving forward sustainability in the company.



What Vorwerk stands for

Vorwerk has constantly evolved in the course of its 135-year history. Today, Vorwerk is a broad-based, international group of companies. Our cooperation is based on the Purpose Principles.

Purpose Principles



A stubborn commitment to the highest quality



Our family company takes the long view



Fostering an openness to innovate



Designed for human connection



We create opportunity

The products and business segments at Vorwerk are quite diverse. What unites us is a common vision and mission.

Vision

Our superior products and services elevate the quality of life everywhere you call home.

Mission

We create passionate, loyal customers by simplifying homes with high-quality, long-lasting solutions.

Our superior products and services come with the human touch, from the way we develop them and sell them, to the way they are used.

Our unique direct selling capabilities empower people across the globe, elevating lives for the better.

As a trusted family business, we are committed to act in a socially and environmentally responsible way.

We strive to achieve economic success as a means to ensure family ownership of Vorwerk for many generations to come.

135 years

as a family business

In its 135th year of business, Vorwerk is still 100 percent family owned. Today, the company's board of shareholders is made up of 21 members of the Mittelsten Scheid family. The strategic holding company of the corporate group is Vorwerk & Co. KG, which in 2018 was headed by three managing partners. The Supervisory Board, chaired by Rainer Baule in the year under review, is made up of eight people, half of whom are family members, with the other half being external experts. Honorary Chairman and member of the Supervisory Board is Dr. Jörg Mittelsten Scheid, great-grandson of the company founder.



Acting responsibly

As a family-owned business, Vorwerk focuses on responsible behavior both in our corporate activities and in our personal interactions. By following simple principles, we protect our reputation and contribute to ensuring the future of our company. To help our employees in their everyday dealings, we provide them with corporate guidelines on important topics such as compliance, data privacy, and risk assessment – 34 guidelines in total. Executives are jointly responsible for their teams and therefore also observe the “Guidebook Important Legal Aspects for Managing Directors / Executive Officers.”

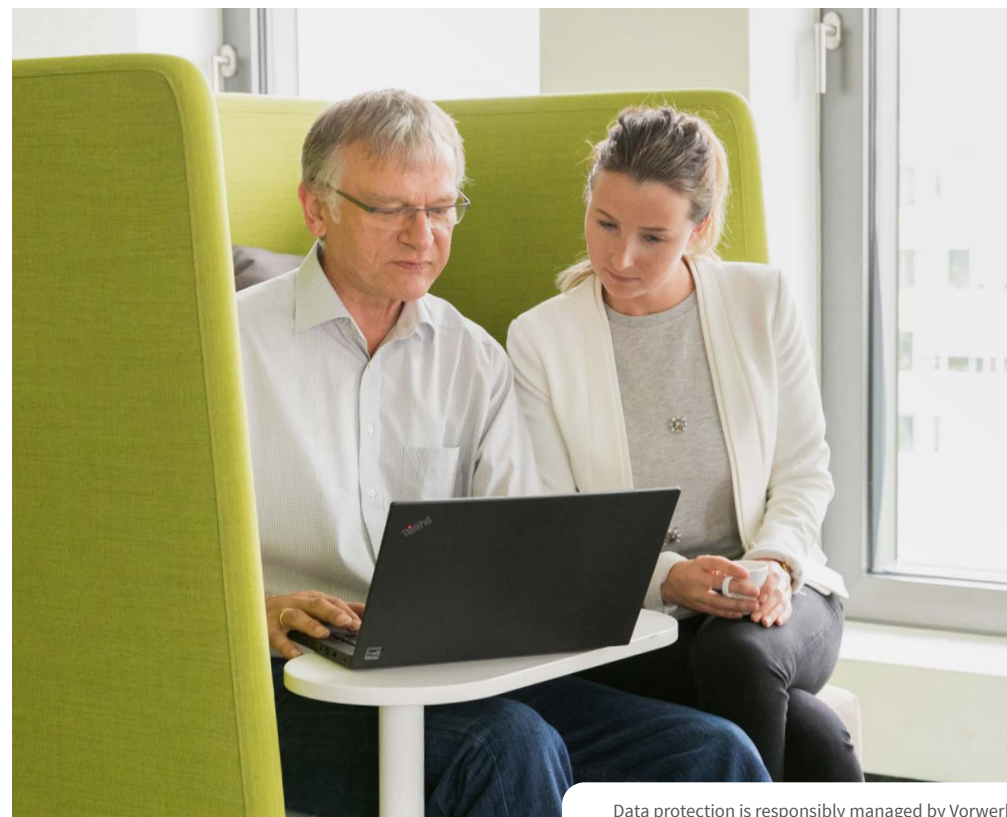
The Codes of Conduct and Guidebook also apply to the akf group, the financial services provider of the Vorwerk Group. Regular further training in the areas of law and compliance – both face-to-face training and e-learning – maintains sensitivity for ethically correct behavior. This also includes an optionally anonymous whistleblower system and a regulated procedure for handling any complaints.

34

group guidelines provide employees with effective assistance in their day-to-day work dealings.

Ensuring data protection

Dealing responsibly with business partners and customers also includes the careful handling of data. Each company at Vorwerk has its own data protection officer who reports to the management of that company. The highest level of management carries the greatest responsibility. Those responsible for data protection ensure that the legal provisions are observed, for example by raising awareness, providing advice, or conducting training courses.



Data protection is responsibly managed by Vorwerk.

They are also the contact persons for customers, employees, advisors, and suppliers. In 2018, one focus of the work was on the implementation of the European General Data Protection Regulation. In addition to data protection, data and IT security are becoming more and more important as digitalization grows. Our data security management system includes our corporate guidelines on data protection and an extensive training presentation on the intranet containing numerous practical case examples.

Assessing and managing risks

Vorwerk risk management is an integral part of management processes. The risk situation is regularly analyzed and presented in a risk matrix. The process includes the identification and evaluation of risks and the definition of risk management measures, as well as their communication, management, and control. The business performance and the opportunities and risks arising from ongoing operations are discussed in the corporate management reports and at



In addition to Vorwerk regulations, the akf group must also observe other laws and regulations specific to the financial sector.



Vorwerk responds to changes in the market with innovative products and an omnichannel sales strategy.

the Supervisory Board meetings. Fundamentally uniform guidelines issued by the management of Vorwerk & Co. KG apply to all business units, and compliance with these is monitored by the company management in the context of reporting.

Risk management is a continuous process in which we identify and quantify risks at least twice a year. Irrespective of this, the business units continuously monitor the development of risk and are obliged to report unfavorable or risk-increasing developments immediately and to outline countermeasures.

Each individual risk owner is responsible for the risk strategy and the management of specific risks, and must monitor the effectiveness of the risk management measures, ensuring that they are adjusted if necessary.

For further details on risks, see the section “Opportunities and Risks” in the → [Group Management Report](#) (page 35ff.) of the annual financial statements.

Risks are identified
and quantified at least

2x
annually.

Due to its capital market business, the akf group holds a special position in the compliance and risk management profile of the Vorwerk Group. In addition to our general internal regulations at

Vorwerk, the akf group must also observe other laws and regulations for the financial sector, such as the Banking Act, the Minimum Requirements for Risk Management (MaRisk), and the Regulation on the Submission of Financial and Risk-bearing capacity (FinaRisikoV).

New structure as a basis for future growth

Markets and customer needs are currently changing rapidly; this poses major challenges for companies worldwide. Now more than ever, efficient processes, agile working methods, and clear structures are prerequisites for entrepreneurial success. In this context, Vorwerk is focusing on innovative products and on the consistent establishment of the omnichannel sales strategy as an important driver of change. This entails organizational adjustments. In addition

to leveraging synergies, the restructuring also aims to further strengthen Vorwerk in the digital sector. We will build on this in some areas and make adjustments in others. The measures are to be completed by the end of 2021. The goal of the overall program is to become more efficient in our processes and decisions while at the same time creating the basis for future growth. In this way, we will continue to have the leeway we need as a company to make sustainable investments in the future.



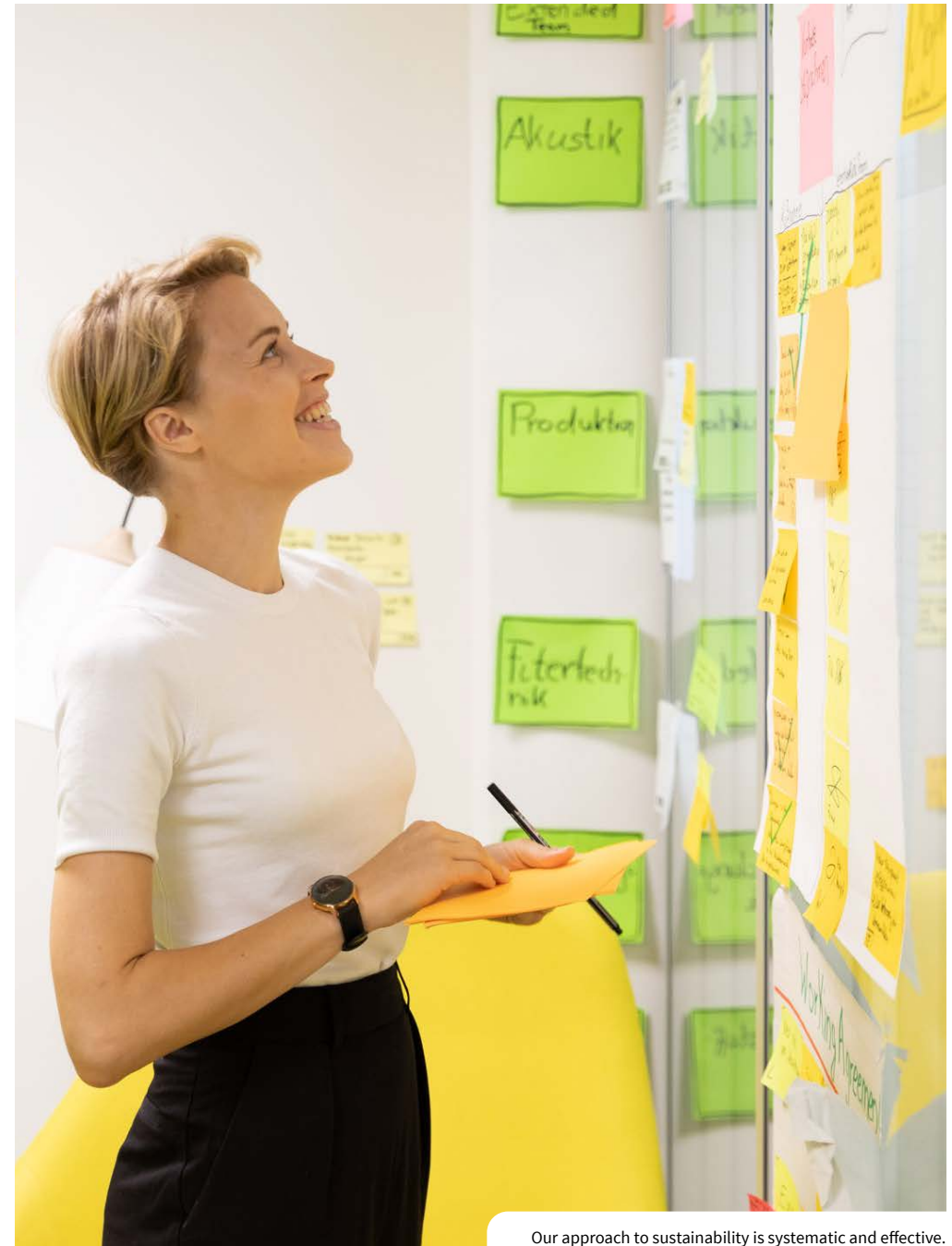
Managing sustainability

Sustainability is our guiding principle in the implementation of corporate responsibility. This covers topics such as data protection and product safety, environmentally friendly products, environmentally compatible production, fair employment, and much more – in short, everything that requires special care for people and the environment. A purely economic view in managing a company is not enough. We know that our social surroundings and the ecological environment have at least as much influence on safeguarding our long-term future as the current sales figures.

After all, this environment we live in is home to us all. We must and we want to protect it to the best of our ability. We recognize the responsibility we have in our sphere of influence – the responsibility to manufacture innovative products that enable entrepreneurial growth, to handle raw materials with care, to reduce energy consumption and CO₂ emissions, to foster our employees, and much more. In some respects, sustainability is written in the DNA of a family company. On the other hand, the world around us is changing faster than before.

Globalization, digitalization, climate change, shortage of resources – all of these pose enormous challenges. To be better equipped for these challenges and to continue our economic success into the future, we need to address the topic of sustainability in a systematic and effective way. We want to design our activities in such a way that all sides win: the environment from which we obtain our raw materials, the people who make our success possible, the suppliers who work for us, the customers we aim to win over, and the society we are part of.

Vorwerk also takes a sustainable approach to the investment of its own corporate assets. In 2017 we commissioned the rating agency oekom research to analyze our investment portfolio in terms of sustainability. When investing new funds or selecting service providers in portfolio management, preference is given to inviting and selecting offers from companies that take sustainability criteria into account in their management. As scheduled, we are subjecting the proprietary investment portfolio to a further sustainability check in the 2019/2020 period.



Our approach to sustainability is systematic and effective.



A good organizational base

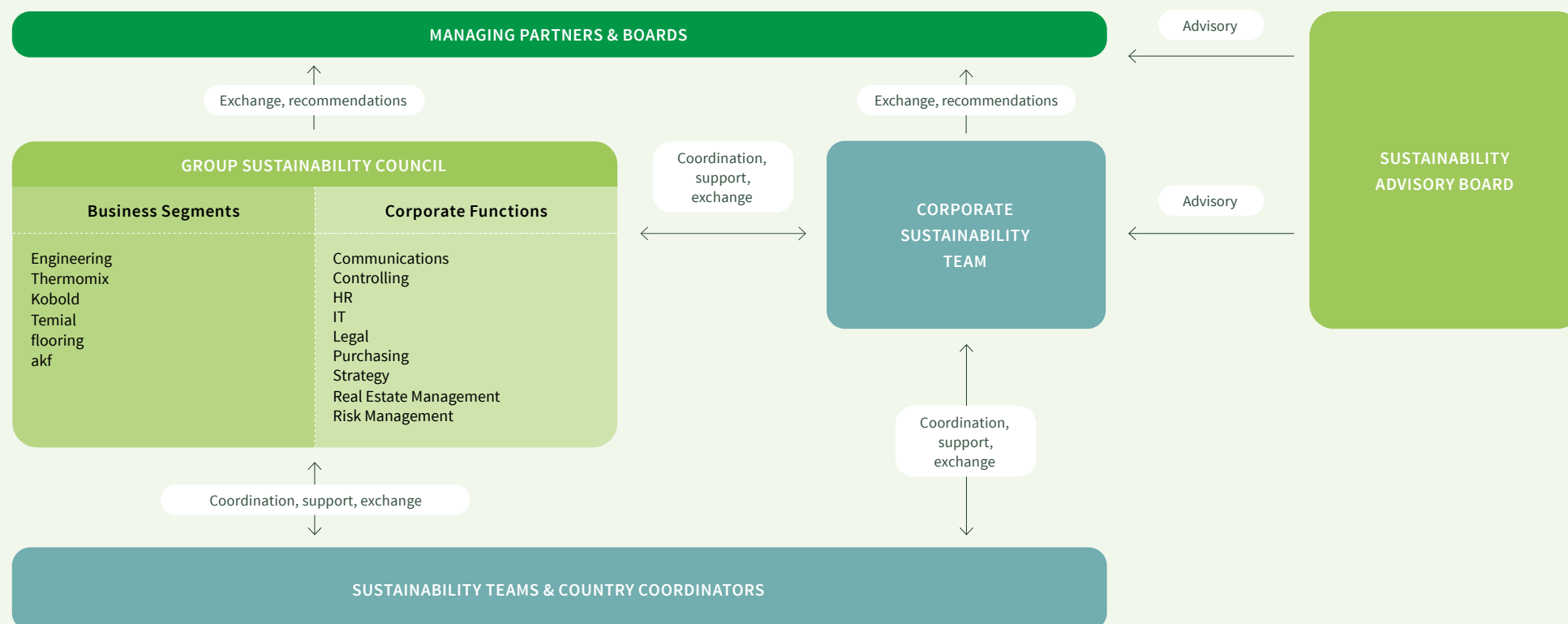
Since the shareholders' decision at the end of 2015 to form a sustainability management system, we have set up the organizational conditions across the business units to be able to do this.

The Group Sustainability Council (GSC), which was established in 2016, is the lead body. It unites representatives from the relevant business units and specialist departments and assists the Managing Partners and the boards.

The GSC is supported by expert teams of the business units and departments. Furthermore, there are country coordinators in the various international subsidiaries of the Vorwerk Group. A Sustainability Advisory Board consisting largely

of external sustainability experts is currently being set up in order to support us in an advisory capacity with outside perspectives.

Sustainability Organization at Vorwerk*



*Excluding JAFRA Cosmetics, Lux Asia Pacific, and Neato Robotics



Customer feedback is an important part of our product development.



When it comes to sustainability, our customers also demand the best from us, for instance, in terms of durability or energy efficiency.

Practical innovations

With its products Vorwerk is working on many levels to improve people's lives wherever they feel at home. The goal of innovation management at Vorwerk is therefore to meet customer requirements and improve the sustainability of products.

After all, both "convenience" – i.e. their simple and reliable use – and excellent ecological features are requirements that all customers place on Vorwerk products, whether electrical appliances or carpets.

Testing for practicability

The feedback and suggestions that we receive from customers are taken very seriously, and we integrate them into our product development. Customer feedback is collected throughout the innovation and product development process, from the initial idea to the start of production.

We work with a variety of methods, from online surveys, to super-user and advisor workshops, to large-scale market research projects.

"Innovations increase the quality of everyday life. Only when I can see a real customer benefit would I call a new product an innovation."

Dr. Henning Hayn
Head of Advance Development, Vorwerk Elektrowerke



We gather feedback on saleable products in so-called test markets, i.e. in trial introductions of the products to certain target groups, accompanied by surveys. In addition, we approach the most active members of our online community to share their opinions about potential new product features.

Improving sustainability

One challenge for innovation management lies in the fact that the diversity of customer requirements makes electrical appliances in particular increasingly complex. More and more products are networked, via Internet applications, with smartphones and devices such as voice assistants. As a result, part of the product software is now not only in the device, but also in the cloud.

From a customer perspective, both the product and the digital services must work.

Customer requirements also exist in the area of sustainability, for example concerning materials, durability, noise emissions, and energy efficiency. Vorwerk approaches these tasks with passion and effectiveness. Wherever possible and appropriate, we also rely on experts from external research institutes to realize our customers' wishes. Vorwerk is cooperating with the Institute for Plastics Technology (Institut für Kunststofftechnik) at the University of Stuttgart to identify sustainable materials for Vorwerk's electrical appliances (see chapter [→ Quality and Durability](#)).

Transparency and Dialogue

Communicating honestly and transparently

At Vorwerk we are pleased about the growth of societal interest in sustainability.

Because this supports us in strategically aligning our commitment and ensuring it is effective. In dialogue with our stakeholders, we want to be open, empathetic, and transparent. Only if we are honest with ourselves and our stakeholders can we identify optimization potential and further improve ourselves.





Exchanging ideas with stakeholders

As an internationally renowned brand company, Vorwerk is the focus of attention for many social groups. Vorwerk strives for an open exchange with all those interested in the company and its products. We are aware that many stakeholders have a legitimate interest in the topic of sustainability at Vorwerk. Transparency in all areas of our social and ecological responsibility is therefore the basis of our internal and external communications.



Our stakeholders include customers, employees, self-employed advisors, shareholders, and suppliers.

We have comprehensively integrated the concerns of our stakeholders – including customers, employees, self-employed advisors, shareholders, and suppliers – into our materiality analysis. As part of this analysis, we examined our economic and social environment and analyzed the impact of our business activities on the environment, employees, and other stakeholders. We have thus identified eight fields of action for sustainability management and developed performance indicators against which we can be measured.

In addition, we are in constant dialogue with our stakeholders – be it through surveys, our website, social media, the intranet, magazines, or on a personal level. We consult our customers, employees, and self-employed advisors through formal and anonymous survey methods. We greatly appreciate the feedback we receive and implement it directly in our processes – from product innovation to personnel development.

From our Sustainability Program

We set ourselves concrete goals to further improve our activities and we measure our success against them.

Goals	Deadline	Status
Expansion/further development of systems for networking between customers and their community.	Ongoing	Thermomix® recipe community in eight languages with around 12 million visitors per month worldwide. Over 80 social media channels moderated by Vorwerk in 16 countries worldwide.
Conducting targeted stakeholder dialogues on sustainability.	2021	Initial concepts created.



We regularly exchange information with our stakeholders.



Defining sustainability

Sustainability is a forward-looking concept. Only with sustainable solutions can we solve the current economic, environmental, and social challenges in the long term. It is therefore necessary to put this concept in concrete terms. This is particularly important for the management of sustainability in companies. The aim here is to identify industry-specific characteristics and assess their significance for the company and its stakeholders.

A large number of basic principles of sustainability management apply to all companies, regardless of their industry. These include climate protection, forward-looking risk management, and equal opportunities for employees. And yet each company must find individual solutions to these and other challenges and define its own priorities.

At Vorwerk, the Group Sustainability Council (GSC) is responsible for these issues (see chapter → [Innovation and Effectiveness](#)). This committee deals in detail with the question of which topics are relevant for us as a corporate group. It is important to bear in mind, however, that

the requirements of a company as diversified as Vorwerk are not identical across all business units. For example, the topic of environmental protection is weighted differently at Vorwerk flooring than at akf bank.

Materiality analysis sharpens focus

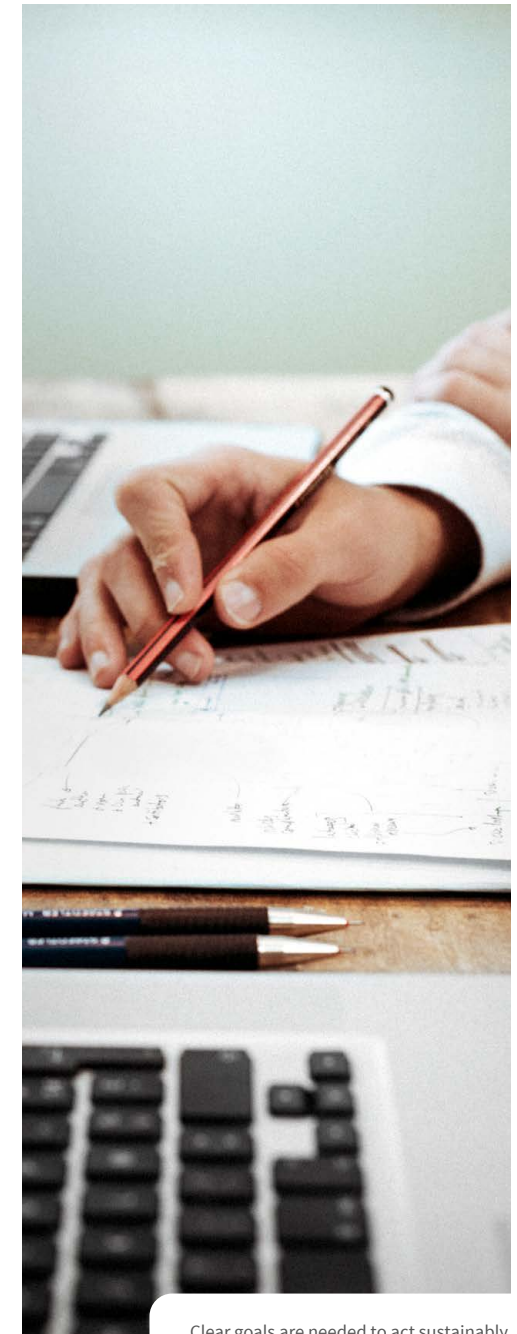
That is why we conducted a so-called materiality analysis in the GSC in 2016, which involved an intensive discussion process. The initial findings formed the basis of a second review in 2018. As part of the materiality analysis, we looked at industry challenges, evaluated international sustainability standards and ratings, and included the requirements of our surroundings. Internal and external stakeholders played an important role in this.

In assessing these groups of people and their expectations of Vorwerk, we distinguished between primary and secondary stakeholders. Primary stakeholders we identified as groups that impact directly on our business success.

These include customers, suppliers, employees, self-employed advisors, management, the Supervisory Board, and shareholders. In the case of secondary stakeholders, such as legislators, government bodies, NGOs, or media, the influence tends to be indirect or occurs over the long term.



The Vorwerk Group Sustainability Council defines the focal points for action.



Clear goals are needed to act sustainably.

Eight fields of action


The materiality analysis resulted in the identification of 52 topics, which we subsequently reduced to the most important. This occurred according to a) their significance in the analysis of the environment – i.e. with regard to the effects on our stakeholders – and b) their relevance for our business, for example with regard to opportunities and risks or competitive differentiation features.

To make our material topics more manageable, we grouped them into eight fields of action and formulated initial overall goals. The measures we are taking to achieve our goals and how far we have already come are shown transparently in the Sustainability Program at the beginning of each chapter.

We have also developed performance indicators for six of the eight fields of action (all except Corporate Governance and Risk Management on the one hand and Self-employed Advisors on the other). Since 2016, we have been collecting data relevant to sustainability on an annual basis in order to measure the progress of our performance. With this sustainability report, we are also making this data transparent for external stakeholders.

The eight fields of action and their material topics

Corporate Governance and Risk Management

- Risk management
-  Data security & protection
- Anticompetitive practices
- Behavior toward customers
- Sham self-employment
- Personnel leasing
- Sustainable investments



Supply Chain



- Environmental & social performance of suppliers

Environment


- Energy management
- CO₂ emissions



Employees

- Job satisfaction ( flexible working)
- Training & education
- Fair working conditions ( payment & equal opportunity)
- Diversity & inclusion
- Health & safety
- Knowledge transfer

Products


- Product safety
- Product life cycle ( reparability & recyclability)
- Materials used (incl. packaging)
- Ecological product performance
- Digitalization and service concepts
- Customer satisfaction & complaints management

Self-employed Advisors

- Occupation satisfaction
- Training & education
- Collaborative partnership
- Diversity & inclusion
- Health & safety



Real Estate

- Sustainable building
- Facility management
-  Workplace design

Social Commitment

 Focus topics 2018



Communication at Vorwerk

We are in continuous exchange with our stakeholders in various ways, learning from this and developing accordingly. The insights from dialogue with our stakeholders can provide, for example, inspiration for sustainability management, impulses for product development, or also tips and ideas for the personnel department.

Regular exchange of information

Vorwerk communicates with its stakeholders in a variety of ways. The mainstay of our external communication is our website, which provides information for many target groups: customers and potential customers, employees and job applicants, media representatives and the professional users of our multi-award-winning annual report.

The Vorwerk Magazine is aimed specifically at employees. It has an international focus and appears two times a year in seven languages. The Vorwerk intranet “InSite” provides information on all strategic and employee-related topics. At the same time, it can be used as a channel for feedback, for example to the company management. In the past, employees were able to comment specifically on their satisfaction and development opportunities through online surveys

and polls. The international survey known as EAR (“Employees Are Responding”), which has been conducted several times throughout the Group every two to three years, last took place in 2016. The next survey is not yet scheduled due to current restructuring.

We communicate continuously with our self-employed advisors, also over and above the regular business processes, for example through specific surveys (see chapter → [Fairness and Decent Livelihood](#)). For some time now, we have been improving the technical framework of daily communication through our IT project VORward. In this project, new, harmonized business processes and IT solutions on an international basis are being designed and rolled out for the business units Thermomix and Kobold. The main focus is on cross-divisional digital tools such as sales advisor portals and CRM systems for our distribution and internal services. These improve the flow of information among companies, advisors, and customers.

We receive feedback from customers through various channels – classically by post and e-mail, by telephone through our customer service, but also in the form of tests for product development and through social media. We also conduct regular customer satisfaction surveys (see chapter → [Quality and Durability](#)). We have specific

processes for feedback from customers which comes to us through our self-employed advisors (see chapter → [Innovation and Efficiency](#)). Our customers can be sure that their concerns will reach the responsible departments at Vorwerk directly and will be dealt with there in a targeted manner. At the same time, we use the feedback to constantly further our own development. Customer feedback is an important part of our innovation management.



VORward

The VORward project lays the technical foundations for significantly improved communication among the company, its customers, and its self-employed advisors.

Transparency in sustainability data

Communication processes with our key stakeholders are therefore as efficient as they are transparent. We are a little less open when it comes to certain key financial figures. As with all family businesses that are not listed, we do not make publicly available any key figures on income, profit margins, or the like. We are not legally obliged to do so and we have stood by this practice for 135 years. We build on the trust of our stakeholders and, conversely, acknowledge this trust.

By contrast, we report without restriction on our performance and key figures in the area of sustainability. All information is available to stakeholders who want to find out more about our commitment to the environment and society and about our values and strategies. We report in accordance with the internationally established Sustainability Reporting Standards of the Global Reporting Initiative (GRI), which aim to achieve transparency in the area of sustainability.

Fairness and Decent Livelihood

Working together for joint success

All people who work for and with Vorwerk should be appropriately remunerated for their work – regardless of whether they are employees, self-employed advisors, or suppliers.

With this objective in mind, we are doing our part to ensure that everyone gets along well and that things are fair. We build on the trust placed in us and support those who accompany us on our path in taking responsibility for themselves and their environment.





At home in the world

Vorwerk is at home in many countries and is also working on further internationalization for the future. For this reason, a collaborative partnership based on performance, trust, and support with all employees, self-employed advisors, and our suppliers is essential.

At Vorwerk, all employees have the same opportunities for a professional career – regardless of gender, age, background, or worldview. Their recruitment and advancement within the company is based solely on qualifications and potential.

In order to qualify employees for the diverse tasks at Vorwerk in such a way that they can keep pace with continuous change in the company, we engage in strategic personnel planning. The focus here is on executive leadership development, training and further education, reconciling family and career, and occupational safety and health management. At its French site, Vorwerk Engineering is certified according to the OHSAS 18001 occupational health and safety standard. Over the past few years, we have standardized

human resources systems within our strategic business segments in order to adapt them to current and future requirements.

The self-employed advisors have been the core of Vorwerk's sales activities for decades. As independent commercial agents, they are not subject to any quantitative sales targets, nor do they have to stockpile or personally purchase products for the purpose of resale. This enables them to carry out their activities to their own schedules and with little risk. We support them with qualification measures or further training, and through surveys and polls we evaluate the extent to which Vorwerk support is sufficient.

The name Vorwerk stands for the entire life cycle of our products. Therefore, our sustainability management also includes the essential parts of the supply chain. This occurs in the form of strict supplier selection based on defined criteria and a binding code of conduct for our suppliers. Vorwerk Engineering is guided by the SA 8000 social standard and Vorwerk flooring by the requirements of the Business Social Compliance Initiative (BSCI).

From our Sustainability Program

We are setting ourselves concrete goals to further improve our activities and to measure our success against them.

Goals in the field of action Employees

Goals	Deadline	Status
With our modern training and further education programs, we are preparing our employees in the best possible way for the challenges of changing markets and customer needs.		
By establishing the "Global Academy" structure, we are creating a modern, Group-wide learning organization.	2021	<ul style="list-style-type: none"> Uniform process for "Training Need Assessment" 2019 implemented throughout the Group. Piloting of e-learning content incl. Learning Management System planned in France and Spain for 2019; global roll-out from 2020.
We use unified performance and talent management processes and tools to identify and develop talent in areas relevant to the future.		
We are continuously expanding our Web-based performance and talent management solutions to other countries and business units.	Ongoing	Implemented in Germany, Switzerland, and France, further rollout from 2020.
We are revising the program for the development of international talent, i.e. for employees with the potential to take over core functions within the Group.	2019	✓ Implementation since 2018.
We are developing a global concept for the development of local talent.	2019	✓ Implementation since 2018.
We promote, live, and work for a corporate culture that stands for fair working conditions, diversity, and equal opportunity.	Ongoing	<ul style="list-style-type: none"> Collective bargaining commitment in 9 companies. Application of gender-independent, international job evaluation methods for management positions.

✓ Goal achieved



With our competence-based HR tools and processes, we ensure that diversity and inclusion are understood and lived as a “global mindset” at Vorwerk.	Ongoing	<ul style="list-style-type: none"> Since 2017, having a “global mindset” has been integrated as a core competence for executive leadership in recruitment and further training.
With our diversity campaign, we are raising general awareness of the value of cultural diversity.	2018–2021	<ul style="list-style-type: none"> 2018 initiative for the campaign “Made in Germany – Made by Diversity” with 50 family businesses. Internal campaign planned for 2021.

Goals in the field of action Self-employed Advisors

Goals	Deadline	Status
We analyze the needs of our self-employed advisors and support them with digital solutions to achieve their goals.	Ongoing	<ul style="list-style-type: none"> International Satisfaction Survey 2017/2018 conducted among new advisors. Introduction of the VORyou portal to simplify the day-to-day business of advisors.
We are professionalizing the training opportunities for self-employed advisors.	Ongoing	Training sessions via webinars/e-learning platforms in planning and already implemented in several country subsidiaries.

Goals in the field of action Supply Chain

Goals	Deadline	Status
We take responsibility for compliance with social and environmental standards not only for our direct suppliers, but also extending beyond them.		
Engineering: We oblige all suppliers in volume production to comply with environmental and social standards and strive for written compliance from 90 % of the suppliers.	2021	By the end of 2018, 78% of all suppliers had signed. In the case of Elektrowerke in Wuppertal and Semco in Cloyes-sur-le-Loir, the figure was even 90%.
flooring: We oblige our process-relevant suppliers to comply with the standards of the Business Social Compliance Initiative (BSCI).	Ongoing	<ul style="list-style-type: none"> BSCI Code of Conduct part of the supply agreement since 2018. By end 2018, 54% of all suppliers had signed.
Engineering: We are developing a concept to check suppliers' compliance with environmental standards and SA 8000 criteria.	2018	✓ Decision on implementation expected in Q4 2019.
We strive for transparency and traceability of key components and materials in our supply chain.	Ongoing	Engineering and flooring: ✓ For each product, the series number can be used to identify the suppliers of the materials and components used. Engineering: In some areas beyond direct suppliers.
We are increasing the reliability of suppliers in our supply chain.	2019	Engineering: ✓ “Second Supplier Strategy” defined, application if required.

✓ Goal achieved



Our employees: International and committed



Our global employees combine technical expertise with a feel for our customers' needs. In close cooperation, and characterized by an international leadership culture, they always find new ways to successfully develop our products and services.

The implementation of strategic HR initiatives based on a systematic, international approach in all business units and countries was one of the most important topics of HR activities in the 2018 financial year. Among the measures we implemented was a system of performance indicators and guidelines that ensure the promotion of talent across units and countries.

As at December 31, 2018, the Vorwerk Group had a total of 10,122 (2017: 8,446) employees in the business units represented in this report. The increase of 20 percent was due mainly to Vorwerk Thermomix and Vorwerk Kobold and is attributable to strong business growth in China. In contrast to Europe, our sales advisors in China are (part-time) employees. At Vorwerk flooring, on the other hand, the number of employees decreased by 6 percent.

Employees according to employment contract 2016–2018¹

Business unit	Employment contract			Total per business unit
	permanent	fixed-term ²	inactive ³	
Vorwerk & Co. KG⁴	234 (93%) 227 (85%) NR	12 (5%) 29 (11%) NR	5 (2%) 10 (4%) NR	251 266 172
Thermomix & Kobold⁵	3,985 (54%) 4,000 (70%) NR	3,223 (44%) 1,624 (28%) NR	116 (2%) 105 (2%) NR	7,324 5,729 5,007
Temial	28 (36%)	49 (64%) ⁵	0 (0%)	77
Vorwerk Engineering	1,348 (83%) 1,362 (85%) NR	202 (13%) 191 (12%) NR	65 (4%) 55 (3%) NR	1,615 1,608 1,698
Vorwerk flooring	333 (94%) 340 (90%) NR	19 (5%) 26 (7%) NR	3 (1%) 10 (3%) NR	355 376 414
akf group	461 (92%) 432 (93%) NR	17 (3%) 12 (3%) NR	22 (4%) 23 (5%) NR	500 467 430
Total	6,389 6,361 NR	3,522 1,882 NR	211 203 NR	10,122 8,446 7,721

■ 2018 ■ 2017 ■ 2016 NR = not recorded

¹ 2016 figures are annual average. As of 2017 the number of employees is reported as head counts at the end of the year.

² The high share of fixed-term contracts is linked to direct sales regulations in China.

³ E.g. illness extending beyond the period of continued pay, passive phase of early retirement, parental leave/maternity leave, paid leave of absence

⁴ Incl. Vorwerk Direct Selling Ventures GmbH, Vorwerk & Co. Interholding GmbH from 2016 to 2018 and SIVONA Beteiligungs GmbH from 2016 to 2017. SIVONA Beteiligungs GmbH was renamed Vorwerk Temial GmbH on January 1, 2018, and will be reported separately from the 2018 reporting year.

⁵ Incl. Close Logistics GmbH (D), Close Logistics s.r.l. (I), Close Logistics GmbH (CH)



Employees by gender 2017–2018¹

Business unit	Women	Men	Total by business unit
Vorwerk & Co. KG²	103 (41%)	148 (59%)	251
	119 (45%)	147 (55%)	266
	NR	NR	172
Thermomix & Kobold³	5,568 (76%)	1,756 (24%)	7,324
	4,130 (72%)	1,599 (28%)	5,729
	NR	NR	5,007
Temial	45 (58%)	32 (42%)	77
Vorwerk Engineering	563 (35%)	1,052 (65%)	1,615
	665 (41%)	943 (59%)	1,608
	NR	NR	1,698
Vorwerk flooring	85 (24%)	270 (76%)	355
	90 (24%)	286 (76%)	376
	NR	NR	414
akf group	249 (50%)	251 (50%)	500
	229 (49%)	238 (51%)	467
	NR	NR	430
Total	6,613 (65%)	3,509 (35%)	10,122
	5,233 (62%)	3,213 (38%)	8,446
	NR	NR	7,721

■ 2018 ■ 2017

¹ Head counts at the end of the year; not recorded for 2016

² Incl. Vorwerk Direct Selling Ventures GmbH, Vorwerk & Co. Interholding GmbH from 2016 to 2018 and SIVONA Beteiligungs GmbH from 2016 to 2017. SIVONA Beteiligungs GmbH was renamed Vorwerk Temial GmbH on January 1, 2018, and will be reported separately from the 2018 reporting year.

³ Incl. Close Logistics GmbH (D), Close Logistics s.r.l. (I), Close Logistics GmbH (CH)

Employees by gender and employment contract 2018¹

Gender	Employment contract			Total by gender
	permanent	fixed-term	inactive ²	
Female	3,573 (56%)	2,888 (82%)	152 (72%)	6,613
Male	2,816 (44%)	634 (18%)	59 (28%)	3,509
Total	6,389	3,522	211	10,122

¹ Vorwerk Group excluding JAFRA Cosmetics, Lux Asia Pacific, and Neato Robotics; head counts at the end of the year

² E. g. illness extending beyond the period of continued pay, passive phase of early retirement, parental leave/maternity leave, paid leave of absence



Teamwork is a top priority at Vorwerk.



Employees by full-time/part-time ratio 2016–2018¹

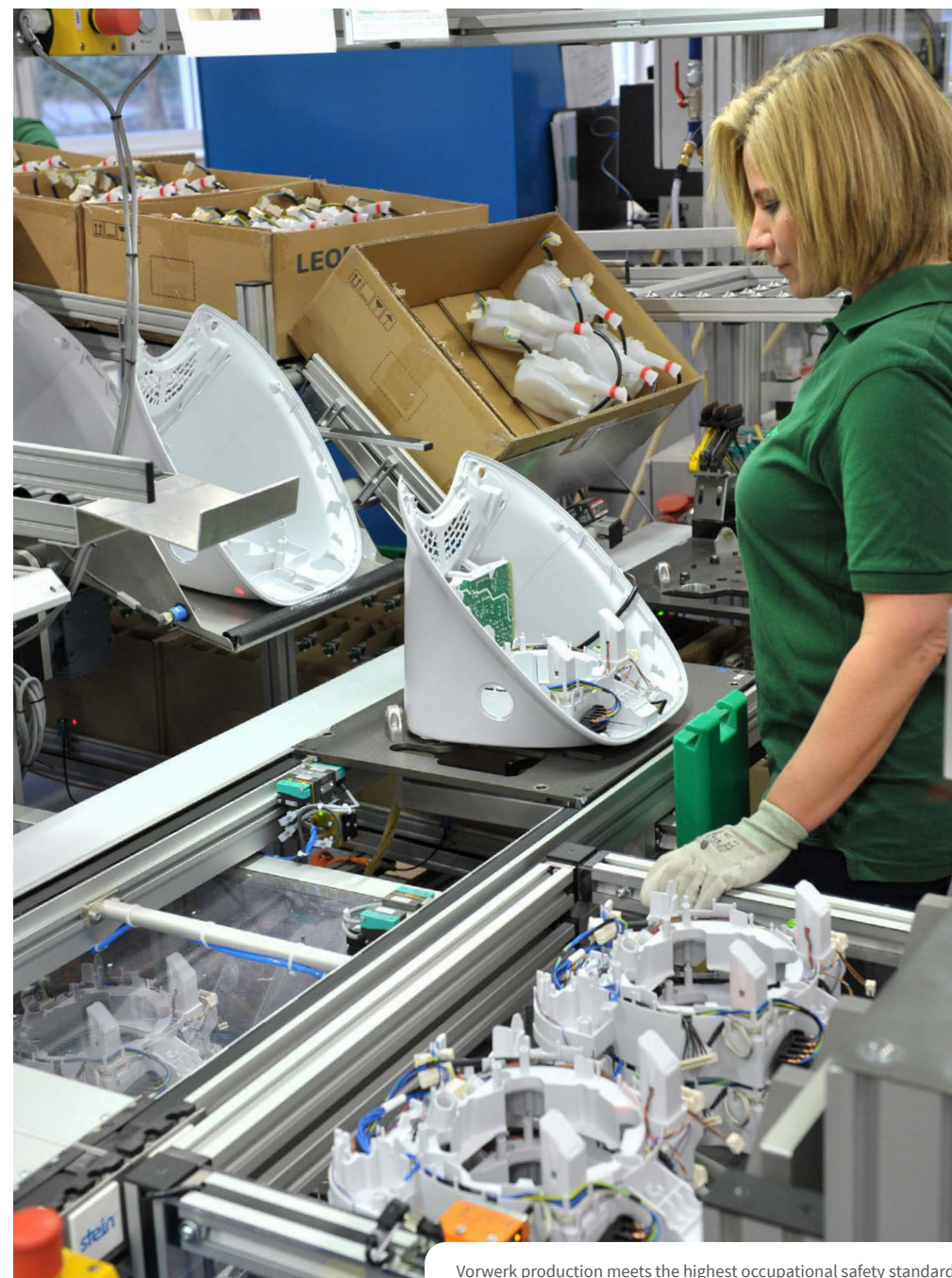
Business unit	Full-time	Part-time	Total by business unit
Vorwerk & Co. KG²	223 (89%)	28 (11%)	251
	238 (89%)	28 (11%)	266
	146 (85%)	26 (15%)	172
Thermomix & Kobold³	6,711 (92%)	613 (8%)	7,324
	5,130 (90%)	599 (10%)	5,729
	4,492 (90%)	515 (10%)	5,007
Temial	75 (97%)	2 (3%)	77
Vorwerk Engineering	1,567 (97%)	48 (3%)	1,615
	1,558 (97%)	50 (3%)	1,608
	1,643 (97%)	55 (3%)	1,698
Vorwerk flooring	337 (95%)	18 (5%)	355
	355 (94%)	21 (6%)	376
	391 (94%)	23 (6%)	414
akf group	397 (79%)	103 (21%)	500
	376 (81%)	91 (19%)	467
	341 (79%)	89 (21%)	430
Total	9,310 (92%)	812 (8%)	10,122
	7,657 (91%)	789 (9%)	8,446
	7,013 (91%)	708 (9%)	7,721

■ 2018 ■ 2017 ■ 2016

¹ 2016 figures are head counts annual average; as of 2017 the number of employees is reported as head counts at the end of the year.

² Incl. Vorwerk Direct Selling Ventures GmbH, Vorwerk & Co. Interholding GmbH from 2016 to 2018 and SIVONA Beteiligungs GmbH from 2016 to 2017. SIVONA Beteiligungs GmbH was renamed Vorwerk Temial GmbH on January 1, 2018, and will be reported separately from the 2018 reporting year.

³ Incl. Close Logistics GmbH (D), Close Logistics s.r.l. (I), Close Logistics GmbH (CH)



Vorwerk production meets the highest occupational safety standards.



Working at Vorwerk requires a wide range of qualifications.

Employees by gender and full-time/part-time ratio 2018¹

Gender	Full-time	Part-time	Total by gender
Female	5,925 (64%)	688 (85%)	6,613
Male	3,385 (36%)	124 (15%)	3,509
Total	9,310	812	10,122

¹ Vorwerk Group excluding JAFRA Cosmetics, Lux Asia Pacific, and Neato Robotics; head counts at the end of the year

Fluctuation rate 2016–2018¹

Business unit	2016	2017	2018
Vorwerk & Co. KG²	8%	6%	8%
Thermomix & Kobold³	22%	13%	14%
Temial	–	–	4%
Vorwerk Engineering	5%	7%	8%
Vorwerk flooring	26%	7%	7%
akf group	7%	7%	11%
Total	17%	10%	12%

¹ Refers to the number of people employed on a permanent basis (annual average)

² Incl. Vorwerk Direct Selling Ventures GmbH, Vorwerk & Co. Interholding GmbH from 2016 to 2018 and SIVONA Beteiligungs GmbH from 2016 to 2017. SIVONA Beteiligungs GmbH was renamed Vorwerk Temial GmbH on January 1, 2018, and will be reported separately from the 2018 reporting year.

³ Incl. Close Logistics GmbH (D), Close Logistics s.r.l. (I), Close Logistics GmbH (CH)



Employees covered by collective bargaining agreements 2018¹

Business unit	Total number of employees	Number of employees covered by collective bargaining agreements	Percentage of employees covered by collective bargaining agreements
Vorwerk & Co. KG ²	251	74	29%
Thermomix & Kobold ³	7,324	2,663	36%
Temial	77	0	0%
Vorwerk Engineering	1,615	1,260	78%
Vorwerk flooring	355	304	86%
akf group	500	0	0%
Total	10,122	4,301	42%

¹ Head counts at the end of the year

² Incl. Vorwerk Direct Selling Ventures GmbH, Vorwerk & Co. Interholding GmbH from 2016 to 2018 and SIVONA Beteiligungs GmbH from 2016 to 2017. SIVONA Beteiligungs GmbH was renamed Vorwerk Temial GmbH on January 1, 2018, and will be reported separately from the 2018 reporting year.

³ Incl. Close Logistics GmbH (D), Close Logistics s.r.l. (I), Close Logistics GmbH (CH)

The Group Works Council (for all companies of the Vorwerk Group in Germany) and the European Works Council (for all companies domiciled in the European Economic Area and Switzerland) serve the exchange of information and ideas between employees and employers within the Vorwerk Group. This is where they help to establish the basis for trusting collaboration and ensure statutory co-determination rights.



Vorwerk values a collaborative leadership style.



Innovative work environments shape the new world of work at Vorwerk.



More time for the family – this is one of the goals of our flexible work time models.

A more family-friendly world of work

Under the catchphrase of “Future Work Design,” Vorwerk is focused on developing the working world of the future, especially in the area of administration. During our extensive building renovations and new constructions, workplaces and forms of work will also change. Team-oriented work and flexibility in the organization of working hours and office environments will shape our working world in the coming years.

“Future Work Design” focuses not only on flexible work time models, but also on working time accounts. These offer our employees

in Germany the opportunity to work more in certain phases of their lives and less in others. In addition, the working time accounts can also be used to retire earlier or to take sabbaticals.

These and other country- and site-dependent services – including parent-child offices, vacation care for employees’ children, or social counseling – improve the work-life balance for employees and increase hereby their motivation. In addition to the usual parental leave, there are also family care leave options should a member of the family need care.

In addition, mobile work is becoming increasingly possible for our employees. Our “Mobile Working and Teleworking” corporate works agreement introduced in 2018 is aimed at more than just accommodating employees with children.

Our building renovations and new constructions focus on team-related workspaces in open-plan islands. In addition, we are increasingly hiring talented people in future areas that will be essential to our long-term success. In 2018, a new digital hub for topics such as digitalization, IT, marketing, and engineering was created in Zurich.

Attractive social benefits

Long before the topic of the family began trending in companies, the family-owned Vorwerk company was committed to the recognition of family work. We offer a variety of location-based social benefits and services for a healthy company and family climate. Since 2007, for example, employees of the Wuppertal companies have been able to use a “parent-child office.” Since 2018, our employee services have included an allowance to cover the care of children who are not yet of school age. In addition, the company offers a new direct insurance scheme to cover occupational disability, with special conditions for the employees at all German locations.

In 2018, 145 Vorwerk employees from 11 countries took parental leave, 98 of them women and 47 men. 105 employees (52 women and 53 men) returned from parental leave.

One of the oldest social security benefits offered by Vorwerk that contributes to its attractiveness as an employer is the death benefit fund, which was founded in 1953 by the German Vorwerk works councils. It offers its members financial support according to the solidarity principle in the event of death. Our company pension scheme (dating from the 1970s), fitness programs and subsidies, discounted monthly tickets for local public transportation, and cleaning services are also among the regional benefits on offer.

145
employees took
parental leave in 2018.

Depending on the location, these services are supplemented in Germany by subsidies for the canteen and health services such as massage and physiotherapy treatments, as well as for kindergartens and vacation care, a flu vaccination, fresh fruit baskets or a moderated “active break” with physical activity programs.



Vorwerk as an active employer brand

When selecting employees for the Vorwerk Group, it is crucial that the applicant and the company fit together. To achieve this, Vorwerk presents itself honestly and authentically on its website, at career fairs, and in social media.

Vorwerk regularly attends career fairs to talk to interested and talented students or graduates. From 2011 to 2019, Vorwerk has also been a co-operation partner of → [UNITECH international](#), a network of universities, companies, and alumni communities to promote talented new engineers. In addition, Vorwerk is part of the → [Sales Excellence Circle](#) at the Ruhr University Bochum, a renowned contact point for those interested in sales. Students work on real sales questions from Vorwerk and other partners in numerous practical projects, Vorwerk & Co. KG as the holding company of the Vorwerk Group

and Vorwerk Engineering award in total up to 22 scholarships each year, employ student assistants, and supervise bachelor and master thesis projects. In this way, the company establishes contacts with talented applicants early on so both sides have a chance to get to know each other.

Vorwerk colleagues do their part, too

To provide the most realistic and personal view possible of the working environment at Vorwerk, Vorwerk has placed special focus on being an employee-supported employer brand since mid-2018. We show faces and stories from the company via social media like → [LinkedIn](#) give a glimpse behind the scenes and into our agile work practices, and introduce internal start-ups.



Learning by doing: student trainees gain practical experience early on.

In order to present the company authentically, we encourage the entire workforce to become active on our platforms and make the world of Vorwerk a tangible experience. We support this active participation in social networks with social media and Internet guidelines.

We also assist in dealing responsibly with the media, including the selection of topics, privacy, confidentiality, copyright, netiquette, local laws, ethical guidelines, and provisions of the individual social media platforms.



Going more global with training and further education

Vorwerk pursues strategic personnel planning, which also focuses on training and further education as well as leadership development. Against the backdrop of our industry challenges, demographic change, and digitalization, we always adapt our personnel work to the current requirements.

The international human resources community at Vorwerk is engaged in various working groups on the opportunities and challenges of digitalization, for example in performance and talent management. In 2017 and 2018 alone, more than 600 managers and junior managers from our strategic business units participated in the online processes and tools for assessing competencies and potential. These initiatives will be successively pursued over the coming years.

Successful vocational training

At Vorwerk, classical vocational training offers young people the ideal introduction to the world of work and a solid foundation for a successful career. This enables us to attract, promote, and retain talented young people at an early stage in their careers. At the end of 2018, a total of 127 apprentices (62 women and 65 men) were employed in the various companies throughout Europe, of whom 90 (32 women and 58 men) were in Germany (45 at Vorwerk Elektrowerke in Wuppertal alone) and the remainder in France, Spain, Austria, and Switzerland. 21 apprentices were taken on in 2018.

127

young people received vocational training at Vorwerk in Europe in 2018.

In 2018, two apprentices from Vorwerk Elektrowerke received an award as best in North Rhine-Westphalia. One of them also received the national award as best in Germany as an electronics technician for automation technology. In addition, there were 129 trainees and interns.

Global Academy for continuing education

In 2018, we set up the Vorwerk Global Academy for professional and leadership development. Various personnel development measures that affect the entire company are conducted here in one place. This ranges from trainee programs, to specialist training courses, to leadership development programs.

“Vorwerk World” is part of the onboarding process. New employees from all business areas and countries are invited to Wuppertal to learn interesting facts about the Vorwerk Group over two days. This helps them in finding their feet at the Vorwerk Group and to set up initial network contacts.

In addition, we have set up international management programs for all relevant hierarchical levels. They serve the goal of establishing a common understanding of leadership in the company. With the right management tools at hand, we enable our employees to implement the corporate strategy and drive change processes forward. In the Vorwerk “Local Talent” and “International Talent” programs, we foster those with high potential to prepare for senior leadership roles.

Our leadership development process includes a strong feedback culture. It schedules regular competence assessments for our management groups A to G in Germany. Due to Vorwerk’s decentralized structure, these feedback processes are handled differently depending on the country and business unit.



Scoring points with diversity

Vorwerk is represented through its products in more than 80 countries around the world. Personal development and cross-divisional career paths within the company therefore also mean being able to move around the world in a professional capacity and work with people from a wide variety of cultures.

Vorwerk regards the exchange of different approaches and strategies that are made possible by different personal and cultural backgrounds as success factors for the company. In order to further embed the idea of diversity in the company, a “global mindset” is part of our Vorwerk competence model, which defines the basic qualifications for working at Vorwerk. It is anchored in our recruiting processes and is an important topic in continuing education.

The proportion of women in the Vorwerk companies covered in this report was 65 percent in 2018. The three members of the Executive Board were male, and one of the eight members of the Supervisory Board was female. In 2018, the proportion of women in top management was 13.8 percent, in senior management 22.7 percent, and in management 43.7 percent. In our talent

management process, already around half of the employees supported are women.

The proportion of women at Vorwerk is

65%

New ideas from young colleagues combined with the experience of older experts – diversity also counts when it comes to age distribution. Vorwerk has a healthy age structure. In 2018, the 30- to 39-year-old age group made up the largest proportion of employees, i.e. 3,192 people (31.6 percent).

Equal opportunities for all

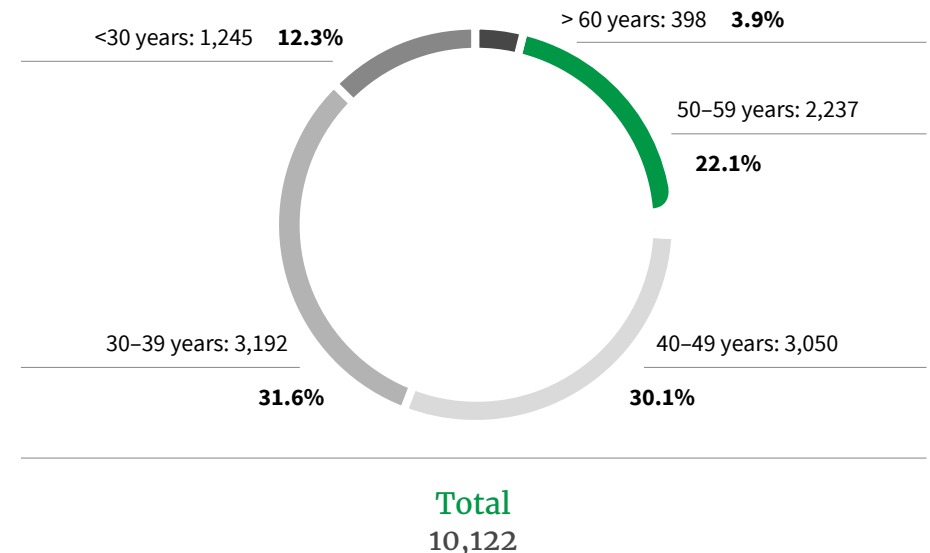
Diversity and equal opportunities in the company are also based on binding external and

internal regulations at Vorwerk. On the one hand, Vorwerk is clearly committed to the Anti-discrimination Act of the European Union and the General Equal Treatment Act in Germany. In addition, these topics are also anchored in the Vorwerk Code of Conduct and are thus binding for all employees. At management levels A to G, ombudspersons and “Vorwerk Speak-Up Line” offer communication channels (anonymous on request) to report any misconduct.

Discrimination cases are rigorously investigated at Vorwerk, but we do not keep any statistics.

Equal opportunity also forms the basis of our remuneration systems. Employees are always paid independently of their gender on the basis of, for example, internationally recognized job evaluation methods, which exclusively evaluate functions and tasks. In addition, country- and industry-specific framework agreements on wage and collective agreements apply. In Germany, for example, these are the collective agreements of the retail trade and the metal and electrical industry.

Age distribution of Vorwerk workforce 2018¹



¹ Excluding JAFRA Cosmetics, Lux Asia Pacific, and Neato Robotics; head counts at the end of the year.



Healthy and safe at work

Vorwerk is committed to a high level of occupational safety and preventive health protection in all its business areas worldwide.

For example, in 2015 Vorwerk Engineering introduced a company health management system.

Vorwerk acts Group-wide within the framework of existing laws and regulations on occupational safety. Despite a range of preventive measures and training courses, accidents at work and on the way to and from work cannot always be avoided. In 2018, for example, there were eleven industrial accidents per 1,000 employees at the Vorwerk Engineering production site in Wuppertal and 22 industrial accidents per 1,000 employees at the production site of Vorwerk flooring

in Hamelin. In comparison, the average for the responsible German trade association Energie Textil Elektro Medienerzeugnisse (BG ETEM) in the same period was 18 workplace accidents.

Occupationally caused illnesses are not recorded at Vorwerk. For all work areas in production, we have carried out detailed risk assessments in accordance with the applicable health and safety regulations. No risk-prone areas of activity were identified. In 2018, the average sickness rate of the business units covered in this report was 3.3 percent. This figure is therefore unchanged from the previous year.

Occupational accidents in producing companies 2016–2018

(per 1,000 employees)

	2016	2017	2018
Vorwerk Engineering			
Wuppertal site	8	12	11
Cloyes-sur-le-Loir site	26	22	25
Shanghai site	0	8	3
Vorwerk flooring			
Hamelin site	18	47	22

Sickness rate¹ 2016–2018 (in percent)

Business unit	2016	2017	2018
Vorwerk & Co. KG ²	1.9	1.9	3.0
Thermomix & Kobold ³	2.2	3.0	2.7
Temial	–	–	0,3
Vorwerk Engineering	3.8	4.7	4.9
Vorwerk flooring	4.6	4.1	3.8
akf group	3.6	3.3	4.1
Total	2.7	3.3	3.3

¹ Percentage of employees absent due to sickness per calendar day.

² Incl. Vorwerk Direct Selling Ventures GmbH, Vorwerk & Co. Interholding GmbH from 2016 to 2018 and SIVONA Beteiligungs GmbH from 2016 to 2017. SIVONA Beteiligungs GmbH was renamed Vorwerk Temial GmbH on January 1, 2018 and has been reported separately from the 2018 reporting year.

³ Incl. Close Logistics GmbH (DE), Close Logistics s.r.l. (IT), Close Logistics GmbH (CH)

Many sites have initiatives to maintain employee health that are widely accepted – whether as part of health management or as part of voluntary social security and health benefits. These include the company medical service, a fitness studio, but also company social counseling services, and reintegration management after longer illnesses.

Prevention works

Vorwerk attaches great importance to prevention. During the “active break” at Vorwerk Elektrowerke, for example, a trainer conducts muscle relaxation exercises or small dexterity training activities in the departments. At other locations,

free fruit baskets provide employees with vitamins. Educational seminars, nonsmoking courses, and health days draw attention to the risks of an unhealthy lifestyle. To promote more physical activity, there are special projects such as “walking competitions,” in which employees in Germany have walked to work together in recent years, counting steps in the process. In addition, campaigns such as “city cycling” or “bike to work” encourage employees in Germany and Switzerland to use bicycles. In Wollerau in Switzerland, two e-bikes are available to employees for travel between locations. Groupwide there is a growing network of charging points for employees’ private e-bikes.



Fostering self-employed advisors

Direct selling is the cornerstone of the Vorwerk Group's success. Whether Kobold, Thermomix, or Temial – we have almost 60,000 self-employed advisors selling the products of these business units primarily at the homes of their customers.

As a rule, our advisors are self-employed commercial agents. In principle, they are not subject to any quantitative sales targets and are not required to store or personally purchase any products for the purpose of resale. This enables them to carry out their activities with little risk and few time constraints.

Fair remuneration

In addition, we have started to access new customer groups in some markets by opening retail stores and online shops. This omnichannel strategy raises the question of fair earning opportunities in relation to selling in shops, as the self-employed advisors are not paid according to sales territory, but rather the quantity of goods sold. To avoid creating a sense of competition among

self-employed advisors, we are also further developing the remuneration models for our advisors as part of the expansion of our omnichannel activities. This also contributes to the goals in our sustainability program, as the satisfaction of our self-employed advisors is a long-term success criterion. With our "VORward" IT strategy, we are currently creating the technical and organizational prerequisites for the new remuneration models. They are to be implemented for the first markets from the start of 2020.

Greater satisfaction through success

There are numerous reasons for becoming self-employed in direct sales. The opportunity to work flexibly and to be "one's own boss" with low risk and low investment is something that attracts many of our self-employed advisors. Nevertheless, dissatisfaction with this activity can sometimes lead to the breakdown of this collaboration. Such cases can also lead to a short-term decline in sales because customers have to get used to new representatives.



Vorwerk's self-employed advisors like being "their own boss."



Finding enjoyment in customer contact is an essential qualification for our self-employed advisors.



The Thermomix® has become indispensable in many kitchens.

For this reason, we are also currently investing significantly in measures that enable us to better understand the individual reasons for an advisor relationship being terminated.

Important key figures such as the fluctuation of advisors in the individual sales networks can thus be better managed. The aim is to identify the respective level of satisfaction per business unit and country so we can introduce measures to counter any negative developments.

This is why a satisfaction survey was once again conducted by the international headquarters of the Kobold business unit, most recently on the financial years 2017/2018. More than a thousand current and former job starters in Kobold direct sales in Germany, France, Italy, Austria, Spain, and the Czech Republic were surveyed in telephone and online interviews. The results – as well as the sales models – vary from country to country and were presented to the management

of the respective Kobold companies. According to the survey, in all countries, personal success, income, and receiving reliable information have the greatest influence on the satisfaction of job

More than
1,000
new salespersons
participated in the most recent
survey on occupation
satisfaction.

starters in direct sales. The findings of the survey help the companies to develop and implement appropriate retention measures for advisors.

The consultant portal VORyou, newly developed as part of the strategic initiative VORward, is intended to support advisors to be more successful in and satisfied with their activities. It bundles all the necessary contents – from product information to customer data – in one place, saving time and paper. In addition, it enables advisors to carry out and track the ordering process in a completely digital form. Since summer 2018, it has been gradually introduced as a pilot project at Vorwerk France in the sales and distribution of Kobold and Thermomix. The response of advisors to the portal has been very positive. We are currently investigating the expansion of VORyou to other companies.

Targeted further training

We support our self-employed advisors with a broad spectrum of qualification measures. Introductory training is followed by advanced training modules with different focal points such as time management and how to open discussions. Some of these are already on offer as webinars or via e-learning platforms. Feedback questionnaires help us to evaluate and optimize the success of qualification measures.

Diversity benefits sales

The increasing diversity and internationality of our society is also reflected in our customers and our self-employed advisors. An entry into sales and career opportunities are open to any interested parties regardless of age, gender, or ethnic, national, religious, or other ideological backgrounds.

While the proportion of women among self-employed advisors in the Thermomix business unit is more than two-thirds on average, in the Kobold business unit it is traditionally the other way around. According to many of our self-employed advisors, they particularly appreciate the freedom of time allocation, the variety, and the customer contact.



Sustainability among our suppliers

The sustainability of products – and ultimately of the company – depends to a large extent on the sustainable operations of our suppliers. For this reason, our sustainability management also covers the essential parts of the supply chain. Suppliers of raw materials, finished parts, and consumables must therefore meet our quality, environmental, and safety requirements.

Vorwerk is interested in collaborative partnerships with its suppliers in order to work systematically on improving the joint sustainability balance sheet. Before placing an order, we survey potential suppliers of production materials, also in written form, on aspects of sustainability and social responsibility. The feedback flows into the decision-making on new business relationships. Moreover, we require our serial suppliers to sign a purchase agreement containing a so-called “Compliance Module.” This is an agreement on

compliance with legal, ecological, and social requirements by the supplier and its upstream suppliers. If no purchase agreement is signed with a supplier, the Compliance Module can also be signed separately. If suppliers send us their own Code of Conduct, we carefully compare it with our own values. A risk assessment of our suppliers is also planned for 2019, as well as a monitoring concept for suppliers at risk, which includes processing the results of compliance screenings and country-specific risks.

Implementing international standards

In a statement with respect to the California Transparency in Supply Chain Act (CATSCA), Vorwerk Elektrowerke committed itself to complying with social standards pursuant to SA 8000. These requirements are integrated into

the framework agreements with suppliers. In March 2018, Vorwerk Elektrowerke also signed the “Code of Conduct on Social Responsibility” of the German Electrical and Electronic Manufacturers’ Association (ZVEI) on behalf of the Vorwerk Engineering business unit.

**In 2018,
Vorwerk Engineering
joined a sustainability initiative
under the auspices of the
industry association ZVEI.**

At the end of 2018, approximately 90 percent of suppliers in Vorwerk Elektrowerke volume production and Semco were committed to compliance with environmental and social standards by means of a purchase agreement, the Compliance Module, or the Code of Conduct. This specification bindingly requires our suppliers to eliminate from their supply chains all child labor, forced or compulsory labor, discrimination, and the physical and psychological punishment of workers. In addition, we require that they deal responsibly with environmental issues and pursue the goal of ensuring that all suppliers

comply with the environmental management system ISO 14001.

Up to now, suppliers have been tested for compliance with environmental standards in the form of random checks as part of quality audits. Vorwerk Engineering has developed a concept to systematically check compliance with environmental standards and SA8000 criteria, which is to be implemented in 2020.

Since 2011, Vorwerk flooring has supported the Business Social Compliance Initiative (BSCI), one of the most important international sustainability initiatives in the textile sector. As part of our supplier evaluations, we investigate whether they also comply with the BSCI Code of Conduct and thus with the requirements applicable to them regarding freedom of association, wages and working hours, safety standards, and the prohibition of child and forced labor. Since 2018, the BSCI Code of Conduct has been part of the purchase agreements with our process-relevant suppliers. At the end of 2018, 53 out of 98 suppliers had accepted these agreements. Until now, the environmental performance of Vorwerk flooring’s suppliers had only been checked on a random basis, for example as part of quality audits.

Protection and Efficiency

Protecting the environment means protecting our home

We are working dedicatedly and efficiently to reduce negative impacts on the environment and to contribute positively to protecting our natural resources.

Here we are constantly seeking the best solutions for reducing our consumption of resources and for conducting our business as efficiently as possible. We are also taking guidance from strict ecological principles in our extensive building projects. Because protecting the environment means protecting the world in which we live – our home.





Systematic management to protect nature

An intact environment is the fundamental prerequisite for every business: It provides us with all the necessary resources for long-term economic activity. This is why Vorwerk is contributing in diverse ways to environmental protection and is reducing, wherever possible, negative environmental effects of its business operations. In the production activities in the Engineering and flooring business units and in administration and sales, energy provides us with the greatest leverage: We carefully consider which energy sources are used because these strongly affect our CO₂ emissions. Climate change is demonstrably increased by the burning of fossil fuels and the resulting CO₂ emissions. This is why we feel obliged to take action in this area. At the same time we want to keep our energy consumption to a minimum. Here we aim to reduce – relative to our production volume – our energy consumption and hence to become increasingly energy efficient.

In some business units of the Vorwerk Group other environmental factors also play an important role. Waste disposal and recycling are managed responsibly at all production sites, for instance. At Vorwerk flooring, where dyeing processes are important, we also have a focus on water and waste water management.

We have established suitable management systems for implementing all measures in a targeted manner: The production sites of the Engineering and flooring business units are working worldwide according to internationally established environmental management systems and are certified in line with ISO 14001 (environment) and ISO 50001 (energy). An annual international data collection shows how effective our processes are. Based on the results thus obtained, we continue to improve our management systems.

Responsibility for people and the environment also plays an important role in the refurbishment and new building of our administrative and production locations: We use ecologically advanced systems in heating, ventilation and lighting and we observe high standards in fire protection and work safety. In the planning of our construction projects we give consideration to the immediate surroundings of the Vorwerk locations by ensuring an environmentally compatible design and by developing mobility concepts for both site traffic and our employees.

From our Sustainability Program

For the period 2016 to 2020 we have set ourselves concrete goals in order to reduce energy consumption and the accompanying CO₂ emissions. We are following these goals with measures and key figures that enable us to measure the success of our activities.

Goals	Deadline	Status
We extend our energy and environmental management systems to all production sites.	2018	✓ Integration of the Shanghai site in the 2nd quarter of 2018.
We increase the energy efficiency of our production by 5 percent compared to the reference year 2016.	2020	Measures: <ul style="list-style-type: none"> • Extension of the measurements systems in energy management. • Step-by-step conversion to LED lighting. • Employee awareness campaign in 2019.
Engineering: Reduction of energy consumption to 1.9 MWh per metric ton of electrical appliances.	2020	Status 2018: 2.2 MWh Measures: <ul style="list-style-type: none"> • Renovation and new building of the production location in Wuppertal (commissioning in 2019) • Exchange of two gas heating boilers at the Laaken site in 2018 • Acquisition of new, more energy-saving injection-molding machines in planning for the Laaken site
flooring: Reduction of energy consumption to 5.4 MWh per metric ton of carpet (± 9.5 kWh per m ²).	2020	Status 2018: 6.9 MWh/metric ton (± 12.1 kWh/m ²) Measures: <ul style="list-style-type: none"> • Reduction of the dyeing temperature from 94°C to 72°C • Reduction of the energy-intensive refinishing in the vat dyeing plant
We reduce our carbon emissions (Scope 1 & 2) per million euro turnover by 10% compared to the reference year 2016.	2020	Status 2018: 5.98 t CO ₂ /€m. (± 44%) ✓ Measures: <ul style="list-style-type: none"> • Increase the share of renewable energies (see below) • Study of possible carbon reductions in the vehicle fleet planned for 2019
We increase the share of renewable energies in our total electricity consumption by 10% compared to the reference year 2016.	2020	Status 2018: Increase of the share by 31.5% ✓ Measures: <ul style="list-style-type: none"> • Purchase of green electricity • Installation of 1,462 m² solar cells on roof of the production hall in Shanghai

✓ Goal achieved



More efficient with less energy

Vorwerk is working systematically to lower its energy consumption and increase its energy efficiency. To this end we have implemented environmental and energy management systems certified in line with ISO 14001 (environment) and ISO 50001 (energy) at all production sites.

Since 2018
all production sites
have been certified in line
with environmental
and energy management
systems.

We considered it important to standardize these systems across all locations, so that the same standards apply everywhere in the production companies.

Thanks to best practice sharing, our energy and environment managers can identify additional optimization potentials across the locations. This is also supported by mutual auditing of the Engineering and flooring business units as well as internal auditing between locations of Vorwerk Engineering in Germany, France and China.

At Vorwerk Engineering, the greatest environmental impacts are caused by electricity consumption in production, gas consumption for heating, and fuel consumption for vehicles. In the case of Teppichwerke, on the other hand, the heating energy requirement is not covered by natural gas but by district heating. Due to the energy-intensive dyeing and drying processes, the energy input here is comparatively high.

Total energy consumption in 2018 was 105.8 gigawatt hours (GWh). 43.2 percent of the energy consumption was due to heating energy, 32.9



The newly installed solar array on the Shanghai production hall has a capacity of 255 kWp.

percent was used as electricity and 23.6 percent was due to fuel used by our company vehicles. Vorwerk generated 0.24 percent itself through renewable energy – since 2018 also thanks to the commissioning of a solar array on the roof of the

Shanghai production hall. In total we were able to reduce our energy consumption by 1.98 percent in comparison to the previous year. This can be attributed to implemented energy-efficiency measures as well as to a slight fall in production in 2018.

The energy intensity, meaning the energy consumption per metric ton of product, was in 2018 around 2.2 megawatt hours for electrical appliances from Vorwerk Engineering and around 6.9 megawatt hours for carpets from Vorwerk flooring. So far we have not achieved our targets for 2020, so further efforts are required here.

In 2018
Vorwerk consumed roughly
1.8%
less energy.



Energy consumption in production and administration 2016–2018 (in MWh)¹

Business unit	Energy sources Locations	Purchased energy			Fuel for company vehicles			Self-generated renewable energy ⁴	Total per business unit
	Natural gas	Electricity	District heating	Gasoline	Diesel	LPG	Natural gas		
Vorwerk & Co. KG ²	979	1,818	1,476	457	632	0	0	0	5,362
	931	1,856	1,690	275	904	0	0	0	5,655
	1,068	1,795	1,674	201	821	0	0	0	5,559
Thermomix & Kobold ³	408	1,007	0	548	17,445	0	0	75	19,483
	263	1,043	0	593	16,622	0	0	47	18,568
	604	1,367	0	755	16,297	0	0	50	19,072
Temial	0	0	0	17	117	0	0	0	133
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0
Vorwerk Engineering	6,266	25,530	0	417	422	0	0	178	32,813
	8,323	25,364	0	438	387	0	0	0	34,512
	10,050	26,071	0	394	444	0	0	0	36,960
Vorwerk flooring	0	6,511	36,557	402	1,036	0	0	0	44,506
	0	6,847	37,584	67	1,096	0	0	0	45,594
	0	6,681	34,880	55	1,441	0	0	0	43,057
akf group	0	0	0	258	3,276	0	0	0	3,534
	0	0	0	86	3,380	2	0	0	3,468
	0	0	0	73	3,427	0	11	0	3,511
Total ⁵	7,653	34,866	38,033	2,099	22,927	0	0	253	105,831
	9,516	35,110	39,274	1,459	22,389	2	0	47	107,797
	11,721	35,914	36,554	1,479	22,431	0	11	50	108,159

■ 2018 ■ 2017 ■ 2016

¹ Energy consumption of production, company-owned office buildings and fuel for company vehicles

² Incl. Vorwerk Direct Selling Ventures GmbH, Vorwerk & Co. Interholding GmbH, SIVONA Beteiligungs GmbH from 2016 to 2017; on January 1, 2018 SIVONA Beteiligungs GmbH was renamed Vorwerk Temial GmbH and has been reported separately since the reporting year 2018.

³ Incl. Close Logistics GmbH (D), Close Logistics s.r.l. (I), Close Logistics GmbH (CH).

⁴ Solar arrays at Vorwerk Manufacturing (Shanghai, China) and Vorwerk Folletto (Milan, Italy).

⁵ Due to rounding there may be deviations in totals.



100 percent green electricity

Since January 2018 the Vorwerk locations in Wuppertal, the VORward office in Düsseldorf as well as Vorwerk International in Switzerland have all been using electricity from 100 percent renewable energy sources. Vorwerk is making a strong statement with this shift and has significantly improved its carbon footprint because Elektrowerke in Wuppertal is by far the biggest consumer of electricity in the Vorwerk Group.



In Wuppertal our electrical appliances are now manufactured exclusively with green electricity.

As part of the growing trend to electromobility in the Vorwerk Group, the use of green electricity is a logical development: At the end of 2018, for instance, the Vorwerk internal leasing service provider akf Servicelease had 47 electric vehicles and 31 plug-in hybrid vehicles in its rental

car and leasing fleet. Since July 2018 employees at the company headquarters have had two electric cars at their disposal for commuting between the locations in the Wuppertal area. Moreover, electric forklifts are in service in the warehouses and repair centers.

Thanks to the use of green electricity, by mid-2018 it was already possible to charge electric vehicles in an environmentally friendly manner at the seven Vorwerk charging stations in Wuppertal. In addition, there are twelve e-bike charging stations at akf and eight charging stations at Elektrowerke. The completion of the new parking garage in April 2019 added another ten charging stations for electric vehicles.

In total it was possible to increase the share of renewable energy in the energy mix of consumed electricity in the Vorwerk Group in the period 2016–2018 from 34 to 66 percent. By doing this we have already surpassed our goal for 2020, namely to increase the share of renewable energy by 10 percent.

Energy mix¹ of electricity consumed by the Vorwerk Group² (in percent³)

	2016	2017	2018
Renewable energy	34.0	37.7	65.5
Fossil energy	35.7	32.0	13.6
Nuclear energy	29.9	29.6	20.9
Other	0.4	0.7	0.1

¹ The presented energy mix is the electricity consumed by Vorwerk in accordance with the table Energy Consumption 2016–2018.

The energy mix of each local electricity supplied is indicated proportionately to the purchased quantity of electricity.

² Not including JAFRA Cosmetics, Lux Asia Pacific and Neato Robotics

³ Due to rounding there may be deviations in totals.

LED lighting on the rise

Increasingly energy-saving lighting based on LED light sources is being used at virtually all locations of the Vorwerk Group. In 2018, Vorwerk Manufacturing (China) equipped its production plant with LED lighting, while Vorwerk Austria has done the same in its warehouse and Vorwerk Deutschland in its stores.

The akf group and Vorwerk Polska have converted their entire office lighting to LED. At a number of other companies in the Group the conversion forms part of a multiyear process; this includes subsidiaries in Italy, Spain and Mexico.



Reduced emissions thanks to green electricity

As part of our contribution to climate protection we are striving to continually reduce the CO₂ emissions of the Vorwerk Group. All Vorwerk production sites support certified energy management systems. Thanks to more energy-efficient operations we are helping to reduce pressure on the climate in an active and measurable way.

We record all the CO₂ emissions of the Vorwerk Group in line with the internationally recognized method of the Greenhouse Gas Protocol. This differentiates between Scope 1 (direct emissions from combustion processes in the company), Scope 2 (indirect emissions from purchased electricity and district heat) and Scope 3 (indirect emissions from third-party services and purchased intermediate consumption such as logistics and transport). We have not yet fully recorded the Scope 3 emissions; here we aim for publication in the next Sustainability Report.

The CO₂ emissions of the business units covered in this report (Scope 1 and 2) have fallen by around 32 percent in total. This is due particularly to developments in Scope 2, because since the start of 2018 we have been using green electricity in important areas.

Thanks to targeted measures we are aiming to reduce CO₂ emissions in all areas. This includes examining the possibilities for reducing CO₂ emissions in our vehicle fleet (Scope 1). Moreover we have reduced the temperature in the dyeing section at Vorwerk flooring from 94°C to 72°C in order to save heating energy (Scope 2).

The CO₂ emissions fell by

32%
in 2018.

The carbon intensity, meaning the carbon emissions of the Vorwerk Group per million euro turnover, was almost 6 metric tons in 2018. This involves a reduction of 29.5 percent compared to the previous year (8.5 metric tons), achieved mainly through the shift to green electricity in Wuppertal. This means that we have reached our strategic goal of reducing our carbon intensity by 10 percent by 2020 ahead of schedule.

CO₂ emissions¹ 2016–2018 (in t CO₂e)

Business unit	Scope 1	Scope 2	Total per business unit
Vorwerk & Co. KG²	557 498 485	37 1,142 1,114	594 1,640 1,599
Thermomix & Kobold³	5,837 4,639 4,662	290 354 483	6,127 4,993 5,144
Temial	43 0 0	0 0 0	43 0 0
Vorwerk Engineering	1,544 1,894 2,247	1,615 7,697 7,892	3,159 9,591 10,139
Vorwerk flooring	469 309 399	2,643 3,357 10,493	3,112 3,666 10,891
akf group	1,134 924 933	0 0 0	1,134 924 933
Total⁴	9,584 8,265 8,726	4,584 12,550 19,981	14,169 20,815 28,707

■ 2018 ■ 2017 ■ 2016

¹ Market-based estimate

² I.e. plus Vorwerk Direct Selling Ventures GmbH, Vorwerk & Co. Interholding GmbH, SIVONA Beteiligungs GmbH from 2016 to 2017; on January 1, 2018 SIVONA Beteiligungs GmbH was renamed Vorwerk Temial GmbH and has been listed separately since the reporting year.

³ Incl. Close Logistics GmbH (D), Close Logistics s.r.l. (I), Close Logistics GmbH (CH)

⁴ Due to rounding there may be deviations in totals.



Less waste and more recycling

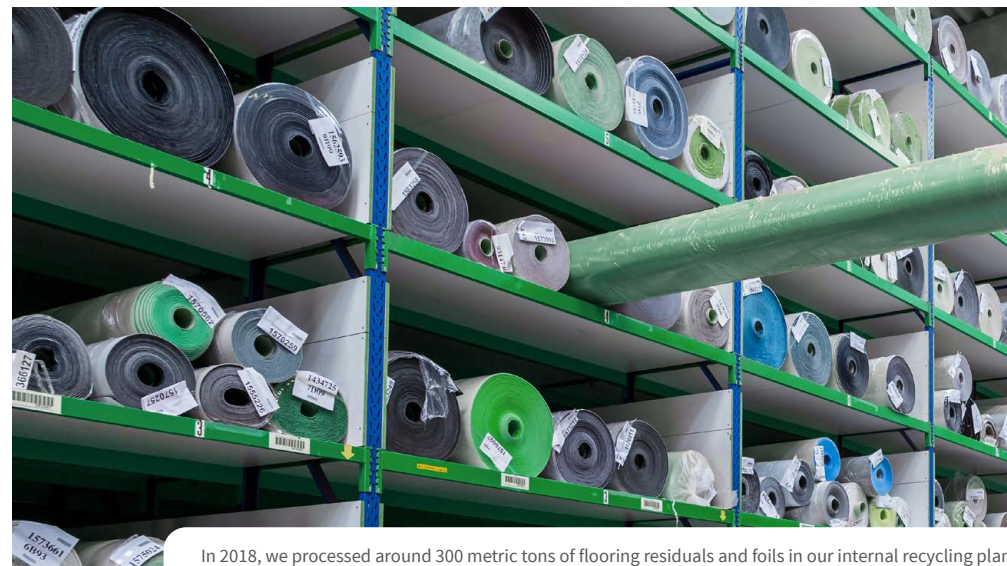
Waste management plays a major role in Vorwerk's production units. Here, waste is collected separately, recycled if possible and otherwise disposed of properly. At Vorwerk Engineering the main waste categories are plastics, metals and oils, while at Vorwerk flooring the focus is on production residuals such as plastics, latex and yarns.

In order to protect resources Vorwerk flooring has already been recycling its production waste materials for many years: In 2018, the company reprocessed some 300 metric tons of flooring residuals and foils in its internal recycling plant. The textile residuals are given a new lease of life as "texback products" on the underside of carpets: They are attached with Velcro tape and don't need to be fixed with adhesives. Any remaining waste is sold to a local waste disposal service provider which in turn produces electricity and heat for our carpet production sites – a rewarding loop. A smaller part of it is used as substitute fuel in the cement industry. Vorwerk

Engineering is currently conducting a feasibility study for internal recycling of plastics.

The waste volume fell by
15%
in 2018.

Due to improvement measures as well as reduced production levels the waste volume fell by 15 percent compared to the previous year. Another positive development is that the amount of hazardous waste materials fell by 29 percent in the same period.



In 2018, we processed around 300 metric tons of flooring residuals and foils in our internal recycling plant.

Waste materials and disposal paths 2016–2018 (in metric tons)¹

Business unit	Waste materials for disposal		Waste materials for recycling		Total by business unit
	Nonhazardous	Hazardous	Nonhazardous	Hazardous	
Vorwerk Engineering	74.5	11.1	4,765.6	97.6	4,948.8
	165.4	13.7	5,543.7	139.0	5,861.9
	161.4	14.6	6,437.0	108.4	6,721.5
Vorwerk flooring	0.0	0.5	1,373.0	4.3	1,377.8
	0.0	8.0	1,581.0	0.0	1,589.0
	0.0	2.0	1,585.0	1.0	1,588.0
Total ²	74.5	11.5	6,138.6	101.9	6,326.5
	165.4	21.7	7,124.7	139.0	7,450.9
	161.4	16.6	8,022.0	109.4	8,309.5

■ 2018 ■ 2017 ■ 2016

¹ Only in the producing business units: Vorwerk Engineering and Vorwerk flooring

² Due to rounding there may be deviations in totals.



Fluctuating water consumption

Water consumption and waste water output are an important issue at only a few Vorwerk locations. This involves above all the water-intensive vat dyeing process in the carpet plant of Vorwerk flooring in Hamelin.

Following the dyeing process there the water is processed in the company's own clarification tanks to bring it into line with municipal requirements so that it can then be channeled into the sewage system. Between 2016 and 2018 the water consumption in this area rose by 27 percent. An alternative process requiring less water had to be discontinued for quality reasons at the start of 2017.

Water is a necessity at Vorwerk Engineering, too. Its main use at the Wuppertal production site is for machine cooling. Due to the record-breaking summer of 2018, and also to our major building work, significantly more water was used for cooling in this period. This led to a corresponding increase in the waste water volume.

However, at Semco in France the water consumption fell by some 45 percent in 2018. This was preceded by a burst water main in the previous year that caused an increase in the "consumption" in 2017. Water consumption also fell strongly at Vorwerk Manufacturing in China. In 2017 the consumption had been increased by major building work; the building entered service in 2018. In total the water consumption in the Vorwerk Group rose by 4.7 percent in 2018 and the waste water output by 4.2 percent.

In 2018
water consumption rose by

4.7%

Water consumption 2016–2018 (in thousands of cubic meters)¹

Business unit	Water consumption by source			Total by business unit
	Public supply network	Ground-water	Surface water	
Vorwerk Engineering	23.5	0.0	21.2	44.7
	26.6	0.0	7.1	33.7
	20.0	0.0	9.8	29.7
Vorwerk flooring	4.0	315.3	0.0	319.3
	3.4	310.4	0.0	313.8
	3.5	247.7	0.0	251.1
Total ²	27.4	315.3	21.2	363.9
	30.0	310.4	7.1	347.4
	23.4	247.7	9.8	280.9

■ 2018 ■ 2017 ■ 2016

¹ Only the producing business units: Vorwerk Engineering and Vorwerk flooring.

² Due to rounding some slight deviations may occur in the totaling.

Waste water output 2016–2018 (in thousands of cubic meters)¹

Business unit	Waste water output by discharge type				Total by business unit
	Process water without on-site purification	Process water with on-site purification	Sanitary waste water	Other waste water	
Vorwerk Engineering	23.5	2.1	18.4	0.6	44.3
	26.6	0.0	22.4	0.8	32.7
	20.0	0.0	7.2	0.0	13.8
Vorwerk flooring	0.0	307.7	4.0	0.0	311.7
	0.0	305.6	3.4	0.0	309.0
	0.0	239.7	3.5	0.0	243.2
Total ²	23.3	309.8	22.4	0.6	356.0
	9.5	305.6	25.8	0.8	341.7
	6.7	239.7	10.6	0.0	257.0

■ 2018 ■ 2017 ■ 2016

¹ Only the producing business units: Vorwerk Engineering and Vorwerk flooring.

² Due to rounding some slight deviations may occur in the totaling.



Vorwerk is building for the future

Vorwerk is investing in its future. Wide-ranging building projects are providing much-needed space and creating modern production and office premises. This involves a clear focus on sustainability and efficiency.

We set great store by the latest environmental technology – for instance in heating, ventilation and lighting. At the same time the new buildings bring improvements in terms of fire safety and work safety. What's more, we protect nature in the surroundings of the buildings.

At the end of 2016 work began on the extension to the Elektrowerke in the Laaken district of Wuppertal. As part of the “Wupper Süd” project, this involved an engine plant with integrated high-bay warehouse being extended to 20,000 square meters and construction of another building containing some 14,000 square meters. In the future this building will be used mainly for research and development and for sections of the business administration. The new and renovated buildings integrate the latest technical standards. Among other things, we use waste heat from machines for heating purposes, we ventilate the buildings efficiently using heat recovery systems and “adiabatic” (humidified)

outgoing air cooling, and we use LED lighting. Moreover, we apply a mobility concept for employees, for works traffic and for incoming and outgoing deliveries. All this enables us to save energy and to reduce CO₂ emissions. The move of various business units is scheduled to take place by October 2019.

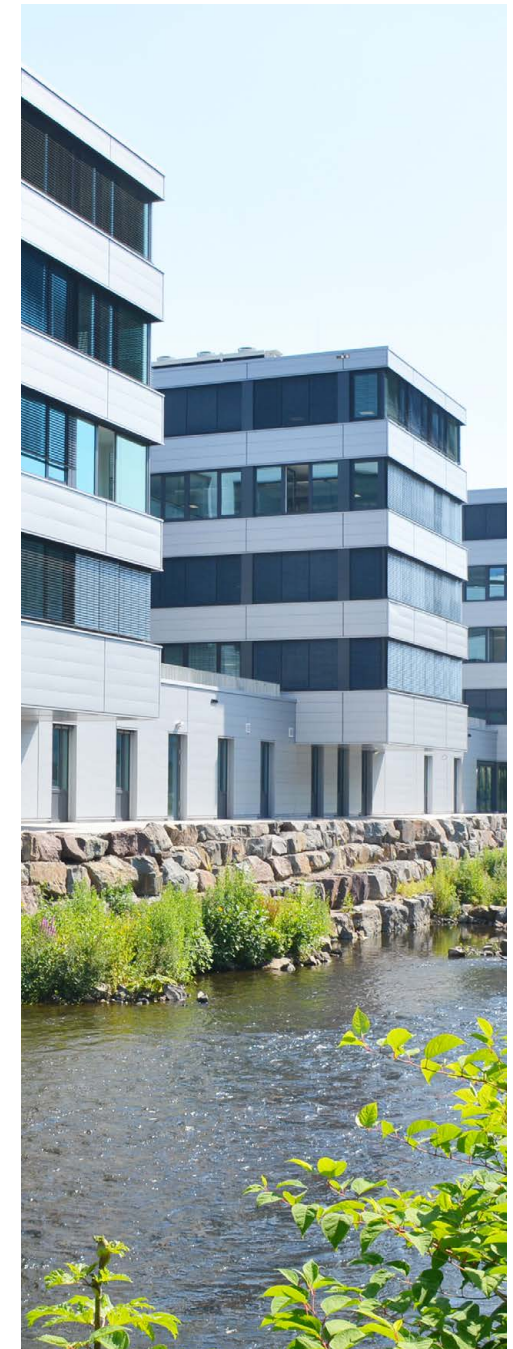
Renaturation of pond and river

In 2017 the Laaker Teich (‘Laaken Pond’) in the immediate vicinity of the Vorwerk site was remodeled, leading to an improvement in water quality and providing protection for amphibians. The subsequent renaturation work on the River Wupper, which flows right through the company premises, was completed in October 2018. This involved the remodeling of some 1,100 meters of riverbed and riverbanks to create a natural habitat for flora and fauna. Among other measures, a weir was removed, new river obstacles were introduced and in some sections the riverbed was doubled in width to improve living conditions for fish and small creatures. This project, carried out by the Wupperverband river basin management organization and

supported by Vorwerk, contributes to the realization of the → [EU Water Framework Directive](#) which aims to improve the condition of rivers and streams throughout Europe.

Building work in Switzerland, too

Another new building was realized at the location of Vorwerk International in Wollerau (Switzerland). Here too, the sustainability philosophy was a guiding principle. The existing building dating from 1989 was demolished and replaced by a modern new building for 180 employees. This building is certified in line with Minergie, the Swiss quality label for low-energy-consumption buildings. The building facade has triple heat insulation glazing, while the energy for heating and cooling derives from geothermal sources and the ventilation system recovers humidity and heat. Moreover, the company has created an incentive program to motivate employees to make greater use of public transport. The employees moved into the new building in May 2019.



Quality and Durability

Good for people and the environment – our products

Our products are intended to be good for people and the environment. That makes them good for Vorwerk, too.

This includes them being durable, repairable, and safe to use, so that they give pleasure for a long time. At the same time, they should not harm the world that is our home. That is why we design them to be energy-efficient and reduce the consumption of resources for their production. In short, we want our products to become more and more sustainable, but at the same time to meet our high quality standards.





Responsibility for our products

Premium quality and product durability are the foundations of our success. Premium quality also serves sustainability. True quality is reflected in high and lasting product performance with low energy consumption and low wear and tear. Vorwerk products are designed for sustained good performance, and our electrical appliances are generally easy to repair. For this reason, we keep spare parts in stock for a long period of time. This is one of the principles of our product policy, which focuses very concretely on sustainability. After all, the longer the products are used in households, the less resources are needed to produce new ones.

Another characteristic of Vorwerk products is that they are nonhazardous in terms of health and safety. Even though we are subject to stringent legal requirements for consumer protection in all these areas, our quality management systems ensure that we comply with all specifications and generally go far beyond such requirements. Furthermore, we also use feedback from our customers and advisors to constantly improve the quality of our products.

Like us, our customers expect high standards in terms of functional design, the use of technological innovations, and environmentally friendly products. Vorwerk electrical appliances meet demanding energy-efficiency requirements. As a leading direct sales company, we are also committed to long cooling-off periods, smooth customer service, and accommodating behavior in the event of complaints.

Even without regulatory requirements, Vorwerk is committed to reducing the use of materials to the absolute minimum to save resources and to using recycled materials as far as possible. We are working systematically to reduce plastics in our packaging and to increase the proportion of recyclable and recycled materials – especially wood and cardboard. All this pays off in the premium quality of our products.

From our Sustainability Program

In our field of action “Products” we have set ourselves the following overarching goals and are continuously working on them:

Goals	Deadline	Status
We are reducing the environmental impact of our products in terms of materials (less, greener, recyclable) and energy efficiency.		
Identification of sustainable materials for Vorwerk household appliances.	2019	<ul style="list-style-type: none"> Cooperation with the Institute for Plastics Technology Stuttgart (IKT) – results expected by end-2019.
Increasing the proportion of recycled materials in our products.	Ongoing	<ul style="list-style-type: none"> Recycling of production residues and increase in purchase of recycled Econyl yarn at Vorwerk flooring. Feasibility study for in-house recycling at Vorwerk Engineering started at end-2018.
Optimization of our packaging with regard to the quantity and type of material used (less, more environmentally friendly, more recyclable).	Ongoing	<ul style="list-style-type: none"> Conversion to reusable carrier bags at Vorwerk stores. Optimization of repair mixing blade packaging (material saving > 70%). Optimization of household appliance packaging started in 2018, step-by-step implementation planned from 2020.
We are improving the durability of our products with a focus on quality, service, and reparability.	Ongoing	<ul style="list-style-type: none"> Introduction of quality management according to ISO 9001 in Shanghai in 2018. Systematic attention to the topic of reparability in product development since the end of 2018.
We are using the opportunities of digitalization to implement innovative service concepts and accessibility in use.	Ongoing	<ul style="list-style-type: none"> Control of VR Vacuum Robot via its own app and Amazon Alexa. Accessibility pilot project launched in Spain.
We are positioning the products as supporters of a healthy and sustainable lifestyle.	Ongoing	<ul style="list-style-type: none"> Expanding choice of recipes for certain diets (vegetarian, vegan, gluten-free, low-carb, etc.). 227 recipes with ingredients that are often leftovers from other recipes (as at August 2019). Allergy-suitability of the filter bags for Kobold vacuum cleaners.

If it lasts longer, it is sustainably good

The durability and reparability of our products demonstrate that quality is a genuine sustainability factor. With Kobold vacuum cleaners, for example, the sale of filter bags for devices that are no longer manufactured is a good indication of their durability. Even today we still sell around 400,000 FP122 filter bags for the Kobold VK122, which was last produced in the year 2000. This means that even after almost 20 years, older Vorwerk products continue to serve their owners well.

Long-selling products at Vorwerk

For some Kobold vacuum cleaners from Vorwerk which have not been manufactured for years, we still sell large quantities of filter bags today – the best proof of durability.

Filter bag	Vacuum cleaner type	Last produced	Units sold 2018
FP122	VK118 – VK122	VK118: 1983 VK122: 2000	403,000
FP131	VK131	2003	1,083,000
FP252	Tiger VT252	2006	306,000

Reparability is a must

If a product ever gets damaged, then it's good to know that our products are generally easy to repair and spare parts for our main products are usually available for ten years or more after a model has been discontinued. This is part of our customer promise.

However, for some electrical appliances, faster development cycles mean that after some time, special components such as displays and electronic parts are no longer up-to-date. With certain products or their components, this can lead to it eventually being no longer useful, or sometimes no longer possible, to keep spare parts in stock for such a long time. In the medium term we look for a satisfactory solution for our customers.

At Vorwerk, durability and reparability have always been taken into consideration in product development. For example, the fully automatic Temial Tea Maker was designed from the outset so that, where applicable, individual components would be replaceable and replacing an entire assembly would be unnecessary.



Durable products save resources.



More performance using less energy

Energy efficiency is another factor that influences quality and sustainability. This is about performance achieved in comparison to power consumption or, for vacuum cleaners, dust absorption compared to energy used.

Kobold devices, for example, have long been regarded as particularly energy-efficient. For instance, since 2003, our upright and cylinder vacuum cleaners have a maximum rated power of 900 watts. According to the EU regulation 666/2013, this value has only been prescribed as the maximum for energy consumption since September 1, 2017. However, the latest generation of Kobold machines is already well below this level: The VK200 Upright Vacuum Cleaner has a maximum power rating of 700 watts, while that of the VT300 Cylinder Vacuum Cleaner is 750 watts.

Both the Thermomix® TM5 and the new Thermomix® TM6 save electricity through their automatic switch-off feature (instead of stand-by). According to the German Environment Agency, electrical appliances in stand-by mode in Germany alone cause unnecessary electricity costs of around 3.3 billion euros – our customers therefore benefit from the economy of our products.¹

The efficiency of the Thermomix® is demonstrated above all in comparison with conventional stove-top food preparation, where it replaces other devices with its twelve (TM5) or 17 (TM6) functions. With Thermomix®, too, we are pursuing the goal of increasing energy efficiency, even though, according to feedback from surveys, this is not a decisive factor for the majority of our customers.

Optimizing energy efficiency is one of the goals of our sustainability program to reduce the product-related CO₂ footprint. Apart from the materials used, this factor is our most important control parameter (KPI) in our Products field of action. Among our efforts to reduce the CO₂ footprint of future products is the participation of Vorwerk Elektrowerke in the project “EcoING – Development and Implementation of an Ecodesign Learning Factory for University Engineering Education.” It is being funded by the German Federal Environmental Foundation from October 2019 to September 2021. The project aims to equip future engineers for the design of products that are more environmentally friendly. At the same time, we are establishing initial contacts with potential future employees.

Sustainable Kobold

Just how sustainable a Kobold vacuum cleaner is can be seen not just in its energy consumption, but in other properties as well:

VB100 Cordless Vacuum Cleaner

- Extension of battery life through cooling during usage
- Rechargeable lithium-ion battery is “state of the art” in battery technology
- Very low noise emissions
- Ideal for allergy sufferers: The air blown out is cleaner than the air in the room

VR Vacuum Robot

- Intelligent navigation saves time and energy
- Rechargeable lithium-ion battery (see above)
- Saves time for the user
- High data security

SP600 DuoClean

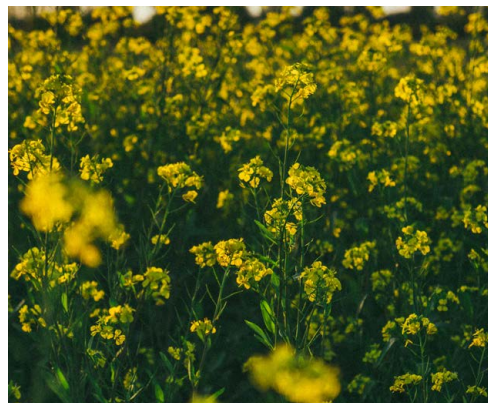
- Minimal consumption of water and cleaning agents saves time for the user
- High-quality, reusable cleaning cloths, designed for 100 wash cycles



¹ Source: <https://www.test.de/Stromverbrauch-im-Standby-Warum-sich-Strenge-lohnt-1504124-0>



To conserve resources, Vorwerk flooring is increasing its use of the recycled nylon yarn Econyl.



In our "RE/COVER green" flooring line, petroleum-based raw materials are being replaced by organic raw materials, e.g. from rapeseed and castor oil.

Recycled and regenerable raw materials

The materials used in our products have a decisive influence on their sustainability. Through the efficient use of materials – as well as purchasing recycled material and recycling production waste in the flooring segment – we are conserving resources.

With carpets and resilient flooring from Vorwerk flooring, our vision is to develop products that consist almost entirely of recycled materials and can also be later recycled again themselves. At Vorwerk flooring, we therefore promote the effective use of recycled and recyclable materials. For instance, we recycle part of our own production waste, and then feed it directly back

into our carpet production – and this has already been in place since the 1980s. In addition, the proportion of Econyl has risen sharply – this is yarn made of recycled nylon, including from abandoned fishing nets. In 2018, 90 metric tons of Econyl were purchased, which corresponds to an increase of 118 percent within three years. Individual products such as our carpet tiles even contain up to 40 percent of recycled materials.



Within three years, the consumption of recycled yarns at Vorwerk increased by 118 percent.

In 2018, 8.3 percent of the entire volume of Vorwerk products used recycled materials (2017: 9.1 percent), in particular paper/cardboard and plastics. The reason for the decline is mainly that the quantity of bought-in parts with an unknown recycling content increased, and therefore could not be taken into account.

We also pay attention to the recyclability of our electric appliances. We have largely dispensed with PVC, and we mark most of our plastic components with their classification codes. This makes it easier to separate and recycle the ma-

terials used later on. We are currently investigating whether and how production waste can be recycled at Vorwerk Engineering. This must be carefully checked for quality reasons.

More sustainable materials

Changing the material composition to make the products even more sustainable is often not easy, because alternative materials must always be compatible with our high quality and design standards. Against this backdrop, the Engineering business unit in collaboration with the Institut für Kunststofftechnik Stuttgart (IKT), one of the leading German research institutes in the field of plastics engineering, launched a study in April 2018 to identify sustainable materials for Vorwerk household appliances. The initial step was to identify and select potential materials. Intensive tests for technical evaluation are currently taking place, with results expected until the end of 2019.

Since 2013, Vorwerk flooring has been offering RE/COVER green, a resilient flooring made largely from renewable raw materials, including high-grade ecological elastomers. Mineral oil-based raw materials are replaced by organic raw materials extracted from castor oil and rapeseed oil. Renewable raw materials also play a major role in packaging, especially cardboard and wood.



Less plastic packaging material

With our packaging we are also contributing to the conservation of resources. Of the 4,150 metric tons of packaging materials accrued in 2018, (2017: 3,658 mt), the proportion of paper/cardboard was 70.5 percent, wood 9.5 percent, and plastics 20.0 percent. The volume of plastic packaging fell by over 100 metric tons or 11 percent.

The proportion of recycled materials in the Thermomix® TM5 packaging in 2018 was 56.2 percent. For the most important Kobold articles, it lay between 70 and 75 percent.

In the future, we want to make our product packaging even more sustainable by implementing measures such as reducing the proportion of plastic in it. In view of the increasing environmental impact caused by plastic waste, already in 2016 Vorwerk Germany started to exclusively use carrier bags made of paper, cotton, and nonwoven fabric in its 50+ Vorwerk stores. As a result, this cut the use of more than 21 metric tons of plastic bags by mid-2018. As well as this, we are also working on using thinner plastic foils as another way to reduce plastic waste. We are expecting a savings potential of 5 to 10 metric tons per year in this area.

More renewable raw materials

The sum total of material use amounted to 38,270 metric tons in 2018 (2017: 35,312 mt), an increase of 8.4 percent over the previous year. The reason for this growth was mainly due to materials such as electronic components, metals, wood, and bought-in finished parts. Decline in 2018 was mainly for acids and solvents (down 20 percent), plastics (down 13 percent), and plastic packaging (down 11 percent). The share of renewable raw materials rose by 22 percent to 3,321 metric tons.



The proportion of renewable raw materials at Vorwerk rose by 22 percent in 2018.

Key consumption of materials in the Vorwerk Group in 2018 (in t)¹

		Vorwerk Engineering	Vorwerk flooring
Raw and auxiliary materials	Metals	4,860	–
	Plastics ²	5,353	3,713
	Others ³	–	12
Operating fluids	Oils, greases, lubricants, chemicals, etc.	18	3,224
Packaging material	Wood	359	34
	Cardboard	2,584	344
	Plastics	765	64
Bought-in parts	Electrical parts	2,609	–
	Others	14,332	–
Sum		30,880	7,390
Total		38,270	

¹ Production units only: Vorwerk Engineering and Vorwerk flooring

² At Vorwerk Engineering mainly granulates, at Vorwerk flooring mainly yarns and carrier and backing materials

³ Incl. glass fibers for stabilizing carpet tiles



Safe and tested products

Vorwerk products are safe to use and meet the most stringent safety requirements. The materials and components used in our products are subject to extensive testing and approval procedures. At Vorwerk flooring, the “Life Balance” seal of approval stands for our comprehensive approach to offering sustainable, eco-friendly, and health-safe products throughout the entire value chain. The products are tested for harmful substances and particulates and are recommended for allergy sufferers. The substances used comply with all the legislated restrictions (e.g. TA Luft, as well as the REACH and RoHS regulations of the EU) and are also approved for carpets by the German Institute for Building Technology (DIBt). As the products are sold worldwide and are also used by commercial users, they must comply with all international standards regarding emissions and fire safety.

Data security with the Kobold Vacuum Robot

The more products are networked with the Internet through smart home applications, the more product-related data security plays a role. The risks in this area lie in the fact that the devices collect information about their area of application through their sensors and communicate with mainframes via Wi-Fi, cloud services, and apps.

In this context, we at Vorwerk are proud to be the winners of independent tests on data security. For example, most recently in January 2019, the Kobold VR300 Vacuum Robot won the security check undertaken by the independent IT security institute AV-TEST.¹ Four premium vacuum robots from well-known brand manufacturers were tested. The Kobold VR300 only collects the data necessary for the operation of the robot. The collected data is only used anonymously for statistics and product improvements.

The Vorwerk VR300 Vacuum Robot is considered to be the most data-secure of its kind on the market.

¹ Source: <https://www.av-test.org/de/news/saugroboter-im-sicherheitscheck-vertrauenswuerdige-haushaltshilfe-oder-petzende-putze/>



Constructive customer feedback

The quality and health safety of Vorwerk products are the key contributing factors to the satisfaction of our customers. The products are durable not just because of their quality, but also because of their performance and design. Feedback from Vorwerk customers – e.g. in discussions with our self-employed advisors or through other communication channels – is used specifically to improve our products. This integrates our customers directly into our innovation management processes.

For all our business units we have implemented processes to record and evaluate customer feedback or complaints. The data is used for the continuous improvement of our products and services.

Above-average satisfaction

In 2018, Kobold conducted an extensive customer satisfaction survey in Germany, France, Italy, Austria, Spain, the Czech Republic, and China. In

most of these countries, this took place in March and April, in China in May/June, and in France in November/December. At least 600 people per country were interviewed by telephone. The customer survey is carried out every two years. Customers were asked how satisfied they were with Kobold products, how willing they were to recommend them to others, and how important topics such as allergy friendliness, wireless products, reparability, etc. were to them.

The results differ significantly depending on country, experience with Vorwerk, and other factors. Satisfaction with the products and with the support provided by our advisors is generally well above average. In just a few countries, satisfaction declined slightly. The survey provided valuable indications as to what measures could be taken to improve the evaluations in the future.

Three months after the purchase of a Thermomix®, we systematically survey customer satisfaction on an international basis. The survey is carried out by e-mail. In 2018, around 172,000



In order to further improve ourselves, we regularly ask our customers for their opinion.

customers from Germany, France, Spain, Italy, Poland, and the Czech Republic took part. In addition to determining how willing customers are to recommend the product to others, this

short survey is about finding out what customers like and dislike about the product. The Net Promoter Score – the readiness to recommend on a scale of -100 to +100 – was an excellent +65 in this Thermomix® survey. Of those surveyed who would recommend the Thermomix® to others, 27 percent had the greatest dissatisfaction with the price. Even among those surveyed who would not recommend the Thermomix® to others, 31 percent said that ease of use was the greatest satisfaction factor.

Around
172,000
customers participated
in the 2018 survey.

Connectedness and Support

A home for all

Vorwerk is represented by its own companies in 20 countries around the world – we feel a close bond with the people there and are therefore involved in local community projects.

We encounter misfortune and disadvantage, which we try to alleviate within the realm of our possibilities. For example, we are involved in projects that in most cases benefit young people – and consequently our future. We hope to inspire people with our commitment. Our involvement is unfailing and enables others to have a better home.





Our mission for a better home

As a family-owned company with a 135-year history, the topic of family is particularly important to us. A large proportion of our products (household appliances, carpets) are related to the home.

So it stands to reason that the idea of family and the home are at the focus of our nonprofit activities within the community.

We have been doing this globally for many years in the form of our support for the international network of → [SOS Children's Villages](#). The members of the owner family are personally involved, as are the company, its employees, and our self-employed advisors.

The scope of our community involvement is traditionally greatest at our headquarters in Wuppertal. In February 2019, we conducted a survey to find out where and how the global companies of the Vorwerk Group were involved in charitable causes in 2018. The results of this survey are being used to generate best-practice examples.

Guidelines for community engagement are in preparation, which we would like to provide to our business units and international subsidiaries to assist them in their own activities, along with a “toolbox” for measures and actions suitable to Vorwerk. In this way, we aim to support the individual companies in implementing their commitment even more efficiently and effectively in the future.

From our Sustainability Program

We are setting ourselves concrete goals to further improve our activities and to measure our success against them.

Goals	Deadline	Status
Collection of donations amounting to approx. 100,000 euros to finance the new youth center for our SOS Children's Village in Qhy Nhon (Vietnam).	2020	Group-wide appeal took place; various specific activities planned to collect donations at the international subsidiaries.
Expansion of community involvement with SOS Children's Villages by supporting the international subsidiaries in developing their own activities (e.g. corporate volunteering).	2020	Toolbox in preparation, completion expected in 2020.



The family and the home are the focus of our commitment.



Vorwerk has been supporting the international network of SOS Children's Villages for many years.



The city of Quy Nhon is growing rapidly. Positive economic development is improving young people's chances of finding training positions or university places.

Giving children and young people a home

Being cared for by a family in an orderly home is not a given for all children in the world. SOS Children's Villages take care of these young people worldwide. Vorwerk has been active in this area for many years.

Through the "Vorwerk Family Fund," we collect money worldwide for SOS Children's Villages. Employees, self-employed advisors, the Execu-

tive Board, and the owner family have demonstrated their strong commitment by donating the sum of 2.4 million euros to the fund so far. This supported the construction of several children's homes in the SOS Children's Villages in India and Costa Rica and made it possible to set up and finance an entire facility in Vietnam.

For the SOS Children's Village of Quy Nhon in the central Vietnamese province of Binh Dinh, Vorwerk not only provided the funding for its construction until 2011, but has also largely financed its maintenance since then. At the end of 2018, 110 children lived in one of the 14 family houses in Quy Nhon. 29 children attend primary school, and 71 secondary school. Seven children go to the kindergarten on the village grounds, which is also attended every day by around 200 children from the surrounding area. The children are looked after by 14 SOS mothers, three SOS aunts, and three SOS teachers. In addition, there are two administrative employees and five maintenance staff.

separately by male teachers. The girls remain in the SOS Children's Village families until they become independent and continue to be supported there. Vorwerk has set itself the follow-up goal of financing the construction of the youth house. It was opened in August 2018 and offers space for 29 young people who can concentrate on their education and prepare for the next stage of their lives. The boys continue to maintain contact with their SOS mothers and siblings and often visit their SOS families. Competent contact persons are also on site in their new home because the carers live together with the teenagers.

A house for young people

For some time now, there has been an urgent need for a youth center for male youths that more effectively meets the needs of teenagers from the age of 14. In the facilities of the SOS Children's Villages in Vietnam, it is customary for boys of this age to no longer to live in their Children's Village family, but to be cared for

2.4 mill.
euros have been donated to the
"Vorwerk Family Fund".



Think globally, act locally

Many companies in the Vorwerk Group are committed financially or personally to charitable goals. In 2018, 60 percent of the mostly medium-sized companies in the group took part in at least one charitable event.

Under the motto “Think globally, act locally”, Vorwerk UK, for example, supported the “Rise Against Hunger” initiative. In cooperation with the British company Forever Living Products, around 130,000 meals were packed in one day with the help of 400 volunteers. The aim was for the food to benefit hungry people in other parts of the world. The organization therefore actively promotes one of the Sustainable Development Goals of the United Nations, to end hunger in the world by the year 2030.

Similar approaches are already in practice at Vorwerk in Poland. On the International Day of the Homeless, employees of the company prepare food for homeless people. On International Children’s Day, children living in institutions for homeless single mothers receive gifts.

Many of the activities mainly operate on a local level. For instance, in February 2018, Vorwerk Germany presented a donation of 2,000 euros

to Kindertal e.V. This nonprofit association supports children and young people who live in poverty or near the poverty line in Wuppertal. This is mainly case-by-case assistance.

Another donation was for the benefit of environmental protection. Instead of a Christmas campaign for business partners, the akf group supported the initiative “One Earth, One Ocean” by making a 10,000-euro donation in 2018. This organization is involved in combating plastic waste in the open sea and along coastlines.

Promoting education

Education is a prerequisite for young people finding a career. Vorwerk is therefore committed to promoting education in a variety of ways. From 2011 to 2019, we cooperated with the nonprofit organization → [UNITECH International](#), a network for the promotion of qualified professionals. It connects leading European universities in the areas of technology and engineering education with innovative companies and top-notch students. During their stay abroad, UNITECH students acquire professional qualifications,



Vorwerk supports the Junior Uni in Wuppertal.



management skills, and practical work experience. In December 2018, a group of prospective engineers from Aachen, Barcelona, Delft, Dublin, and Loughborough got to familiarize themselves with Vorwerk. The students experienced the production area at the Elektrowerke in Wuppertal, visited the Thermomix® studio, and prepared small meals in the Thermomix®. Lectures and targeted networking rounded off the day. At “Mid-term Week,” another six-day event in January 2019, a Vorwerk expert from the field of predevelopment took on the role of a so-called case advisor. The focus was on the phases of product development at Vorwerk.

Since October 2018 until 2021, Vorwerk will finance the endowed professorship for “Technologies and Management of Digital Transformation” at the University of Wuppertal. The total cost of 1.5 million euros over five years will serve research in the field of digital transformation.

Vorwerk is promoting research into digital change through an endowment for a new professorship.

In addition, Vorwerk has contributed 50,000 euros toward supporting the → [Junior Uni Wuppertal](#), a unique teaching and research institution in Germany for young people between the ages of four and 20. Throughout the year, lecturers from business, science, and education impart practical knowledge in a variety of fields.

Donations for a good cause

In 2018, the volume of donations in the Vorwerk Group rose by 41 percent. The largest share

of this was accounted for by the head office in Wuppertal (plus 85 percent). This more than compensated for declines in other areas. The reason for the increase was the endowment of the professorship at the University of Wuppertal and the sponsorship of the Junior Uni Wuppertal. In addition, the form of commitment shifted: in 2018, compared to the previous year, the proportion of monetary donations increased by 63 percent, while donations in kind, measured in monetary value, decreased accordingly.

Donations 2017–2018 (in thousands of euros)¹

Business unit	2017	2018
Vorwerk & Co. KG²	326.8	603.7
Thermomix & Kobold	227.3	193.5
Vorwerk Engineering	33.2	44.0
Vorwerk flooring	3.7	3.6
akf group	16.4	14.6
Total³	607.5	859.4

¹ Monetary donations and donations in kind

² incl. Vorwerk Direct Selling Ventures GmbH, Vorwerk & Co. Interholding GmbH, SIVONA Beteiligungs GmbH.

³ Vorwerk Group excluding JAFRA Cosmetics, Lux Asia Pacific, and Neato Robotics

Donations in kind to help others

In addition to money and working hours, companies in the Vorwerk Group also donate goods. For example, Vorwerk in Germany made Thermomix appliances available to the young researchers competition “Jugend forscht,” the Children’s Olympics, and in a special case to a family with a seriously ill child. Vorwerk Polska donated a Thermomix® to a hospice; Vorwerk LLC in the USA donated three appliances to the Culinary Institute of America and two more to the Baird Foundation, both nonprofit organizations. Kobold appliances changed owners in a similar way. Among other things, Vorwerk provided the nonprofit “Schalke hilft e.V.” with a Kobold to be raffled off. Vorwerk flooring donated carpets for kindergartens, schools, and church organizations.

The employees of the akf group participate regularly in the Wuppertal initiative “Zeit der Sternschnuppen” to collect Christmas gifts for needy children and young people.



GRI Content Index



This Sustainability Report 2018 was available to the GRI for implementation of the GRI Materiality Disclosures Service.

The correct positioning of the Materiality Disclosures (GRI 102-40 to 102-49) in the report was confirmed by the GRI Services team.

The service was performed on the German version of the report. All of the GRI Standards listed in the following GRI Content Index were published in 2016.

GRI Standard	Short Description	Omissions, Remarks	Page
GRI 101	Foundation		
GRI 102	General Disclosures		
	Organizational profile		
102-1	Name of the organization		4, 63
102-2	Activities, brands, products, and services		4–5
102-3	Location of headquarters		4
102-4	Location of operations		5, 62
102-5	Ownership and legal form		8, 62
102-6	Markets served		4–5
102-7	Scale of the organization		4; Annual Report p. 6
102-8	Information on employees and other workers		22–24
102-9	Supply chain		34
102-10	Significant changes to the organization and its supply chain		5, 62
102-11	Precautionary principle or approach		7, 9–11, 16, 36, 43, 45
102-12	External initiatives		18, 20, 34, 36, 53–54
102-13	Membership of associations		62
	Strategy		
102-14	Statement from senior decision maker		3
102-15	Key impacts, risks, and opportunities		11, 15–17
	Ethics and integrity		
102-16	Values, principles, standards, and norms of behavior		7–9, 30, 34
	Governance		
102-18	Governance structure		8, 12
	Stakeholder engagement		
102-40	List of stakeholder groups		15–16
102-41	Collective bargaining agreements		26
102-42	Identifying and selecting stakeholders		16
102-43	Approach to stakeholder engagement		15–18, 20, 26, 33, 51
102-44	Key topics and concerns raised		15, 17–18, 51



GRI Standard	Short Description	Omissions, Remarks	Page
	Reporting practice		
102-45	Entities included in the consolidated financial statements		4–5, 62
102-46	Defining report content and topic boundaries		16, 62
102-47	List of material topics		17, 58–62
102-48	Restatements of information		first report
102-49	Changes in reporting		first report
102-50	Reporting period		62
102-51	Date of most recent report		first report
102-52	Reporting cycle		62
102-53	Contact point for questions regarding the report		63
102-54	Claims of reporting in accordance with the GRI Standards		62
102-55	GRI Content Index		57–61
102-56	External assurance		none
200	Economic Standards		
GRI 201	Economic performance		
GRI 103	Management approach (including 103-1, 103-2, 103-3)		4, 10
201-1	Direct economic value generated and distributed		4, 18, 56; Annual Report p. 44
201-3	Defined benefit plan obligations and other retirement plans		Annual Report p. 31, 43/44, 50, 52
GRI 203	Indirect economic impacts		
GRI 103	Management approach (including 103-1, 103-2, 103-3)		36, 52–53
203-1	Infrastructure investments and services supported		43, 54, 56
GRI 205	Anti-corruption		
GRI 103	Management approach (including 103-1, 103-2, 103-3)		7, 9–10
205-3	Confirmed incidents of corruption and actions taken		none
GRI 206	Anticompetitive behavior		
GRI 103	Management approach (including 103-1, 103-2, 103-3)		7, 9–10
206-1	Legal actions for anticompetitive behavior, antitrust, and monopoly practices		none
300	Environmental Standards		
GRI 301	Materials		
GRI 103	Management approach (including 103-1, 103-2, 103-3)		45, 48–49
301-1	Materials used by weight or volume		49
301-2	Recycled input materials used		48–49
301-3	Reclaimed products and their packaging materials	In the case of returned products, parts that can still be used are removed and partly reused. Packaging cannot be reused for quality reasons.	



GRI Standard	Short Description	Omissions, Remarks	Page
GRI 302	Energy		
GRI 103	Management approach (including 103-1, 103-2, 103-3)		36–37, 39, 45, 47
302-1	Energy consumption within the organization		37–39
302-3	Energy intensity		37
302-4	Reduction of energy consumption		36–37, 39
302-5	Reduction in energy requirements of products and services		47
GRI 303	Water		
GRI 103	Management approach (including 103-1, 103-2, 103-3)		36, 42
303-1	Water withdrawal by source		42
303-2	Water sources significantly affected by withdrawal of water		none
303-3	Water recycled and reused		42
GRI 304	Biodiversity		
GRI 103	Management approach (including 103-1, 103-2, 103-3)		36, 43
304-3	Habitats protected or restored		43
GRI 05	Emissions		
GRI 103	Management approach (including 103-1, 103-2, 103-3)		35–36, 40
305-1	Direct (Scope 1) GHG emissions		40
305-2	Energy indirect (Scope 2) GHG emissions		40
305-4	GHG emissions intensity		40
305-5	Reduction of GHG emissions		36, 39–40
GRI 306	Effluents and waste		
GRI 103	Management approach (including 103-1, 103-2, 103-3)		36, 41–42
306-1	Water discharge by quality and destination		42
306-2	Waste by type and disposal method		41
GRI 307	Environmental compliance		
GRI 103	Management approach (including 103-1, 103-2, 103-3)		7, 9–10, 36
307-1	Noncompliance with environmental laws and regulations		none
GRI 308	Supplier environmental assessment		
GRI 103	Management approach (including 103-1, 103-2, 103-3)		20–21, 34
308-1	New suppliers that were screened using environmental criteria		34
308-2	Negative environmental impacts in the supply chain and actions taken	Vorwerk obliges its suppliers to comply with environmental and social standards; to date, only random checks have been carried out. An inspection concept is in preparation.	
400	Social Standards		
GRI 401	Employment		
GRI 103	Management approach (including 103-1, 103-2, 103-3)		19–20, 22, 27



GRI Standard	Short Description	Omissions, Remarks	Page
401-1	New employee hires and employee turnover	Fluctuation by gender, age group, and region and details of new hires will be published in the next report.	25
401-3	Parental leave		27
GRI 402	Labor/Management relations		
GRI 103	Management approach (including 103-1, 103-2, 103-3)		26
402-1	Minimum notice periods regarding operational changes		26
GRI 403	Occupational health and safety		
GRI 103	Management approach (including 103-1, 103-2, 103-3)		20, 31
403-2	Types and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities		31
403-3	Workers with high incidents or high risks of diseases related to their occupation		none
GRI 404	Training and education		
GRI 103	Management approach (including 103-1, 103-2, 103-3)		20–21, 29, 33
404-1	Average hours of training per year per employee	No figures collected to date. Quantitative indicators such as training hours or costs per employee do not represent relevant indicators for the Vorwerk Group, as in our opinion they say nothing about the quality of training and do not sufficiently take account of measures such as informal “on-the-job” learning, learning through responsibility, etc.	
404-2	Programs for upgrading employee skills and transition assistance programs		29, 33
404-3	Percentage of employees receiving regular performance and career development reviews	Survey not planned; see page 29, last paragraph.	
GRI 405	Diversity and equal opportunity		
GRI 103	Management approach (including 103-1, 103-2, 103-3)		20–21, 30, 33
405-1	Diversity of governance bodies and employees		23, 30, 33
405-2	Ratio of basic salary and remuneration of women to men		30
GRI 406	Non-discrimination		
GRI 103	Management approach (including 103-1, 103-2, 103-3)		30
406-1	Incidents of discrimination and corrective actions taken		30
GRI 407	Freedom of association and collective bargaining		
GRI 103	Management approach (including 103-1, 103-2, 103-3)		26, 34
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		26, 34
GRI 408	Child labor		
GRI 103	Management approach (including 103-1, 103-2, 103-3)		34
408-1	Operations and suppliers at significant risk for incidents of child labor		34
GRI 409	Forced or compulsory labor		
GRI 103	Management approach (including 103-1, 103-2, 103-3)		34
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor		34



GRI Standard	Short Description	Omissions, Remarks	Page
GRI 412	Human rights assessment		
GRI 103	Management approach (including 103-1, 103-2, 103-3)		34
412-1	Operations that have been subject to human rights reviews or impact assessments		34
GRI 414	Supplier social assessment		
GRI 103	Management approach (including 103-1, 103-2, 103-3)		20–21, 34
414-1	New suppliers that were screened using social criteria		34
414-2	Negative social impacts in the supply chain and actions taken	Vorwerk obliges its suppliers to comply with environmental and social standards; so far, only sample checks have been carried out. An inspection concept is in preparation.	34
GRI 416	Customer health and safety		
GRI 103	Management approach (including 103-1, 103-2, 103-3)		44–45, 50
416-1	Assessment of the health and safety impacts of product and service categories		45, 50
416-2	Incidents of noncompliance concerning the health and safety aspects of products and services		none
GRI 418	Customer privacy		
GRI 103	Management approach (including 103-1, 103-2, 103-3)		9, 50
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		none



About this report

This is the first public Sustainability Report of the Vorwerk Group. It was preceded by an internal report on the 2016 fiscal year and an internal update on the 2017 fiscal year in order to gain initial experience with the format. The fiscal year under review is 2018 (January 1 to December 31); the report also includes individual current developments from the first half of 2019. In future, the report will be published every two years, i.e. the next one is expected for 2021. The editorial deadline for the current report was 31 August 2019.

The report covers the holding company Vorwerk & Co. KG with headquarters in Wuppertal with Vorwerk Direct Selling Ventures GmbH and Vorwerk & Co. Interholding GmbH, and the companies of the Thermomix, Kobold, Temial, Vorwerk Engineering, Vorwerk flooring, akf group, and Close Logistics business units, with their entire production, administration, and sales locations in Europe (Germany, England, France, Italy, Austria, Poland, Portugal, Switzerland, Spain, Czech Republic, Turkey), America (Mexico, USA), and Asia (China incl. Taiwan). Not covered are the JAFRA Cosmetics and Neato Robotics business units, nor the Lux Asia Pacific business unit, which was sold in the course of 2018.

Our report employs the internationally recognized GRI Standards (2016) of the Global Reporting Initiative (GRI). The report was compiled in compliance with the “Core” option of the GRI standards. The sustainability topics that are material for our business operations were determined on the basis of a systematic materiality analysis, and their disclosure set out in accordance with the GRI Standards. The → [GRI Content Index](#) provides an overview of the standards and specifications used. The data collection took place in the form of annual systematic surveys of all the member companies. There was no external audit.

Memberships

Vorwerk and its companies are members of numerous associations and organizations, some of which are relevant to sustainability. In addition, Vorwerk supports a range of sustainability initiatives. The following list provides a selection of these, focusing particularly on associations that operate Germany-wide or internationally.

- **APPLiA** – Home Appliance Europe (E)
- **B.A.U.M.** – German Federal Committee for Environmentally Minded Management (H)
- **BDD** – German Direct Selling Association (G)
- **BDL** – Federal Association of German Leasing Companies (A)
- **BEVH** – German E-Commerce and Distance Selling Trade Association (G)
- **BFACH** – German Association of Credit Banks (A)
- **BVBC** – German Association of Balance Sheet Accountants and Controllers (G)
- **BVL** – Federal Logistics Association (G)
- **DAAB** – German Allergy and Asthma Association (F)
- **DGFP** – German Association for Human Resource Management (H)
- **DNWE** – German Business Ethics Network (H)
- **ECRA** – European Carpet and Rug Association (F)
- **GfK-Nürnberg** – Society for Consumer Research (based in Nuremberg) (G)
- **GUT** – Association of Environmentally Friendly Carpets (F)
- **Heimtex** – Association of the German Home Textiles Industry (F)
- **Kulturkreis der deutschen Wirtschaft im BDI** – Association of Arts and Culture of the German Economy at the Federation of German Industries (H)
- **Netzwerk intelligente Mobilität** – Network for Intelligent Mobility (A)
- **OAV** – German Asia-Pacific Business Association (H)
- **Rat für Formgebung** – German Design Council (H)
- **Stifterverband für die Deutsche Wissenschaft** – Association for the Promotion of Science and Humanities in Germany (H)
- **TFI** – Institute for Flooring Systems Aachen (F)
- **VCI** – German Chemical Industry Association (E)
- **VDE** – German Association for Electrical, Electronic & Information Technologies (E)
- **Verband der Nordwestdeutschen Textil- und Bekleidungsindustrie** – Association of the Northwest German Textile and Clothing Industry (F)
- **ZVEI** – German Electrical and Electronic Manufacturers' Association (E)

A = akf group; G = Vorwerk Germany; E = Vorwerk Engineering; F = Vorwerk flooring; H = Holding.



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